

Tuesday
14 July 2015

Volume 598
No. 33



**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Tuesday 14 July 2015

House of Commons

Tuesday 14 July 2015

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH OFFICE

The Secretary of State was asked—

Maldives

1. **Karen Lumley** (Redditch) (Con): What recent assessment he has made of the political situation in the Maldives; and if he will make a statement. [900991]

The Minister of State, Foreign and Commonwealth Office (Mr Hugo Swire): I remain deeply concerned by the situation in the Maldives. On 24 June, my right hon. Friend the Prime Minister made clear his view that there should be a political dialogue involving all parties to discuss the country's governance, and that all political detainees, including former President Nasheed, should be released swiftly.

Karen Lumley: Does my right hon. Friend share my concerns that the continued detention of political prisoners, including former President Nasheed—the first democratically elected President of the Maldives—is an impediment to the ongoing talks and to the possible resolution of the crisis?

Mr Swire: We welcome the fact that Mr Nasheed has been moved to house arrest and the political dialogue between the opposition parties and the new Government. We hope the talks will provide the basis for progress on the numerous concerns within the Maldives. It is worth repeating that the Prime Minister has called for the release of all political prisoners, including former President Nasheed.

Andrew Gwynne (Denton and Reddish) (Lab): But does the Minister agree that the Maldives are in breach of the principles of the Commonwealth charter, and does he think the time is right for the Commonwealth to take action against the Maldives to bring about the return of the rule of law and the principles of democracy?

Mr Swire: We are not a member of the Commonwealth Ministerial Action Group, as the hon. Gentleman knows. I have discussed these matters with the Commonwealth Secretary-General. I understand that there has been a telephone conversation between CMAG members and that they keep the situation under continuous review.

19. [901012] **Fiona Bruce** (Congleton) (Con): May I associate myself with the concerns expressed about President Nasheed and his welfare by my hon. Friend the Member for Redditch (Karen Lumley)? I understand that Richard Branson raised recently on his blog concerns about the impact of the political situation in the Maldives on travel and tourism. Does the Minister have a view on that?

Mr Swire: British tourists play a key part in the Maldivian economy and we keep our travel advice under constant review, as my hon. Friend knows—the first thing we ensure, as far as we can, is the safety of our nationals—which includes the political stability of the country.

Ian Paisley (North Antrim) (DUP): The Minister will agree that the kidnapping and holding of a judge is a very serious affair, and that we should therefore allow the rule of law to determine the outcome of the case of former President Nasheed. Does he agree that the main focus of Government foreign policy in the Maldives should be on improving trade relations?

Mr Swire: The focus should be on improving relations, but it should also be on improving the democratic space. The trial of the former President was very rushed and appeared to contravene the Maldives' own laws and practices, as well as international fair trial standards. That is currently being looked at.

John Glen (Salisbury) (Con): I urge the Minister to resist complacency on the Maldives, particularly given that the current regime seems also to be a recruiting sergeant for ISIL in the Maldives. There will come a time when the Government will need to stand clearly on the right side of the argument and intervene more fully to secure justice in that country.

Mr Swire: I hear what my hon. Friend says, but I do not think we can be accused of complacency. I recently raised the Maldives again with the Commonwealth Secretary-General, the Indian Foreign Secretary and the US assistant Secretary of State. Both my right hon. Friend the Prime Minister and I have met Mr Nasheed's wife, and Amal Clooney and other members of Mr Nasheed's legal team, to discuss the situation. We are closely involved.

Russian Federation: EU Sanctions

2. **Jeff Smith** (Manchester, Withington) (Lab): What assessment he has made of the effectiveness of EU sanctions on the Russian Federation. [900992]

The Minister for Europe (Mr David Lidington): Sanctions are having a tangible impact on Russia by exacerbating negative trends in the Russian economy. Russian sovereign debt has been downgraded to junk status by two ratings agencies and forecasters predict that the Russian economy will contract by between 3.5% and 5% during the current year.

Jeff Smith: The BRIC countries—Brazil, Russia, India and China—announced at the summit last week that they will not join in imposing sanctions on Russia.

How much of a blow does the Minister consider that to be, and what diplomatic efforts will the UK Government make, if any, to remedy the situation?

Mr Lidington: We continue to urge all countries to bring pressure to bear, by diplomatic and other means, on Russia to desist from its interference in the affairs of Ukraine and to withdraw the support it has been giving the separatists there. I do not believe that the decision to which the hon. Gentleman referred will have a significant impact on the efficacy of the sanctions that the European Union and the United States have imposed.

Crispin Blunt (Reigate) (Con): Russia is properly under sanction for its misbehaviour towards Ukraine, but the harsh truth is that in our wider relations with Russia we have a clear common interest in taking on Daesh, which is very important to our national interest. Will the Minister try to ensure that where we can find common cause with Russia, we can conduct relations positively, while at the same time sustaining our disapproval of its behaviour in Ukraine?

Mr Lidington: The Prime Minister spoke to President Putin in May and made it clear that while we disagree profoundly with Russia about Ukraine we are still prepared to try to work with Russia on combating international terrorism and advancing the cause of non-proliferation. My right hon. Friend the Foreign Secretary has this week been working with the Russian Foreign Minister and other partners in Vienna to that aim.

Seema Kennedy (South Ribble) (Con): Does my right hon. Friend agree that Russia's actions in Crimea and Donbass are a fundamental challenge to rules-based order, and that it is vital that we stand up to that aggression?

Mr Lidington: I completely agree with my hon. Friend's point. The Russian annexation of Crimea and its continued intervention in the internal affairs of Ukraine are a breach of the Helsinki agreements as well as the agreements that Russia and Ukraine came to at the time of the break-up of the USSR. The precedent that has been set is extremely dangerous.

EU Membership

3. **Brendan O'Hara (Argyll and Bute) (SNP):** What discussions he has had with Ministers in the devolved Administrations on renegotiation of the UK's membership of the EU. [900995]

The Minister for Europe (Mr David Lidington): My right hon. Friend the Prime Minister discussed the United Kingdom's renegotiation plans with the First Minister of Scotland during his recent visit to Edinburgh. My right hon. Friend the Foreign Secretary spoke to all three devolved Administration leaders in the margins of the recent British-Irish Council. It is a regular agenda item at meetings between the United Kingdom Government and the three devolved Administrations.

Brendan O'Hara: The Minister will be aware that the First Ministers of Scotland and Wales have said that it would be unacceptable for any part of the United Kingdom to be taken out of the EU against its will.

Given that the Foreign Secretary is on the record as saying that the UK could leave the EU if treaty renegotiations are not to his liking, will the Minister say whether that opinion has been discussed with the First Ministers of the devolved Administrations?

Mr Lidington: I do not think the First Minister has ever been shy about making her opinions known to British Ministers. The key point is that British membership of the European Union is the membership of the whole of the United Kingdom. Our membership of international organisations is explicitly a reserved matter under the terms of the devolution settlements. Under this Government, the people of Scotland will at least have the right to a vote on whether they wish to stay in the European Union, which the hon. Gentleman's party tried to deny them when it voted against the European Union Referendum Bill the other week.

Mr Peter Bone (Wellingborough) (Con): Does the Minister agree that that shower that sit over there have no right to have a veto on what the United Kingdom does and whether it wants to be in the EU or not?

Mr Lidington: As I said a moment ago, it was the United Kingdom that acceded to the European Union back in the 1970s, and it is the United Kingdom as a whole that will take the decision by the end of 2017 whether we wish to maintain that membership.

16. [901009] **Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP):** To be absolutely clear, will the Minister confirm that if the nations of Wales and Scotland vote to stay in the European Union, the UK Government will drag us out against our will?

Mr Lidington: It will not be a matter for the United Kingdom Government: it will be a matter for the people of the entire United Kingdom what decision they wish to take.

Andrew Rosindell (Romford) (Con): The Minister will be aware that Britain's relationship with the EU is vital to the people of Gibraltar and to the people of the Crown dependencies that trade with the EU. Will he ensure that consultations take place with the Parliaments and Governments of Gibraltar, Jersey, Guernsey and the Isle of Man?

Mr Lidington: We will certainly want to take account of the views of the Crown dependencies and the British overseas territories. Of course, the people of Gibraltar will, under the Bill we have brought forward, be entitled to a vote when the referendum comes.

Ms Margaret Ritchie (South Down) (SDLP): Apart from discussions in the margins of the British-Irish Council, will the Minister confirm whether there will be actual discussions as part of the agenda of the British-Irish Council involving the Government of the south of Ireland? An exit from the European Union would have a detrimental impact on business and energy relations north and south, and between Britain and Ireland.

Mr Lidington: The Government's renegotiation is certainly regularly discussed whenever I or any of my ministerial colleagues talk to our Irish counterparts.

I intend to visit all three devolved Administrations later this year. I have no doubt that I will be able to engage in good conversations with political leaders in all three Administrations, so I can take clear account of their views.

Burma

4. **Mr Jim Cunningham** (Coventry South) (Lab): What recent discussions he has had with the Burmese Government on (a) the Rohingya community in Rakhine state and (b) democracy and human rights in that country. [900996]

The Minister of State, Foreign and Commonwealth Office (Mr Hugo Swire): Human rights and democratic reform are central concerns for us. In this critical election year for Burma, we regularly raise these issues with the Government of Burma. I strongly reiterated our concerns on the Rohingya to the Burmese ambassador on 18 May, which our ambassador in Rangoon repeated to Ministers locally.

Mr Cunningham: Does the Minister agree that reserved parliamentary seats for the military are not compatible with a modern democracy? It is now clear that the military in Burma retains too much power and influence and that it is time for the international community to reassess Burma's commitment to democracy and human rights.

Mr Swire: The hon. Gentleman makes a valid point. We have registered our unhappiness with this clause remaining, as indeed we have for the clauses remaining that effectively rule out Aung San Suu Kyi from running as a presidential candidate. Having said that, we have made the point again and again to President Thein Sein—most recently by the Prime Minister—that we expect the elections on 8 November to be inclusive and credible.

Valerie Vaz (Walsall South) (Lab): Will the Minister raise with the United Nations the possibility of Ban Ki-Moon leading a delegation to Rakhine state to ensure humanitarian access?

Mr Swire: We have encouraged the Secretary-General to play a leadership role. With UK support, the situation in Rakhine state was discussed at a UN Security Council briefing on 28 May. We will keep up the pressure on that. It is also worth saying that we support the continuing work of the UN special rapporteur on human rights in Burma, Professor Yanghee Lee.

Mr Alistair Carmichael (Orkney and Shetland) (LD): The Minister will be aware of the widespread concerns surrounding the recent arrest of five students protesting outside the Parliament in Burma. Will he do what the Burma campaign recently asked him to do in relation to other human rights concerns and summon the Burmese ambassador to express the widest possible concerns about these growing human rights abuses?

Mr Swire: We welcome, since 2011, the release of 2,000 political prisoners, increasing press freedoms and the discharging of 500 child soldiers. We have, however, seen some re-arrests and we have not been slow to raise

these issues. We are working extraordinarily closely with the Department for International Development to try to ensure that on 8 November Burma can face a democratic election where the people can decide who they wish to govern them. From that will flow greater freedoms and respect for human rights.

Kerry McCarthy (Bristol East) (Lab): Given the continued plight of the Rohingya and the role of the military, not just in Parliament but in its continued use of sexual violence with impunity and the lack of progress on key areas of constitutional reform, it is clear we are not seeing the progress we need in Burma. Does the Minister think that the UK or the EU retain any influence now that sanctions have been lifted?

Mr Swire: Yes, I do. Incidentally, I draw the House's attention to the hon. Lady's recent article on Burma in the *Huffington Post*, where she appears to suggest that the Prime Minister took business leaders to Burma before the EU lifted trade sanctions in 2013, implicitly suggesting that somehow the Prime Minister was promoting trade when EU sanctions were in place. I refer her back to a 2012 article in *The Guardian*, which she would do well to read. She may wish to correct what is effectively rather a misleading comment in her article.

Kerry McCarthy: I know that the Prime Minister and the Minister are keen to strengthen our bilateral relationship with Burma, but does he agree there will be serious consequences for that relationship if Burma fails to deliver free, fair and credible elections in November in which the Rohingya can participate and Aung San Suu Kyi can play a full role?

Mr Swire: Of course, we work closely with Daw Aung San Suu Kyi on all these matters. To repeat, the Prime Minister, with President Thein Sein, said at the G20 that elections should be inclusive and credible, which is what we are working towards on 8 November.

Colombia

5. **Richard Burgon** (Leeds East) (Lab): What assessment he has made of the human rights situation in Colombia. [900997]

8. **Ian Lavery** (Wansbeck) (Lab): What representations he has made to the Colombian Government on the imprisonment of civil society activists and trades unionists in that country. [901001]

The Minister of State, Foreign and Commonwealth Office (Mr Hugo Swire): I welcome the Colombian Government's efforts to improve the human rights situation, but we remain concerned about the number of murders of, and threats against, human rights defenders. Most recently, I raised human rights with Colombian Foreign Minister Holguin when we met at the EU-CELAC summit in Brussels last month.

Richard Burgon: The FARC announced last week that it would begin a month-long unilateral ceasefire on 20 July, and in response a joint statement by the negotiating teams of the Government and the FARC has announced their agreement to take steps to de-escalate the conflict and implement trust-building measures, as of the 20th of

this month. Will the Foreign Secretary call on the parties to agree a bilateral ceasefire as soon as possible to create the necessary conditions for a successful outcome to the talks and to reduce the human cost and suffering of the population?

Mr Swire: The hon. Gentleman is absolutely right. The peace process, and the peace that we hope will ensue, is the big prize in Colombia for all its people. I therefore welcome the announcement in recent days that the FARC and the Government of Colombia are aiming to de-escalate the conflict and expedite the peace talks in Havana. That is welcome news.

Ian Lavery: Huber Ballesteros, leader of the Patriotic March opposition movement in Colombia, has been in prison since August 2013. Amnesty International claims that the case is emblematic of those of thousands of human rights activists repeatedly intimidated over their work for social justice and support for marginalised groups. What extra pressure can the Minister place on his counterpart in Colombia to stop this human rights abuse?

Mr Swire: We raised these issues some time ago with the Colombian ambassador, who raised the specific cases of Huber Ballesteros and David Ravelo with the Minister of the Interior, and in November 2014 embassy officials visited Mr Ballesteros in prison. The ambassador also raised his case with Guillermo Rivera on 3 February and wrote to the prison authorities that month to ensure his dietary requirements were being respected.

Mr Jeffrey M. Donaldson (Lagan Valley) (DUP): The Minister will be aware that several of us from Northern Ireland have sought to share our experiences with the peace process in Colombia. Does he agree that it might benefit that peace process if, in addition to the call for a bilateral ceasefire, we had some kind of independent monitoring commission, similar to what we had in Northern Ireland, which was of real benefit in building trust and confidence on both sides?

Mr Swire: The right hon. Gentleman knows as well as any Northern Ireland Member that a peace process is exactly that—a process—and one has to continue to work at it. His experience, and that of other Northern Ireland Members who have visited, is hugely useful, but in the immediate future we need to get the Havana peace talks back on track. There are then huge issues to address about accountability, impunity and all the other issues that he and I would recognise.

EU Reform

6. **Heather Wheeler** (South Derbyshire) (Con): What further discussions he has had with his counterparts in EU member states on the issues relating to EU reform raised by the Prime Minister at the June 2015 European Council. [900999]

9. **Byron Davies** (Gower) (Con): What further discussions he has had with his counterparts in EU member states on the issues relating to EU reform raised by the Prime Minister at the June 2015 European Council. [901002]

The Minister for Europe (Mr David Lidington): Since the June European Council meeting, my right hon. Friend the Foreign Secretary and I have had further discussions with counterparts on the areas in which we want to see change in the EU: sovereignty, fairness, competitiveness and immigration. We will both continue to do so over the coming months.

Heather Wheeler: What changes does the Minister expect to negotiate at EU level to help the businesses and hard-working people in my constituency of South Derbyshire to succeed in an increasingly competitive global economy?

Mr Lidington: I think that the reforms that we are seeking to deepen the single market and make it easier for businesses to sell digitally and to sell services throughout Europe, the efforts that we are making to push for the successful completion of a free trade deal between Europe and the United States, and the work that we are doing to cut red tape in the EU should be of direct benefit to the businesses in my hon. Friend's constituency.

Byron Davies: There are particular concerns with the recent EU accession countries in relation to corruption and maladministration. What is the UK doing to ensure that these countries conform to the high standards? What bilateral work, if any, is being undertaken to assist them in cleaning up their police, justice and Government departments?

Mr Lidington: We have given practical technical assistance to both Bulgaria and Romania—and, indeed, to a number of candidate countries wishing to join the EU in the future—to root out corruption and to support reform of the judiciary and the police system. I discussed these issues with the Bulgarian Foreign Minister when he came to London in June.

22. [901015] **Stephen Gethins** (North East Fife) (SNP): The Minister will be aware that reform is a two-way process. Can he set out some areas where he thinks we should have greater co-operation with the European Union, not just those where there should be less co-operation?

Mr Lidington: Yes, we are very keen to see the European-wide single market extend to services much more fully than it does at the moment. At the moment, we have a pretty well functioning single market in goods, which works to the great benefit of British industry. It is services that will provide the future growth for us and other European countries. It is a woefully underdeveloped single market when it comes to services.

Mr Pat McFadden (Wolverhampton South East) (Lab): The Minister will have seen the stories in the press over the weekend suggesting that the Prime Minister was seeking to wind back the clock and make the opt-out from the social chapter part of the UK Government's negotiating strategy over Europe. Can he tell the House, first, whether there is any truth in these stories and, secondly, whether he agrees that a bonfire of important protections for people at work, such as paid leave, maternity leave and rights for part-time workers, is not exactly the best way to build support for a yes vote in the forthcoming referendum?

Mr Lidington: As my right hon. Friend the Prime Minister has said before, there are bound to be all sorts of rumour and chatter as the renegotiation continues. I would advise the right hon. Gentleman not always to put too much faith in what he sees in the newspapers. We are certainly committed to cutting red tape in the European Union, as in the United Kingdom, but in the week after a Budget in which this Government have introduced a national living wage and cut taxes for the poorest people in society, it is a bit rich for the Labour party to try to give us lectures about workers' rights.

EU Negotiations

7. **Antoinette Sandbach** (Eddisbury) (Con): What assessment he has made of the effectiveness of the Greek Government's approach to negotiations with the EU; and what assessment he has made of the implications of that approach for his policy on re-negotiating the UK's relationship with the EU. [901000]

14. **Sir Simon Burns** (Chelmsford) (Con): What assessment he has made of the effectiveness of the Greek Government's approach to negotiations with the EU; and what assessment he has made of the implications of that approach for his policy on re-negotiating the UK's relationship with the EU. [901007]

The Minister for Europe (Mr David Lidington): As the Prime Minister has said, we welcome the news of a deal reached with Greece on Monday morning, but we should not underestimate the difficult process that lies ahead of reaching a final agreement. As for renegotiating the UK's relationship with the EU, that process is under way. Following the June European Council, technical discussions are now taking place, ahead of a further leaders' discussion in December.

Antoinette Sandbach: I am grateful for the Minister's answer. Given the uncertainty around the deal announced on Monday, what are the implications for businesses and holidaymakers in my constituency of Eddisbury?

Mr Lidington: We have spent a lot of time preparing contingency plans to help both British business interest and British tourists, should that be necessary. I can say to my hon. Friend that at the moment the reports I have are that visits by British tourists to Greece are continuing much as per normal. The Government stand ready to offer advice to any businesses in my hon. Friend's constituency that have particular problems or concerns, and the Department for Business, Innovation and Skills has published detailed advice on the support schemes that are available to help businesses troubled by events in Greece.

Sir Simon Burns: Does my right hon. Friend expect the UK negotiators to emulate those involved in the Greek deal and have a 17-hour marathon all-night session to conclude a deal?

Mr Lidington: No Minister would actively look forward to a 17-hour, all-night session, but my right hon. Friend the Prime Minister demonstrated when he led the negotiations to cut the EU's multi-annual budget that if

that is what it takes to get the best deal for the United Kingdom, that is what he and the Government are prepared to do.

Alex Salmond (Gordon) (SNP): Should the Government not have shown a bit more solidarity with the people of Greece over recent weeks? For many of us, the attitude of the European Commission, the European Central Bank and certain European leaders has been arrogant and dismissive—even anti-democratic—but all this Government seem to have done is to discourage tourists from going to Greece. Should they not have shown more solidarity in recent weeks?

Mr Lidington: We have certainly not advised tourists against travel to Greece. I think the lesson that the right hon. Gentleman needs to take on board is that the Greek Government and the Greek people consistently said that they wished to join the euro and remain within it, and that joining that currency union means the sacrifice of a considerable amount of national sovereignty over economic policy.

Alex Salmond: Perhaps the lesson that the Minister should take is that if a little more understanding had been shown to the people and the Government of Greece in their time of extremity, they might show more understanding towards the UK Government's position in their renegotiations. Why cannot the Government understand that many people in this country have been touched by the plight of people in Greece? Where is the empathy or solidarity from the Government? People reap what they sow, and this Government are going to reap a bitter harvest.

Mr Lidington: I do not know whether the right hon. Gentleman was present when my right hon. Friend the Chancellor made his statement on Greece last week, but he made very clear both his sympathy and the long-standing friendship between this country and the people of Greece. When this Government were elected in May, the Prime Minister made an offer to the Greek Government of technical support for things such as improving the efficacy of their taxation system. That offer remains open.

Mr John Baron (Basildon and Billericay) (Con): Which circumstances would lead the Government to advocate a no vote to leave the EU in the forthcoming referendum?

Mr Lidington: I do not blame my hon. Friend for his question, but I would not think he really expects me to speculate about the outcome of negotiations—certainly not at this stage. The Prime Minister has made it very clear that he is aiming to secure reforms in Europe that are good for the prosperity and democracy of Europe as a whole and that help the United Kingdom feel comfortable with its place in Europe—and that if he cannot get those reforms, he rules nothing out.

Mr Pat McFadden (Wolverhampton South East) (Lab): On the minimum wage, the Minister's party is late to the cause, but its conversion to support for our policy is nevertheless welcome.

On Greece, the agreement announced yesterday involves a third bail-out estimated to be worth €86 billion. Can the Minister confirm whether the European financial

stability mechanism, which could involve £850 million of UK funds, will be used for that or for any short-term financing before the bail-out is agreed?

Mr Lidington: Both the Prime Minister and the Chancellor have already made it clear that there can be no question of British taxpayers being on the line for a deal to keep Greece in the euro. We have chosen not to join the eurozone: there has been a clear agreement by every one of the EU member states that we should not be liable for bail-outs of eurozone countries. It is for the eurozone countries to decide how they are going to organise the detail of the deal they struck earlier this week.

Greece

10. **Heidi Allen** (South Cambridgeshire) (Con): What assessment he has made of the current situation in Greece and the effect of that situation on other EU member states. [901003]

The Minister for Europe (Mr David Lidington): That Government have carried out regular assessments of the events in Greece and the impact they might have on British business interests, British residents in Greece and British tourists. We have put in place contingency measures for a variety of scenarios to ensure that our interests and those of our citizens are protected. We judge the risk of contagion elsewhere in Europe to be much reduced when compared with the situation in 2012.

Heidi Allen: It is fair to say that the situation has moved on ever so slightly from when I tabled the question. It may be too early to tell, but will we be in a position to look at how the negotiations pan out and assess whether that makes us feel stronger in our desire for renegotiation or weaker?

Mr Lidington: The events that have taken place in the eurozone over the last few weeks have confirmed our wish to see an ambitious programme of reform and renegotiation. In particular, they have demonstrated the need for Europe to work out a design for European co-operation that distinguishes between eurozone countries that will need to move towards closer integration over time, and member states that choose to stay outside the eurozone.

Rob Marris (Wolverhampton South West) (Lab): Does the Minister share my assessment that the troika was wrong to bail out greedy and irresponsible bankers because its action has led to the immiseration of people in Greece?

Mr Lidington: I think that what is happening to ordinary families in Greece has been a tragedy, but I also think that there are two lessons to be learnt. First, those who join a single currency must give up a fair amount of their independent decision-making power over economic policy. Secondly, any country that gets into serious debt will find it hard to do a deal with its creditors. That is why this Government's intention of paying down the deficit and reducing the underlying debt is so important to our fortunes.

Mr Philip Hollobone (Kettering) (Con): The Greek financial crisis has given the green light to the gangs of human traffickers who are exploiting the weaknesses of the Greco-Turkish border to push hundreds of thousands of illegal immigrants towards western Europe. Will the Minister ensure that, in this crisis, we do not lose sight of the fact that we must do all that we can to help Greece to plug the gaps in the EU external frontier?

Mr Lidington: My hon. Friend has made a good point. We have already deployed people to Greece to support Frontex and the Greek police, and we will continue to work closely with other member states, particularly Greece, and with the EU institutions.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Is not the pressure that has forced the Greek Government to buckle in the last few days a shame politically, morally awful, and, importantly, economically tragic? It is almost like the parlour game Monopoly. When someone is so obviously losing that the game ends, it has to restart. That is what happened to Germany in 1953 when it was granted debt forgiveness, one of the creditors being Greece.

Mr Lidington: I say with all respect to the hon. Gentleman that it is for the eurozone countries that participate in the single currency to work out how to address the problem. What has happened to the Greek people is indeed a tragedy, but there are people in other eurozone countries with elected Governments of their own who want to ensure that their taxes are not at risk.

Mr Speaker: Order. I fear that the cheeky-chappie disposition of the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) may be incompatible with his long-term aspiration to be viewed as a statesman.

Raif Badawi

11. **Stewart McDonald** (Glasgow South) (SNP): What progress is being made on diplomatic efforts to free the Saudi blogger Raif Badawi. [901004]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood): As the House is aware, Raif Badawi is a Saudi human rights activist and blogger who, in May 2014, was sentenced to 10 years in prison and 1,000 lashes. The British Government have raised the case a number of times at senior levels. I now understand that the case is under consideration in the Saudi supreme court.

Stewart McDonald: We often hear that answer from the Government. One of two things is happening. Either the Government are trying and failing, or they are not really bothering at all. May I ask the Minister two questions? First, will he instruct the United Kingdom ambassador in Saudi Arabia to request a prison visit to check on Raif Badawi's health? Secondly, will he say without equivocation that Mr Badawi should be set free?

Mr Ellwood: I am not sure that the hon. Gentleman heard my first response, so let me repeat it. I understand that the case is under consideration in the Saudi supreme court. This country, along with many others across the world, made representations at senior levels to ensure

that it was understood where we stand as a supporter of freedom of expression around the world. It is now for the supreme court to make a judgment, and we should not pre-empt what the court will say.

Mr Nigel Evans (Ribble Valley) (Con): Lashing, like stoning and crucifixion, belongs to the Old Testament, not to the 21st century. Please will the Minister keep up his pressure on our friends in Saudi Arabia to make them see sense?

Mr Ellwood: I am grateful to my hon. Friend for his comments. It is very important that Britain stands by other countries in pushing for not only the right of freedom of expression, but the right of justice for those in prison, and we will continue to do so. The lashings have now stopped and this case is currently being reviewed by the Supreme Court—*[Interruption.]*—something I think the hon. Member for Glasgow South (Stewart McDonald) still does not understand.

Tunisia

12. **Huw Irranca-Davies** (Ogmore) (Lab): What assessment he has made of the security situation in Tunisia; and what support his Department is providing to British citizens affected by the recent terrorist attack in that country. [901005]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood): The House will be aware that all the victims of the terrible tragedy in Tunisia have now been repatriated. Every family of a victim has a dedicated UK police family liaison officer—*[Interruption.]* I am sorry if the hon. Member for Bolsover (Mr Skinner) does not feel these issues are important, but I would be grateful if he would do the House the courtesy of listening to this important message. Every British national injured in the attack is back in the United Kingdom. Our embassy team arrived in Sousse within hours of the attack and further teams were deployed in the following days. The London crisis operation centre moved into operation mode and worked on a 24/7 basis from 26 June until 1 July and the FCO remained in crisis mode to assist with the departure of tourists.

Huw Irranca-Davies: I commend the Prime Minister's response to my hon. Friend the Member for Walsall South (Valerie Vaz), saying that a committee would be set up to look after the interests of the survivors and the bereaved families for the long term. That is sensible and it is the right approach. In light of BBC reports of chaos in the security infrastructure in Tunis and the region, what support are we able to give them to augment their security infrastructure?

Mr Ellwood: I am grateful to the hon. Gentleman for his initial comments, and I will be participating in that committee to make sure we do all we can to support all those caught up in that terrible tragedy—not just the families of the victims, but the injured and those who witnessed what happened. We have been working with the Tunisian authorities to investigate the attack and the wider threat from terrorist groups. The threat intelligence picture has led us to believe that a further terrorist attack is highly likely, and I stress to the House that the

Sousse attacker was not working alone, but was part of an organised group, most likely trained in Libya. I am glad we are standing by Tunisia as best we can. We must look after the security of our citizens, and may I thank you, Mr Speaker, for receiving the Speaker of the Tunisian Parliament, who I know will wish to come to this country to express his condolences for what happened to the Britons in Tunisia?

Johnny Mercer (Plymouth, Moor View) (Con): I am sure the whole House will join me in thanking the Minister for his inspirational service to the Government in working with the families of those affected by last month's tragedy. It is brilliant to hear that each family will have a dedicated liaison officer to see them through the coming years. Can he confirm that that will be along the lines of the groups set up to support the victims of 7 July 2005?

Mr Ellwood: I am grateful to my hon. Friend for his kind words. It is important that the support that this country and the Government provide is not confined to the time of the event itself but continues well into the future. I pay tribute to the Home Office and the work the police do—the important work of the family liaison officers. This work will not be needed simply over these few weeks; it will be needed for months and years, as the families come to terms with this terrible tragedy.

18. [901011] **Diana Johnson** (Kingston upon Hull North) (Lab): The funeral of my constituent Claire Windass, who was killed on holiday in Tunisia, will take place tomorrow, and I am sure the whole House will want to send our thoughts and prayers to Claire's family at this very difficult time. Can the Minister say a little more about the practical assistance that the UK Government are offering the Tunisian authorities in investigating this horrific terrorist attack?

Mr Ellwood: All in the House pay a huge tribute to the families of the fallen victims. This was a terrible disaster for both Tunisia and Britain. The numbers climbed in the first hours from five to six, then eight, then 12, then 30. Then it was not just 30 in number; they became names, individuals, parts of families, as the hon. Lady has outlined. We must stand by these people in their years of need. She rightly points out that Tunisia needs support. It is the country where the Arab spring began; it is where Bouazizi set himself alight and ignited the Arab spring. We must not allow that country to slide back into extremism, so we have teams working in a variety of areas, from airport security to the police to collecting intelligence, which is the crucial ingredient in understanding what is happening behind the scenes in the mosques, as well as next door in Libya.

Kwasi Kwarteng (Spelthorne) (Con): With respect to the appalling tragedy in Tunisia, will the Minister give the House an assurance that our response will be part of a wider package across the region from Egypt to Libya, where there is a great lack of stability? Are the Government working across the piece to ensure that terrorist outrages such as these are minimised?

Mr Ellwood: My hon. Friend makes a pertinent point, which the House needs to consider. The person and the group that were involved in that terrible killing were

trained by an ISIS operation, Ansar al-Sharia, which has now chosen to fly the black flag in Libya. We are seeing the same thing happening in Algeria with Boko Haram, and in northern Sinai with Ansar Beit al-Maqdis. Terrorist groups all across the northern Maghreb are joining forces with ISIS, and this country and the international community need to do more to tackle this extremism.

Syrian Refugees

13. **Jess Phillips** (Birmingham, Yardley) (Lab): What discussions he has had with his counterparts in EU member states and others on (a) resettlement of Syrian refugees and (b) the UN's response to the Syrian refugee situation. [901006]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood): We support the EU's proposals for sustainable protection through the EU regional development protection programmes, to ensure that we can provide the necessary assistance to all those Syrian refugees caught up in this terrible crisis.

Jess Phillips: More than 100 Syrian civilians have been killed since May as a result of the use of indiscriminate weapons such as barrel bombs. In the light of the recent meetings in New York, what role are the Government playing in the United Nations Security Council to ensure that the UK's strong statement of support for the implementation of UN Security Council resolution 2139, in response to the increasing use of barrel bombs in Syria, is followed through?

Mr Ellwood: The hon. Lady is absolutely right, and there are a number of quarters in which we can provide assistance. We are the second largest donor to the refugee programmes that are providing support to the neighbouring countries in the region which have taken in the 4 million refugees who have now fled the conflict. The UN has been crucial in coming up with that Security Council resolution, but we have run into the buffers because some of the usual characters do not want to support it. I hope that we will advance the programme and that we will see some movement in the UN General Assembly in September.

Jonathan Ashworth (Leicester South) (Lab): The Minister will recall that, back in April, the acting head of the United Nations High Commissioner for Refugees said that Europe was simply not doing enough in this regard. This is a humanitarian disaster, with 4 million refugees living in neighbouring countries. What urgent representations is the Minister making to his European counterparts about making the funds available to deal with this humanitarian crisis?

Mr Ellwood: The Kuwait III talks are taking place, and a number of countries in the region are being asked to donate more funds in order to provide that assistance. There is a philosophical argument, which we have discussed in the House, as to whether this country should take in more refugees or provide more support in the region. I have visited the Zaatari refugee camp, and it is clear that the majority of Syrians want to remain in that location, which is why we are donating so much money—£800 million—to support people in the region.

Topical Questions

T1. [900981] **Huw Merriman** (Bexhill and Battle) (Con): If he will make a statement on his departmental responsibilities.

The Minister for Europe (Mr David Lidington): My right hon. Friend the Foreign Secretary is currently on his way back from Vienna, where he has been taking part in the conclusion of the Iran nuclear negotiations. He plans, with your permission, Mr Speaker, to update the House on that issue at the very earliest opportunity. In addition to those important talks, my right hon. Friend has been leading the Foreign and Commonwealth Office's efforts to follow up the appalling attacks in Tunisia earlier this month, and on Thursday this week he plans to travel to the middle east and to Cyprus.

Huw Merriman: I welcome the announcement on Iran. What confidence does the Minister have that a nuclear agreement with Iran will be subject to a rigorous inspection regime?

Mr Lidington: Clearly the question of inspection and access by the International Atomic Energy Agency inspectors lay at the very heart of the negotiations. In fairness, I must advise my hon. Friend to wait for the Foreign Secretary's statement, at which time he will have the chance to examine in detail the agreement that has been reached.

Dan Jarvis (Barnsley Central) (Lab): As the Minister has just suggested, details are still emerging of the agreement reached in Vienna on Iran's nuclear programme. Those talks have seen many missed deadlines over the past 12 years, but all sides have been consistent in saying that no deal was better than a bad deal. At this early stage, what confidence does the Minister have that this is a good deal and that it will be implemented?

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood): I am grateful for the question. There is little more we can add at this stage, because the deal is just being concluded in Vienna, as my right hon. Friend the Minister for Europe said. We have made it very clear that we need a long-term and comprehensive solution on the Iranian nuclear issue and that we want a durable, verifiable and comprehensive nuclear deal that addresses the proliferation concerns. We will have to wait, but I hope that there will be a statement very shortly.

Mr Speaker: Perhaps not that shortly. We will see—it might be much later today or it might be tomorrow.

Dan Jarvis: I thank the Minister for that reply and we look forward to hearing from the Foreign Secretary on his return. Let me turn to the struggle against ISIL. The recent attacks in Tunisia, Cairo and elsewhere have highlighted that we will defeat this threat only by working together as an international community. Will the Minister update the House on what specific actions are now being taken alongside other countries to cut off the finances that fund ISIL's hateful crimes?

Mr Ellwood: As I said in a previous reply, this is the largest threat that we face in the 21st century. The hon. Gentleman is absolutely right to point out that there are many strands to our programme to try to tackle that.

The strategy involves not just the military but countering foreign fighter recruitment and dealing with stabilisation and support for those caught up in that, as well as denying funds. That means working with individuals in regional countries that continue to support this activity, and we need to work with the banking community to ensure that we cut off the supplies of funding that are generating and paying for fighters who are recruited from across the globe.

T2. [900982] **Karen Lumley** (Redditch) (Con): As my right hon. Friend knows, I take a great interest in the Balkans and last year I travelled to Bosnia with colleagues to visit Srebrenica and worked with a charity, Medica Zenica, which helps families affected by the conflict. Does he agree that as well as remembering the anniversary of Srebrenica last week we must refocus on rebuilding Bosnia-Herzegovina and help the people of that country to secure a better future?

Mr Lidington: I agree with my hon. Friend and pay tribute to her long-standing interest in the fortunes of Bosnia-Herzegovina. I saw for myself last year how people from all communities in that country came together in the aftermath of the devastating floods that they experienced. It is that spirit that we must support and encourage to reform the state institutions and to push for economic prosperity.

T3. [900984] **Karin Smyth** (Bristol South) (Lab): The Minister will be aware of the work of Nobel peace prize winner Malala Yousafzai, who celebrated her 18th birthday in Lebanon at the weekend opening a school for Syrian refugee girls. What is the Government's assessment of the situation on the ground in Lebanon, where about 500,000 Syrian school-aged children are believed to be living?

Mr Ellwood: I am grateful for the opportunity to update the House on the situation in Lebanon, which I visited recently. We have advanced our Department for International Development programme to assist. Lebanon has taken on almost a quarter of its population in refugees and I commend the work being done to take those people into its society. Unfortunately, ISIL has already set up camp east of the Bekaa valley and is already in Lebanon. We are also providing military support to train the Lebanese forces so that they can have a buffer between the west of the country, towards the Mediterranean, and the east, looking out towards Syria.

T4. [900985] **Jason McCartney** (Colne Valley) (Con): Does my right hon. Friend agree that the Baghdad Government must now fulfil their financial obligations to the Kurdistan Regional Government, so that they in turn can properly arm and fund the peshmerga, who are fighting the terrorist threat of ISIL-Daesh in northern Iraq?

Mr Ellwood: I pay tribute to the work that my hon. Friend did as a pilot in the no-fly zone in the 1990s. He comes with a wealth of experience of the area and is right to point out that there must be greater co-operation between Kurdistan and Baghdad. We very much encourage that; that is what I did in my last visit to Baghdad a week and a half ago and what I will do when I visit Kurdistan in the near future.

T6. [900987] **Ian Lavery** (Wansbeck) (Lab): Earlier, the Minister welcomed the decision of FARC to have a unilateral ceasefire in Colombia. Will he therefore consider making a supportive statement requesting an immediate bilateral ceasefire in Colombia?

The Minister of State, Foreign and Commonwealth Office (Mr Hugo Swire): The hon. Gentleman will have seen that the Government of Colombia have made a statement about de-escalating the conflict. We fully support the ongoing negotiations in Havana. That is the big prize, as I said earlier, and it is important that both sides come to the table in the spirit of co-operation and not violence. That message needs to get out to all corners of the country.

T5. [900986] **Alberto Costa** (South Leicestershire) (Con): The visit by President Xi later this year represents a major opportunity to boost the trading relationship between the United Kingdom and China. What steps are the Government taking to ensure that British companies, including those in my constituency, can benefit from the visit?

Mr Swire: The figures are very good indeed. There has been a huge increase in trade between the UK and China, and the UK is the favoured destination for Chinese inward investment. We look forward to the state visit later this year, which will certainly have a very large trade element to it.

T7. [900989] **Stephen Gethins** (North East Fife) (SNP): We have heard from the Foreign Secretary about the need for treaty change from the EU negotiations. Will fisheries be up for renegotiation?

Mr Lidington: Fisheries has already been the subject of a successful renegotiation, led for the UK by the fisheries Minister, my hon. Friend the Member for Camborne and Redruth (George Eustice). That led to the scrapping of the obscene discarding policy for which British Governments have yearned for years, and the devolution of fishing to a more regional and local level. That is something the hon. Gentleman should welcome.

T8. [900990] **Glyn Davies** (Montgomeryshire) (Con): Looking beyond the human rights issue, which has been extensively discussed today, Colombia is becoming an increasingly important, modern and rapidly expanding country, with massive potential. What action is the Foreign and Commonwealth Office taking to develop business and diplomatic links with Colombia, enabling the UK to construct a mutually beneficial relationship with that country?

Mr Swire: My hon. Friend will be aware that UK-Colombia trade grew by 56% between 2009 and 2013, and we are on course to reach our target of increasing bilateral trade and investment to £4 billion by 2020. It is important that we increase our trade with and investment in Colombia because one of the dividends of the peace process will eventually be the economic wellbeing of all Colombians. We must continue to support the peace process and not let up on our demands, such as no impunity, accountability and so on, but at the same time we should continue to support UK-Colombia trade.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): Friday is the first anniversary of the downing over Ukraine of flight MH17, killing all 298 on board, including 10 British people, two of whom were Newcastle United fans Liam Sweeney and John Alder. The families still do not know who murdered their loved ones and they fear that the attention of the Foreign Office has moved away from that complex global political situation. Will the Minister agree to meet me and the families of those who died, so that their questions can be heard and we can begin to get answers?

Mr Lidington: I am more than happy to meet the hon. Lady and her constituents, whom I recall meeting in the aftermath of that appalling tragedy last year. As she knows, a Dutch investigation is ongoing into the causes of the crash and possible attribution of responsibility, and clearly she would not expect me to be able to comment in detail, but I am happy to talk to her.

Jo Churchill (Bury St Edmunds) (Con): Businesses in my constituency, such as Denny Brothers printers, have suffered a negative impact from the challenges of migration from Mediterranean countries. Such migration has had a consequential impact across Europe, particularly in Calais, where there has also been industrial action. Does the Department recognise how the situation is affecting British businesses and their employees? What can be done about the root cause?

Mr Lidington: Through Department for International Development programmes, we are tackling the root causes by trying to promote greater prosperity in the African countries from which so many of these people are travelling. We are also working actively with both European and African partners to disrupt the work of the people traffickers who exploit vulnerable people in the most appalling way.

Robert Flello (Stoke-on-Trent South) (Lab): I know that we are about to hear from the Home Secretary, but what is the Foreign Office doing to put pressure on the French authorities and tell them that it is not good enough to take somebody from Calais and release them a mile down the road without fingerprinting or checking them in any way?

Mr Lidington: Our ambassador and his team in Paris and Foreign Office Ministers have been extremely active in talking to our French counterparts. We clearly work extremely closely with Home Office colleagues, and co-operation between the United Kingdom and France is essential to bring to an end the disruption at Calais.

Several hon. Members *rose*—

Mr Speaker: Order. I would like to try to accommodate a few more, but extreme brevity is now required.

Steve Double (St Austell and Newquay) (Con): The events that we have seen unfolding in relation to Greece demonstrate the need for urgent and deep reform within the EU. Does the Minister agree that if the EU does not demonstrate that it is willing or able to reform itself, the British people across the United Kingdom should seriously consider voting no in the referendum?

Mr Lidington: I remain confident that the Prime Minister will be able to achieve the reforms that he has set his hand to, but at the end of the day it is for the British people themselves, not any politician, to take the final decision.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): In response to the increased threat from ISIL and the situation in Syria, the Prime Minister tells us that he wishes to use drones more extensively and expand our special forces. Has the Foreign Office made an assessment of the speed at which we can expand the special forces, which would make that promise meaningful?

Mr Ellwood: The hon. Lady is a learned Member of this House. She should be aware that what she reads in the papers about what the special forces will be up to is not subject to discussion in this Chamber. I am afraid we will have to leave it at that.

Andrew Percy (Brigg and Goole) (Con): The funeral of my constituent killed in Tunisia, Bruce Wilkinson, will take place this week. May I place on record on behalf of the family how thankful they are for the support they have received, the dignified way the bodies were brought back, and the work of the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Bournemouth East (Mr Ellwood)? Can we guarantee that such support to families will continue?

Mr Ellwood: May I say how grateful I am to my hon. Friend, who I know was very much involved with that family, and to all other Members of Parliament who played a role in providing a modicum of support to the families during this difficult time? We always learn from these experiences, but we stand ready to support all the families in the best way we can.

Paula Sherriff (Dewsbury) (Lab): The UK voted for a UN resolution calling for Palestinian co-operation with the International Criminal Court's preliminary investigation into the Gaza conflict. Can the Minister therefore confirm the Government's support for Palestinian membership of the ICC?

Mr Ellwood: We debated this at length in Westminster Hall a couple of days ago. We had the resolution, which Britain eventually supported. It is for the ICC to make those judgments itself and we respect its decision.

Tom Pursglove (Corby) (Con): Have the Scottish Government had a consistent position on the issue of EU reform when making representations to UK Ministers, or is it more a case of one position in Scotland and one here in Westminster?

Mr Lidington: It is obviously for the Scottish Government to defend their own positions. We always listen seriously to points that Scottish or, for that matter, Welsh or Northern Irish Ministers make to us about UK Government policy. At the end of the day it is a United Kingdom-wide policy that we adopt in our dealings with the EU.

Peter Grant (Glenrothes) (SNP): The Frenchgate memo included an inaccurate account of a private conversation between the French ambassador and the First Minister

of Scotland. Which members of staff or Ministers in the Foreign Office were aware of the contents of that memo before it was deliberately leaked by Ministers down here?

Mr Lidington: I have a recollection of having seen a report of that. I do not know if it was the actual text. What I remember thinking was that the text itself said that a lot seemed to have got lost in translation. I did not give any credence to it.

Kit Malthouse (North West Hampshire) (Con): Given the growing importance of our conversation with Iran and in particular the part it is playing in fighting ISIL, can the Minister give us a firm date for the re-opening of our embassy of Tehran?

Mr Ellwood: It is our intention to reopen the embassy in Iran. That is one of the first things I would have done over a year ago, had the deal moved forward in the manner in which we expected. I do not want to pre-empt the announcement. That is something I will allow the Foreign Secretary to elaborate on when he makes his statement.

Helen Jones (Warrington North) (Lab): The Inter-American Commission on Human Rights recently condemned the murder of more than 24 human rights defenders in Colombia in the first half of this year. Given that many of those who are murdered receive death threats in advance, what is the Minister doing to implore the Colombian Government to take such threats seriously and act on them to prevent further assassinations?

Mr Swire: We raise these matters regularly with the Colombian Government, both in Colombia and with the ambassador here. I raised the issue of protection for human rights defenders when I was last in Colombia. I understand that some of them do have protection, but certainly the increasing trend in the numbers being killed is unacceptable.

Several hon. Members *rose*—

Mr Speaker: Order. I have extended the envelope and am sorry to disappoint colleagues, but we must now move on.

Calais

12.35 pm

The Secretary of State for the Home Department (Mrs Theresa May): I want to update the House on the action the Government are taking to tackle illegal immigration, particularly in the light of the current situation in the Mediterranean and the disruption caused by the recent strikes that affected the port of Calais and the Eurotunnel site at Coquelles.

The close co-operation between the United Kingdom and France on the issue dates back many years, and our Governments have been working closely together to respond to the pressure caused by the growing number of people migrating across the Mediterranean in recent months.

As the House will be aware, aggressive strike action by French port workers recently exacerbated that pressure, temporarily closing the port of Calais and also disrupting Eurotunnel services. That had significant repercussions for the UK, particularly for lorry drivers, the travelling public and local residents in south-east England. Tourists and freight drivers endured long and difficult journeys in the summer heat. Illegal migrants in France, taking advantage of the situation, made increasingly bold attempts to board vehicles heading for the UK, and we heard worrying reports about intimidating and violent behaviour.

I am conscious of the forbearance of the residents of Kent, who suffered disruption due to the build-up of traffic on local roads caused by the French strike. That forbearance has been powerfully championed by their Members of Parliament, whom I will be meeting to discuss the issue shortly.

Since last week, strike action has paused to allow for talks between French trade unions and the French authorities. The port of Calais re-opened on 2 July and ferry companies and Eurotunnel are operating near-normal services, but the repercussions are still being felt and the risk of further French strike action remains.

It is, of course, the responsibility of the French authorities to police French soil, and they have, like our own Border Force and Kent police, worked extremely hard to maintain law and order during this difficult period. Since disruption began on 23 June, Border Force, working closely with the French authorities, put in place well-tested contingency plans, deploying a range of additional resources to reinforce security and support traffic flow at the juxtaposed ports. Freight vehicles entering Calais, the Eurotunnel site at Coquelles and Dunkirk underwent intensified screening for clandestine illegal entrants, using some of the best techniques and technologies in the world, including sniffer dogs, carbon dioxide detectors, heartbeat monitors and scanners, as well as visual searches to find and intercept stowaways. Between 21 June and 11 July, over 8,000 attempts by illegal migrants were successfully intercepted at juxtaposed ports in France through the joint efforts of the French and British authorities.

That reflects the particular pressures caused by the recent industrial action, but Her Majesty's Government have been working closely with the French Government for much longer to deal with the broader situation in Calais. At the beginning of this month, I met the French Interior Minister, Bernard Cazeneuve, in Paris, where we agreed to further strengthen our co-operation and build on the joint declaration we made last September.

Since November 2014, we have committed to investing £12 million, of which £6 million has already been spent, to reinforce security at our juxtaposed ports in northern France. That includes new fencing to secure the approaches to the port of Calais and joint work to improve traffic flow through the port and Border Force controls so that more tourist vehicles can queue within the secure environment of the port. That work is due to be completed at the end of this month. In addition, we have funded a £2 million upgrade of detection technology and boosted our dog searching capability by another £1 million.

We have also provided funding for additional fencing to help secure approaches to the channel tunnel at Coquelles, where repeated incursions have taken place over the last few weeks. This work, which we announced last week, has already begun and is also due to finish by the end of this month.

In addition, we have made considerable progress in targeting criminal gangs in Calais through better intelligence sharing and increased collaboration between law enforcement agencies, and we are running joint communications campaigns to tackle myths about life in the UK. We continue to keep the situation under review and will assess whether further measures may be required.

As I have mentioned, the recent strike action has had significant implications for the travelling public and, in particular, for hauliers, who have been subjected not only to long delays but repeated attempts by illegal migrants who try to stow themselves away in their vehicles. We are working with the British haulage industry to support our drivers, and my right hon. Friend the Immigration Minister recently had a further meeting with representatives of the industry to discuss their concerns. It is of course important that vehicles are secured properly to help mitigate the threat of illegal immigration. We provide clear guidance on lorry security that many responsible drivers take steps to follow. However, as the vast majority of vehicles arriving in the UK are foreign registered, the bigger part of our challenge is international. Approximately 7% of fines issued last year were to British drivers, so we need to ensure that the rest of the world's freight transport industry is keeping up with the UK's. We have therefore offered to host an international event focused on best practice in lorry security.

I am sure the whole House will agree that British hauliers work tirelessly to keep our economy moving. Without the hours they spend on the roads importing and exporting goods, it would grind to a halt. It is imperative that they are allowed to continue their business unimpeded. So today I can announce the creation of a new secure zone at the port of Calais for UK-bound lorries that will provide a secure waiting area for 230 vehicles—the equivalent of removing a two-and-a-half mile queue from the approaching road. This should transform protection for lorries and their drivers, removing them from the open road where they can become targets for migrants attempting to board their vehicles.

The problems in Calais are clearly symptomatic of a wider issue that needs to be tackled at source and in transit countries. This was reflected in the recent European Council discussions that my right hon. Friend the Prime Minister attended and reported to this House. The Government are clear that we must break the link between people making the treacherous journey across the Mediterranean and achieving settlement in Europe.

We must also target and disrupt the organised criminal gangs who profit from their fellow humans' misery, selling them false promises before loading them on to dangerous vessels and sending them—in many cases in the past—to their deaths. To this end, we are enhancing our work with European and African partners to tackle these callous criminal gangs and increase the support for genuine refugees in their regions of origin.

Recently, the Prime Minister announced the establishment of a dedicated law enforcement team to tackle organised immigration crime in the Mediterranean. About 90 officers will be deployed in the UK, the Mediterranean and Africa to pursue and disrupt organised crime groups. They will make use of every opportunity at source, in transit countries and in Europe to smash the gangs' criminal operations and better protect the UK and the vulnerable people they exploit. In addition, we are providing practical and financial support to other EU countries, including help to process newly arrived illegal immigrants and distinguish between economic migrants and genuine refugees.

We must also work to stop this problem at source. The UK has a proud record of providing aid to alleviate poverty and suffering overseas. We have committed £900 million to help people displaced by the Syrian crisis, making us the second largest bilateral donor in the world in response to that humanitarian crisis.

However, just as we are generous to those who need our help, the UK will be tough on those who flout our immigration rules or abuse our hospitality as a nation. Since 2010, the Government have introduced new laws to make it harder for people to live in the UK illegally, restricting their access to rented housing, bank accounts, driving licences, and our public services. We have revoked the driving licences of 11,000 illegal immigrants, closed down nearly 900 bogus colleges, and carried out over 2,900 sham marriage operations in the past year. The new immigration Bill that we will bring before the House later this year will build on this work and enable us to take stronger action still. It will include measures to make it even more difficult for people to live in the UK illegally, make it easier for us to deport them, and make Britain a less attractive place for people to come and work illegally—not least by making illegal working a criminal offence in itself.

The approach of Her Majesty's Government is clear. We are continuing our close collaboration with the French authorities to bolster the security of the ports in northern France; working closely with them to mitigate the consequences of irresponsible French strikers; providing the assistance our hard-working hauliers and the travelling public deserve; and leading the international efforts to tackle this problem in the longer term, with generous support for those who deserve it and tough sanctions for those who do not. I commend this statement to the House.

12.44 pm

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I thank the Home Secretary for her statement and for advance sight of it this morning.

When order breaks down, a difficult situation can become desperate. That is what is happening in Calais. Today, there are reports that three people were injured after they broke into the French channel tunnel terminal. That comes just a week after a young man from Eritrea

died, attempting to board a freight train headed to Britain. We do not know the circumstances of his death, what made him travel more than 3,600 miles to try to enter Britain, nor how much he paid to criminals who may have profited from his death.

The Home Secretary talked about the serious and growing challenge for hauliers, who are worried continually about the security of their load, whether people will try to break in and whether someone might be caught under their wheels, and about the holidaymakers who see people walking between the queuing cars and worry about the security of their boot, but this is a terrible crisis at our border in which lives are being lost and people are being injured.

I welcome the Home Secretary's statement today, but it is not the first one that we have had and there have been urgent questions too. The situation has been exacerbated by the huge problems caused by the strike action, but the underlying problem has been getting worse as well. I welcome the additional measures, such as the lorry zone that she announced. I thank Kent police, Border Force and all the authorities for the difficult job that they are having to do. Will she confirm whether the lorry zone is additional capacity? Eurotunnel has already talked about there being additional capacity in place, but has warned that that is just making more people try to get into the tunnel and enter the trains directly. Will she clarify that point? Will she tell us how many additional staff the UK has deployed to Calais since last year and how many additional enforcement staff the French authorities have deployed?

Will the Home Secretary explain what is happening when people are found attempting to cross illegally? She referred to 8,000 people. Is it true that many of them are simply being returned to the streets of Calais to try again? What action has she taken to get a proper process in place in France to assess whether they have an asylum claim and are fleeing persecution or to assess their immigration status and whether they need to return home? Will she say whether the British authorities are fingerprinting those whom they find, which is something I have raised with her before?

The Home Secretary and I will agree that the French authorities need to do much more. Under the Dublin convention, it is their responsibility to assess those who may be vulnerable or who have asylum claims, and who should not be further victim to people traffickers or the despair that comes from being a vulnerable refugee travelling over large distances. Such people need an assessment early on, either in France or in the other countries that they have come from. What is she doing to ensure that the French authorities are assessing those who are living in camps or on the streets in Calais before they make an attempt to reach the border? Can she tell us how many people have been assessed in Calais by the French authorities, and what is being done to increase the number being assessed, rather than simply leaving people in the camps and leaving the problem to get worse?

The Home Secretary will know the importance of diplomatic action and partnership working with France. The former Home Secretary and Member for Sheffield, Brightside and Hillsborough had to do exactly that when he negotiated the closure of Sangatte many years ago. It would be helpful to hear from her what progress is being made, because at the moment it looks as though the problem is still getting worse.

[Yvette Cooper]

The Home Secretary talked about the work that is being done to tackle people smuggling more widely, but what is being done to make sure that immigration control and asylum process assessments take place in the southern Mediterranean countries too?

Finally, while it is crucial for us to strengthen border security to ensure that action is being taken in France to address this serious problem, we have a responsibility across Europe to deal with the humanitarian crisis that has been increasing the problem. A significant part of the problem is caused by the war in Syria, which is the worst humanitarian crisis of our generation. We all know of the pressure on families that are fleeing that situation.

The Prime Minister said that the UK Government would accept a “modest expansion” of the programme to accept Syrian refugees. I have urged the Home Secretary many times in the House to accept far more UN refugees from Syria. How many does she now expect to accept? I urge her to work with local authorities across the country, including on reviewing the support processes, to get them to offer places for those who are fleeing persecution. This country has a long tradition of providing humanitarian support and sanctuary for those who need it.

We have had a series of urgent questions and statements, but the problem is getting worse. Can the Secretary of State really put her hand on her heart and say that she thinks that as a result of her statement, things will be better in six months’ time than they are today? It does not feel like they will be. What else can she do to prevent the crisis from simply escalating, and to prevent us from simply being in the same situation in a few months, having the same discussions and asking the same questions, with her only being able to give the same answers?

Mrs May: I thank the right hon. Lady for her response and for her gratitude for my coming to the House and making a statement.

The right hon. Lady referred to the work of the police and Border Force officials, as I have done. We should recognise the professionalism with which Border Force officers deal with circumstances such as the current ones. They had contingency plans in place for the possibility of a strike related to MyFerryLink, and those plans were put into action. From the Border Force’s point of view, what it did operated smoothly. We should recognise the professionalism with which its officers approach their job. A number of resources have been deployed over time around the Border Force ports, and it operates a flexible system to ensure that it can move resources around.

The right hon. Lady asked whether the lorry park or buffer zone that I described was additional capacity. It is a new secure area that is being set aside, because if lorries are queuing it is easier for illegal migrants to try to get on to them. Putting lorries separately in a secure zone means that we can remove people’s ability to access them. The French have also put in extra staff, and in particular they have increased the number of police in the area, including riot police.

As the right hon. Lady said, and as I recognised in my statement, previous Governments have worked with the French authorities on this issue for many years.

The juxtaposed controls at Calais and Coquelles are important to us and work well, but they have come under increasing pressure. She asked about the progress that has been made, and I point out to her that in 2014-15, the Border Force, its contractors and the French authorities prevented about 40,000 attempts to enter the UK illegally at the juxtaposed controls in France, compared with 18,000 in the previous year and 11,000 the year before that. There is increasing pressure, but also increasing ability to make identifications. As I indicated, we have put in some more technology to help that process.

In 2014 the number of organised criminal networks dismantled in the Calais region increased by 30% compared with the previous year, so the increasing joint working and collaboration with the French authorities is having an impact on the ground.

The right hon. Lady asked how asylum seekers are being dealt with. That is being addressed in a number of ways, but I return to a point that I have made in the House before. The number of asylum claims in France has increased—she referred to that point—and the French authorities have encouraged people to make asylum claims in France. There is a further upstream issue for both us and the French Government, which is what action the Italian authorities can take when people arrive across the Mediterranean on Italian shores. We have offered and given the Italian authorities increased support in fingerprinting and registering people properly at that point.

We have said before that we expect several hundred Syrian refugees to be relocated to the UK over a period of years as part of our vulnerable persons relocation scheme, and we are increasing that number by a few hundred. I remind the House that we have not set a target number, but those are people in particular need. We work with the United Nations High Commissioner for Refugees, which identifies such people. Some of them require long-term medical treatment, which we will provide in the United Kingdom. We are trying to focus support on those who are most in need.

Sir Roger Gale (North Thanet) (Con): You will understand, Mr Speaker, that this issue is of particular concern to Members of Parliament in east Kent, most particularly my hon. Friend the Member for Dover (Charlie Elphicke), who is constrained by his office from asking questions but is present in the Chamber today.

There are two problems. First, the Home Secretary recognises that French strikers have brought Calais, and therefore Dover, to a grinding halt. Will she make it clear to the French authorities that in the name of the much-vaunted freedom of movement, we expect the port of Calais to be kept open at all times, as it ought to be?

Secondly, does the Home Secretary recognise that part of the problem is due to the complete failure of the Schengen agreement? Because border controls within Europe have been broken down, there is now effectively free movement from Martinique, on the other side of the Atlantic, to the port of Calais. It is time to abolish Schengen and bring back border controls.

Mrs May: My hon. Friend makes some important points. As my hon. Friend the Member for Dover (Charlie Elphicke) is the Home Office Whip, my hon. Friend the

Member for North Thanet (Sir Roger Gale) can be absolutely sure that he has made his concerns about the matter clear to me.

I know that a number of colleagues have met my right hon. Friend the Secretary of State for Transport to discuss the problems of traffic queuing in Kent—Operation Stack, as it is known. I am arranging to meet a number of colleagues to discuss the policing of the operation.

I have made the point to the French authorities that we expect Calais to be kept open, most recently when I met Monsieur Cazeneuve a few days ago. That is important for both countries. In relation to the Schengen agreement, my hon. Friend might have noticed that two or three weeks ago the French started taking some action on their border with Italy in relation to migrants who were effectively being allowed to move into France unimpeded. Of course, the Schengen scheme allows for some emergency action to be taken.

Joanna Cherry (Edinburgh South West) (SNP): The latest incidents, which the shadow Home Secretary mentioned, are of grave concern. The fact that people risk their lives, and in many cases have lost their lives, trying to get into Europe and the United Kingdom should give us pause for thought. We must ask what is driving thousands to such desperate action and what more we can do to deal with the root of the problem. We are a wealthy union of nations in a world that is becoming increasingly divided, and we are the big winners from the way the world works, so surely we in the United Kingdom have a responsibility to help and support those who are driven from their homes and families because of war, poverty or environmental degradation.

Playing our part in Europe-wide efforts on asylum would be a good starting point, as I and my party have urged on previous occasions. I associate myself with the shadow Home Secretary's comments about that this morning. Ensuring maximum UK participation in policing and rescue efforts in the Mediterranean is also essential. We must also move questions of social justice to the top of our political agenda, so that greater economic opportunity exists where people live.

Earlier this month, one of my hon. Friends asked Ministers at the Department for Business, Innovation and Skills to estimate the cost to UK businesses of an unscheduled closure of the channel tunnel. The reply that she got was dismissive to say the least, to the effect that no assessment had been or would be made. Businesses in Scotland, particularly food exporters, face substantial additional costs each and every time the tunnel is closed. A fish exporter has described the situation as follows:

“Fish is a perishable commodity, and it is imperative that it is delivered as fast as possible to the customer. This generally takes 2 days from Scotland to say Switzerland. Because of the disruption our lorries are arriving a few hours late and miss the onward connections. This means I am being forced to hire other lorries at €250 a time to deliver my goods to the customer as a way of keeping them supplied and happy.”

That is just one example of one gentleman's difficulty. Do the Government care about the impact on exporters, and if so, what are they going to do about it?

Mrs May: At the beginning of the hon. and learned Lady's comments, she referred to dealing with the root of the problem—I believe that was the phrase she used.

Indeed, one of the issues that we are looking at in the UK and that I discuss with my European colleagues is how aid and development money can be used to ensure that we develop the economies and stability of the countries from which people are seeking to move to Europe.

The hon. and learned Lady asked about the channel tunnel. We recognise the significance of the channel tunnel to importers and exporters. Precisely because of that, Border Force made significant contingency arrangements with the French authorities for the possibility of a MyFerryLink strike. Obviously, the disruption—the strikers burned tyres on the tracks—had an impact on the tracks. We had contingency operations in place because, for all of us, it is important to maintain those routes through the channel tunnel, both for businesses and for those who wish to travel for tourism and other purposes.

Several hon. Members *rose*—

Mr Speaker: Order. This is an extremely important statement. That said, may I just point out to the House that well in excess of 30 people wish to take part in the final day of the Budget debate, and therefore that there is a premium on brevity? The tutor in this matter today can be Mr Philip Hollobone.

Mr Philip Hollobone (Kettering) (Con): A lorry driver constituent, Peter Clark, turned up at Calais with a cement mixer from Italy. He asked the French authorities to check it. It was six o'clock in the morning and they said they had no torches and their ladder was locked up. He crossed the border with five Vietnamese illegal immigrants on board and now faces a fine. Will the Home Secretary tell the French that they need to raise their game?

Mrs May: May I suggest to my hon. Friend that, if he sends the Immigration Minister details of that case, we will look at it? There are two parts to the searches that should take place involving not just the French authorities, but Border Force. We would like to look into that.

Keith Vaz (Leicester East) (Lab): The Home Secretary is right that our security and immigration policy should not rest in the hands of a few French strikers. Later today, the Home Affairs Committee will hear from the Immigration Minister, the Road Haulage Association and the police to look at her proposals. I am not convinced that putting 250 lorries in a secure zone is the answer or even part of the answer. When I was in Calais a fortnight ago, a lorry with German plates driven by a Romanian was opened up. Five people from Darfur emerged. They were collected by the French police and let off about a mile down the road. Before they left, they said they would try again the next day—1,000 migrants were found on those lorries every single day. The key is the taskforce that she has set up in the Mediterranean, because unless we stop the flow of people into France, we cannot solve the problem of Calais.

Mrs May: The right hon. Gentleman makes an important point about the taskforce and dealing with the organised criminal gangs. The taskforce will work with countries in Europe and Africa to deal with the problem, but we are supporting the JOT Mare operation under Europol, which has a fusion cell in Italy. It is looking to increase the intelligence available on the routes people are using so that we can better target the criminal gangs involved.

Mr Ranil Jayawardena (North East Hampshire) (Con): I welcome what my right hon. Friend says about close working with the French Government, but does she agree that it is vital that further pressure is brought to bear on the Italian Government to process newly arrived migrants quickly, including fingerprinting, in line with international obligations?

Mrs May: My hon. Friend has put his finger on one important aspect—the Italian authorities have responsibility for fingerprinting and registering those who cross through that central Mediterranean route and arrive first in Europe in Italy. My French colleagues and I, and others in the European Union, are putting pressure on the Italians to do that.

Keir Starmer (Holborn and St Pancras) (Lab): The focus is understandably on Calais and what is happening around Calais, but all hon. Members acknowledge that, in the long term, what happens in the transit and source countries makes the difference. Could we have more detail on whether we plan to escalate our role in the source countries, which in the long term will be the only way of dealing with the problem?

Mrs May: There are a variety of ways in which we are looking at what the UK can do, and at what we can do collectively with other EU member states. We could potentially have a centre in Niger to which it would be possible to return people who have made the journey into Europe. As I indicated in my response to the hon. and learned Member for Edinburgh South West (Joanna Cherry), we are also looking at what can be done in the source countries to ensure that there is an economic future and a stable future there so that people do not feel the need to make the journey.

Helen Whately (Faversham and Mid Kent) (Con): I thank the Home Secretary for acknowledging the impact on the people of Kent of Operation Stack and the disruption. I also thank her and her Department for their work to ensure that the channel crossings are secure and flow smoothly. Does she have any further tactics up her sleeve should all those efforts prove unsuccessful during the summer?

Mrs May: I assure my hon. Friend that we are constantly looking to see whether there are ways in which we can improve the action we are taking, but we need to approach it across a wide variety of areas of action, not just what happens at the ports. We will of course continue to look at what action needs to be taken in the ports.

Jeremy Corbyn (Islington North) (Lab): In the later part of the Home Secretary's statement, for which I thank her, she drew attention to the wider question of desperate migrant people around the world—my Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) did the same. Are we not facing a global refugee crisis of similar proportions to that which took place after the second world war? We see the tragic, awful symptoms in the camp in Calais, in the Mediterranean and in many other places. Does it not require a much stronger, bigger and more humanitarian global response, possibly through the United Nations as well as through the European Union? Many people are destitute, desperate and fleeing from the war in

Syria and many other conflicts. The problem will not be solved by turning people back. It will be solved by looking at the cause of the crisis and providing a high level of humanitarian support. I realise that we have given a great deal of support to Syrian refugees, but clearly more has to be done globally.

Mrs May: The hon. Gentleman is right that we are seeing significant movements of people in various parts of the world. We focus on those moving across the Mediterranean, but there are significant movements in the far east—we have seen lives lost when people move on boats there. It is important for us to look at what is causing the movements of those people. As I have said, that is why we will be looking at how we use our aid budget, and at how the European Union uses its budget, in those source countries. As regards the people we are relocating from Syria, we are working with the United Nations—we are working with the United Nations High Commissioner for Refugees—to ensure that we provide support to the most vulnerable.

Tim Loughton (East Worthing and Shoreham) (Con): I welcome the Home Secretary's comments about myth-busting in respect of the prospects for migrants coming to this country. Clearly, the Home Secretary has been doing an awful lot with Border Force at no little expense to the British taxpayer, but Calais remains a magnet, so will she robustly respond to the deputy mayor of Calais, who seems to think that the UK should do more to let those people in? If we were not so effective with Border Force, many thousands more would be attracted to Calais to try to get into the UK illegally.

Mrs May: I assure my hon. Friend that we make those points clearly. He is absolutely right. That is why the juxtaposed controls are important to us. If a significant number of illegal migrants come through into the United Kingdom, an ever-increasing number of people would try to come through—it would act as a pull factor.

Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): The Secretary of State rightly acknowledged that the situation in Calais is closely linked with the refugee crisis in the Mediterranean. We know that many of the people camped in Calais are from war-torn countries such as Syria. Do the Government not recognise therefore that, by participating in significant resettlement of refugees from Syria, cutting out the criminal gangs and providing the means for safe and legal transfer to the UK, they will be taking action that is helpful both for the situation in Calais and for the ongoing disaster in the Mediterranean?

Mrs May: I have a couple of responses to the hon. Gentleman. First, it is wrong to assume that all or the majority of people who are travelling across the Mediterranean are necessarily refugees from Syria. Significant numbers of people are coming from countries such as Senegal and Nigeria. People are paying organised criminal gangs—they are illegal migrants attempting to come into the United Kingdom and other European countries illegally. We must be clear about the need to deal with that.

Secondly, I have indicated that our Syrian vulnerable persons scheme will take several hundred people over a few years. A number of Syrian asylum seekers have been

granted asylum in the United Kingdom. The Government and I remain of the view that the majority of our support is best given by supporting the refugees from Syria in the region, as we have done by providing £900 million in aid.

Mr Bernard Jenkin (Harwich and North Essex) (Con): Does my right hon. Friend agree that we are witnessing the kind of large-scale migrations that were predicted some 20 years ago? We now need a much more comprehensive response from responsible countries to deal with the issue. I commend her for insisting to our European partners that they should seek to return people to their home countries rather than accepting them into the European Union, and for questioning the borderless Schengen area in Europe that encourages large-scale migration across our continent.

Mrs May: My hon. Friend is right: one of the keys to the problem is breaking the link between people making the journey and being able to settle in the UK or other parts of Europe. We work closely with other member states in the EU—such as the Italian authorities—to try to ensure that they are undertaking their responsibilities properly. As I have said, we have the benefit of not being part of the Schengen area and therefore being able to operate our own borders, but some action has been taken by other member states within that area to increase their ability to operate their borders.

Caroline Lucas (Brighton, Pavilion) (Green): There are more refugees today than at any time since the second world war because of so much violence and turmoil in the world. Support in the region is welcome, but it is not enough. Will the Home Secretary acknowledge that the Government's refusal to accept some kind of EU refugee quota system is unfair and irresponsible? In the past, she has said that Britain has a proud tradition of standing up for refugees: now is the time to prove it by supporting such a measure.

Mrs May: The hon. Lady should take pride in the work that the United Kingdom is doing to support refugees from Syria. We are taking asylum seekers from Syria and we have our vulnerable persons relocation scheme. Crucially, we are working to support hundreds of thousands of people in the region with medical supplies, water, food and shelter, and that is the best place to spend the money because many of those people look forward to an opportunity to return to their homes in due course.

Damian Green (Ashford) (Con): I am grateful to my right hon. Friend for her tribute to the forbearance of the people of Kent—I might have chosen a slightly sharper word to describe the mood in Kent last week. In the context of the welcome increase in security at Calais that she has outlined, has she had any indication from the French authorities of increased security at the Eurotunnel exit at Coquelles? As she knows, it takes a third of the freight and, if it is kept secure, at least one route not directly associated with the Calais strike can be kept flowing at all times.

Mrs May: My right hon. Friend makes an important point. We are working with the French authorities to improve the security at Coquelles and with Eurotunnel on what more can be done on that route to ensure that we are able to protect the lorry drivers using it.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Can the Home Secretary tell the House when the secure waiting area will be up and running, whether it will be policed by French or British police officers operating under—presumably—French law, and what the cost will be?

Mrs May: The secure area will be in place in the autumn: we are working on putting it into place. I would expect it to be policed by the French police, because the British police do not police in other member states. We are providing £12 million, and the security arrangements we are putting in place in Calais will be paid for from that sum of money.

Henry Smith (Crawley) (Con): I commend my right hon. Friend the Home Secretary for her comprehensive statement on tackling attempted illegal immigration from Calais. Can she assure me that the UK Border Force will not be diminished at other points of entry, such as Gatwick airport and elsewhere, where attempted illegal immigration can occur?

Mrs May: I recognise the significance of Gatwick airport for my hon. Friend and his constituency, and I assure him that UK Border Force is constantly looking to ensure that it is able to maintain security at all types of ports. That includes looking at security arrangements at some sea ports which have perhaps not had the same focus in the past.

Gavin Robinson (Belfast East) (DUP): I am grateful for the Home Secretary's mentioning other ports. Has she had a chance to consider how porous the border is between Northern Ireland and the Republic of Ireland? Northern Ireland is seen as a key entry point for the United Kingdom, but there is no protection until mainland Britain is reached.

On the secure zone, can she tell us whether UKBF officials will be present or will it be left solely to French authorities? Clearly, we need to be sure that what is proposed for delivery in the autumn is as secure and protective as possible.

Mrs May: We have the common travel area with the Republic of Ireland, but I can assure the hon. Gentleman that we have ongoing discussions with the Irish Government about the arrangements for the external borders in particular of both countries.

On the new secure zone, Border Force officials of course operate in the port, and the area will be—I was going to use the phrase “to one side”—somewhere lorries can be stationed securely, rather than have to queue up on the road. It will be before they get to the juxtaposed controls.

Damian Collins (Folkestone and Hythe) (Con): I welcome the Home Secretary's comprehensive statement and her agreement to meet Kent MPs to discuss the matter further. Has she received an assurance from the French Interior Minister that if more industrial action occurs this summer, swift action will be taken against strikers seeking to enter the tunnel and port site illegally to cause criminal damage, and that they will face prosecution if they do so?

Mrs May: I assure my hon. Friend that I have indeed discussed with my opposite number, the Interior Minister, the action that the French authorities will take and how they will approach any further strikes, should they take place. It is for the French authorities to decide how they will deal with those matters and for the French police to take their operational decisions, but I have made our concerns clear.

Jason McCartney (Colne Valley) (Con): Does the Home Secretary agree with me and my constituent Mark, who runs a logistics company based in Holmfirth and who updated me on the situation in Calais over the weekend, that we should continue to work closely with freight and haulage bodies to ensure driver safety?

Mrs May: My hon. Friend is right: the Minister for Immigration spoke to representatives of the haulage industry yesterday, and that was not for the first time. He has had several meetings with representative organisations and hauliers, and he will continue to do so, because we need to keep the lorries moving.

Tom Pursglove (Corby) (Con): Haulage is a prominent industry in Northamptonshire. Has any assessment been made of the losses that have been suffered by the industry as a result of the situation in Calais?

Mrs May: I am not aware that the industry has produced any such figures, but concerns arise in several areas—first is the strike action and the delays caused to hauliers. Secondly, if clandestines get into food lorries, the whole consignment often has to be destroyed. That is another incentive for us to do everything we can to stop illegal migrants entering the lorries.

Several hon. Members *rose*—

Mr Speaker: Order.

The Leader of the House of Commons (Chris Grayling): On a point of order, Mr Speaker—*[Interruption.]* I wish to inform the House that in a correction to the business statement I made on Thursday, tomorrow's business will begin with the Appropriations Bill and continue with a full day's debate on the issue of English votes for English laws, as set out last week.

Mr Speaker: I am grateful to the Leader of the House—*[Interruption.]* Order. Ordinarily, when there is a change to business, there is a supplementary business statement to the House. If I may say so, that is the proper course to follow. In this place, we tend to be guided and governed to a considerable extent by precedent, and I simply make the point—I hope in a gentle, understated and courteous way—that following that precedent would seem to be sensible. It is not obvious why there should be a departure from it. That said, I thank the Leader of the House for what he has said. It is the fact that he has dealt with it in this way that has been the cause of some commotion.

Ms Angela Eagle (Wallasey) (Lab): Further to that point of order, Mr Speaker. We found out only by accident that this change to the business was going to be announced to the House in this way—we heard about it through the media. Of course, we heard initially that the statutory instrument on hunting was to be debated on Thursday of this week only because we had a load of people from the pro-hunting lobby emailing us about it before it was announced to this House. That was then shifted to Wednesday at the business statement last week. We now learn through the media that it is being withdrawn altogether, while the debate on English votes for English laws has become a general debate. May I ask that we make provision in our Standing Orders for a business statement every day, because the Government seem to be getting into such a shambles with their own legislation?

Mr Speaker: The resources of civilisation have not been exhausted. Precisely because I thought that ordinarily such a matter would be treated by way of a supplementary business statement, and in light of the evident interest in the House in the matter, I will, with the agreement of the House, treat it as a supplementary business statement, in relation to which colleagues' contributions are therefore not just invited but welcomed.

Mr Alistair Carmichael (Orkney and Shetland) (LD): Further to that point of order, Mr Speaker. When the Leader—

Mr Speaker: Order. Forgive me if I did not make myself sufficiently clear. We are very pleased to have the Leader of the House here. What I said was that, as this would normally be a supplementary business statement, we will operate on that basis. Therefore, there is no "Further to that point of order." The right hon. Gentleman, in his full splendour, can now ask a question to which I hope he will elicit a reply from the Leader of the House.

Mr Carmichael: Thank you, Mr Speaker. I very much share your hope in that regard. When the Leader came to the House last Thursday, he told us:

"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."—*[Official Report, 9 July 2015; Vol. 598, c. 451.]*

As a consequence, I spent yesterday in a state of fevered anticipation, but went home at the end of the day an empty-handed and disappointed man. In fact, the draft set of modified Standing Orders was not published until after midday today. Do you know of any reason for that, Mr Speaker? How many hounds are we allowed to employ to flush out an explanation from the Leader of the House?

Mr Speaker: I have no knowledge of that matter. I very gently say to the right hon. Gentleman, whose humour has not deserted him, that his question and other questions must be directed not at me but at the Leader of the House, who can respond accordingly.

Business of the House

1.21 pm

The Leader of the House of Commons (Chris Grayling):

Since this is a business statement rather than on the matter for tomorrow, I will answer the questions in more detail tomorrow. Suffice it to say that rather than publishing a draft order at the end of business last night, it was published at the start of business today.

Mr Speaker: I emphasise that this is a supplementary business statement. Forgive me if new Members are not familiar with the concept, but the notion of a supplementary business statement is that the Leader of the House will come to announce what is usually quite a modest variation in business, at least in terms of the number of items subject to change. Questioning is therefore on the relatively narrow changes plural, or change singular. It is not a general business statement; it is on the matter of the change announced, and possibly on what might be called any consequentials.

Mr Bernard Jenkin (Harwich and North Essex) (Con): May I observe for my right hon. Friend that the Scottish National party has only one objective in this House, which is to foment the break-up of the United Kingdom? Unless all Unionist parties in this House work together to frustrate that aim, instead of continuing the usual games we play in this House, we will help them to achieve that objective.

Chris Grayling: I am surprised that the Scottish nationalists have chosen to move away from what they have done for many years, which is to abstain on matters that do not affect Scotland. They have clearly taken a decision to change policy. It is up to other Unionist parties to decide whether they will help them in that approach.

Pete Wishart (Perth and North Perthshire) (SNP): What an utter and absolute shambles! That is the only way that this could possibly be described. It seems to me that a number of things need to happen. First, this looks very much like the Tories knew they would not win the vote tomorrow, so they want to change the rules. The Leader of the House has to come back not with a “mini” business statement, but a full business statement. The plans need to be withdrawn from the House absolutely and totally, as they are a complete and utter mess. He needs to bring back a proper approach to dealing with this—[*Interruption.*] I do not know why the hon. Member for Peterborough (Mr Jackson) is chuntering away, because he knows the Tories would be defeated if they were left on their own. We need a proper Bill, a proper piece of legislation, and proper scrutiny and examination. Will the Leader of the House now withdraw the plans for English votes for English laws, come back with a total rethink, and allow the House proper scrutiny, so that we can look at this properly and in order?

Chris Grayling: With respect to the hon. Gentleman, this matter is nothing to do with English votes for English laws, which will be debated extensively tomorrow. In fact, the debate on that matter will now be longer than it would otherwise have been. The issue of hunting

and the debate that might have taken place tomorrow has nothing to do with English votes for English laws. If the hon. Gentleman had read the small print of our proposals, he would know there is no connection between the two.

Henry Smith (Crawley) (Con): May I invite my right hon. Friend to say how incredulous he is that the SNP, which thought we should have had a longer discussion on English votes for English laws—the people of Crawley certainly want that—is now complaining that we have more time to discuss this very important issue?

Chris Grayling: I fear that what we are seeing on the Opposition Benches is the shape of the Government we thankfully did not get in May; a collaboration between a party that claims to be Unionist but behaves in the opposite way and a party that wants to break up the United Kingdom. All I can say is thank goodness the electorate saw through them.

Mr Ben Bradshaw (Exeter) (Lab): Is not the real reason the Government have withdrawn the hunting amendment that they would have lost the vote with or without the votes of the SNP, given the very large number of Conservative MPs, including the Under-Secretary of State for Culture, Media and Sport, the hon. Member for Chatham and Aylesford (Tracey Crouch) and two of my near neighbours the hon. Members for Totnes (Dr Wollaston) and for Torbay (Kevin Foster), who do not want to reintroduce cruelty? Given the huge public interest in this issue, when will the Leader of the House bring the matter back before the House?

Chris Grayling: There are different opinions on both sides of the House. Does the right hon. Gentleman not think it appropriate for this matter to be decided in a mature way by English and Welsh MPs who would be affected by the change, and not by Members of Parliament whose constituents would be unaffected by the change and are saying that they will vote against the law as it currently applies in Scotland?

Kevin Barron (Rother Valley) (Lab): The Leader of the House suggests that only English and Welsh MPs should vote on this matter. Does that not completely contradict the answer he gave earlier? After 32 years in this place, I have never seen such a shambolic decision. There are thousands of our constituents out there who want this thing sorted out once and for all.

Chris Grayling: The point is that there are different opinions on this issue on both sides of the House. It was a manifesto commitment to offer a choice to the people of England and Wales on what they want to happen. It is not right for a party that has no connection to these matters to say that it wishes to interfere—that is a change to the policy it has pursued for many years.

Angela Smith (Penistone and Stocksbridge) (Lab): Even by the standards of those on the Government Benches, we are all shocked at the cynical and shabby way with which the Government are attempting to use the business of the House to destroy the Hunting Act 2004. The Leader of the House has just said that he wants a material debate on the future of the Hunting Act. Why does he not bring back a Bill for the repeal of the Act? We could then have a proper debate with a free vote.

Chris Grayling: Nobody is trying to repeal the Hunting Act. The measure that was proposed had nothing to do with repealing the Hunting Act.

Simon Hoare (North Dorset) (Con): Will my right hon. Friend undertake to discuss with colleagues on the Treasury Bench the introduction of a general animal welfare Bill in the next Session covering foxhunting, wild animals in circuses, the clipping of chickens' beaks and other such issues? All those things could be covered in one large umbrella Bill that the House could discuss and then vote on in the proper way.

Chris Grayling: I think that was a representation on legislation for next year's Queen's Speech to which I am sure my hon. Friends will have listened carefully.

Mr Speaker: They may have listened carefully and been struck by the ingenuity of the hon. Member for North Dorset (Simon Hoare), but I hope that questions will not follow in quite the same vein, because we are principally concerned with the business of the House for this week and possibly slightly beyond; we are not taking a panoramic view.

Ian C. Lucas (Wrexham) (Lab): Last Thursday, the Leader of the House told the House that he would publish the amended Standing Orders on Monday. I collected them at a quarter to 1 today, which was when the Vote Office received them. Will he do the House the courtesy of his office and apologise for not filing the amended Standing Orders yesterday, as he told the House from the Dispatch Box he would? Does he really treat us with such contempt?

Chris Grayling: If the hon. Gentleman thinks that publishing something at the start of Tuesday, rather than the end of Monday, is treating the House with great contempt, he and I have different interpretations of the word "contempt".

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): The nasty party is well and truly back. I have never had so many emails from constituents in such a short period as I have on this issue and the Government's contemptuous attempt to bring this measure in through the back door. Is the Leader of the House not showing his contempt for Parliament, the Union and the public in his handling of this matter?

Chris Grayling: No.

Geraint Davies (Swansea West) (Lab/Co-op): Will the Leader of the House allow Welsh MPs to vote on behalf of Welsh foxes in order that English foxes, like English badgers, can escape over the border, away from the ritualistic, sadistic slaughter he is advocating in the name of sport?

Chris Grayling: It is appropriate that the hon. Gentleman, on behalf of his constituents, can take decisions on matters affecting them. He and his party have just diametrically opposed that.

Mr David Hanson (Delyn) (Lab): The Leader of the House tabled the hunting vote to take place tomorrow before the final decision on English votes for English

laws. Will he give a commitment that in future the hunting vote will come before a resolution on EVEL?

Chris Grayling: I suggest that the right hon. Gentleman reads our proposals more carefully, which he clearly has not done. If he does, he will realise that there is no connection between the two.

Graham Jones (Hyndburn) (Lab): The Prime Minister said that this was going to be a free vote for the Conservative party and within the House—or certainly for the Conservative party. The Government timetabled this motion to take place before the debate on EVEL. Given that it was a free vote and the Government have an ambivalent position, why has it been pulled? Is it because they want this to go through, that it is effectively a whipped vote and the Tories are backing the repeal of the foxhunting ban?

Chris Grayling: When we say a matter is subject to a free vote, it is subject to a free vote, but of course Labour takes a rather different position.

Gavin Robinson (Belfast East) (DUP): The Leader of the House appears to take much joy in categorising all Opposition Members in exactly the same manner. As a new Member and a Northern Ireland representative, I assure him that whenever I hold a principled political position, I will stand up for it, I will speak out for it and I will vote on it. It is a shame he and the Government cannot do the same.

Chris Grayling: I have not categorised the hon. Gentleman's party as anything, and I would not categorise its Members in the same way as some of those who sit alongside them, as they represent a very different political tradition.

Robert Ffello (Stoke-on-Trent South) (Lab): Given that the Leader of the House seems, fortuitously, to have an extra 90 minutes on his hands tomorrow, rather than giving it to the EVEL debate, perhaps he could table a general debate on foxhunting.

Chris Grayling: The hon. Gentleman has clearly not been in the House for the past couple of weeks, when I have been told that we need more time for EVEL. This is an opportunity to have that time.

Susan Elan Jones (Clwyd South) (Lab): I am sure the Leader of the House possesses some strengths, but I think he is a suburban sort of chap, so may I suggest that over the summer he schedules some time to visit the countryside and ponder what might happen if a few foxes get ripped apart by some hounds in a chase? It normally means that the foxes get killed, which suggests, in my view, that all he is doing is repealing the Hunting Act—and no it is not the same for game and grouse. He just does not understand the issue.

Chris Grayling: I say gently to the hon. Lady, first, that I live in the district of Mole Valley, one of the most attractive country areas in the country, and secondly, that the measures that were due for discussion this week had nothing to do with repealing the Hunting Act.

Jonathan Ashworth (Leicester South) (Lab): The hundreds of constituents who have been in touch in recent days opposing this change to the Hunting Act will welcome what the Government have done, but will consider the way they have gone about it to be utterly chaotic. If this was designated a free vote by the Whips Office, as my hon. Friend the Member for Hyndburn (Graham Jones) said, why have the Government pulled the vote?

Chris Grayling: The hon. Gentleman has had lots of representations from his constituents, but the Government will take the decisions we think are in the best interests of the country and what we are trying to achieve, and that is what we are doing.

Points of Order

1.36 pm

Robert Ffello (Stoke-on-Trent South) (Lab): On a point of order, Mr Speaker. Thank you for kindly allowing the House to respond to what became a supplementary business statement, but had it been advertised as such, many more Members would have been here wishing to take part. For guidance, would it be possible to have a further supplementary business statement tomorrow to allow other Members to put similar questions to the Leader of the House?

Mr Speaker: The short answer is no. It is up to Members to be in their place and to take their opportunity. I believe there will be a business question on Thursday, and I merely encourage other right hon. and hon. Members in all parts of the House, whatever subject is of interest to them, to display the same perspicacity as the hon. Gentleman.

Mr David Hanson (Delyn) (Lab): On a point of order, Mr Speaker. Will you take this opportunity to remind the House that statements should be made to the House? I first heard this news on the BBC website. It is not appropriate that Members hear news affecting hundreds of their constituents in such a way. Constituents, whether for or against hunting with hounds, have taken a great deal of time to email their Members of Parliament, and to hear about it from BBC News was not appropriate.

Mr Speaker: It is certainly right that statements should be made first to the House. However illustrious the British Broadcasting Corporation might be, it does not deserve to hear of such matters before elected Members of Parliament. Statements should certainly be made first to the House.

BILL PRESENTED

NATIONAL INSURANCE CONTRIBUTIONS (RATE CEILINGS) BILL

Presentation and First Reading (Standing Order No. 57)

Mr Chancellor of the Exchequer, supported by the Prime Minister, Mr Secretary Duncan Smith, Secretary Sajid Javid, Greg Hands, Mr David Gauke, Damian Hinds and Harriett Baldwin, presented a Bill to set a ceiling on the main and additional primary percentages, the secondary percentage and the upper earnings limit in relation to Class 1 national insurance contributions.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 54) with explanatory notes (Bill 54-EN).

Civil Enforcement Officers and Traffic Wardens (Integration of Duties and Powers) (England)

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

1.38 pm

Mr Philip Hollobone (Kettering) (Con): I beg to move,

That leave be given to bring in a Bill to make provision about the integration of the duties and powers of civil enforcement officers and of traffic wardens with respect to the issuing of fixed penalty notices for additional offences; and for connected purposes.

I thank you, Mr Speaker, for granting me 10 minutes to state my case. I also welcome to his place the Under-Secretary of State for Transport, my hon. Friend the Member for Harrogate and Knaresborough (Andrew Jones), and commend him for his help and guidance on this complicated issue. I should also mention in dispatches the Under-Secretary of State for Transport, my hon. Friend the Member for Scarborough and Whitby (Mr Goodwill), who has been most helpful and understands the problems the Bill is trying to solve. I apologise to Members waiting for the last day of the Budget debate, but I hope that in the next 10 minutes they will be as interested in, and intrigued by, the parking issues in Kettering as I am. I hope to outline what the problem is and how it might be resolved.

The problem is that street wardens, whose role in life is to enforce important environmental protection measures, do not have the power in law to enforce parking regulations under a decriminalised parking regime. Likewise, traffic wardens, who can issue tickets under a decriminalised parking regime, are not able to enforce against infringements of environmental legislation. The purpose of this Bill would be to allow both sets of wardens to enforce each others' provisions and therefore, as it were, establish one generic type of warden, who could take action on lots of important issues at street level.

I declare my interest as a current, serving member of Kettering Borough Council. I want to draw the House's attention to the tremendous work that Kettering Borough Council has done in establishing an effective generic street warden scheme. The council has sought to remove artificial barriers to service delivery by asking its staff to take an holistic approach to their work. An example of that is the way in which the council has created the generic street warden team, which has required officers to take a creative approach to working within existing legislative constraints. Like most local authorities, Kettering Borough Council originally had a series of small teams, each dealing with areas such as car parking enforcement, dog fouling, litter enforcement, pest control and dog warden duties. The council was also gearing up to introduce residents' parking schemes across the borough, which it has now done, and it needed a new resource properly to enforce the residents' parking zones.

What the council did was combine all those functions into a single, generic street warden team, which was able to absorb the new residents' parking enforcement work and reduce the overall cost to the combined service, while at the same time hugely increasing its coverage. As a result, the council now has an enforcement presence across all those areas for 84 hours a week, rather than

the original 40. That has meant that the council is effectively two and a half times more efficient than it was in enforcing against both environmental and traffic offences. Originally, the council had 10 staff operating from 9 am to 5 pm, Monday to Friday. Now it has a team of eight staff, operating from 8 am to 8 pm—12 hours a day—seven days a week, providing 84 hours of work. They are able to enforce controls over abandoned cars, stray dogs, litter, off-street car parking, environmental offences, dog waste and fly-tipping, as well as dealing with pest control, supervision of local markets and residents' parking.

On-street parking controls—yellow-line parking controls—in Kettering are still provided by the local police, traffic wardens and police community support officers, because the parking arrangements in Kettering have not yet been decriminalised. This peculiar arrangement in Kettering works extremely well. The residents' parking schemes are extremely popular and there is a demand for more of them. They cost only £45 per vehicle per year and up to three vehicles per household are allowed. There are generous arrangements for visitor permits and there is high customer satisfaction, with good value ratings. The enforcement of residents' parking zones is provided by Kettering Borough Council's generic street warden team, which provides a flexible, responsive service, able to handle peaks and troughs, and at a lower cost than the original environmental warden capacity.

The problem in Kettering has arisen because the Government are keen for local authorities to decriminalise their parking arrangements and have asked the county council, Northamptonshire County Council, to look at this. The problem is that if Northamptonshire County Council goes along and decriminalises parking arrangements in Kettering, Kettering Borough Council's street wardens would not be able to enforce the residents' parking that exists in the town. A similar situation will apply to the Minister's constituency in Harrogate, because Harrogate Borough Council—which I am sure is an excellent local authority—operates civil parking enforcement on behalf of North Yorkshire County Council, alongside Craven District Council and Selby District Council. However, if Harrogate Borough Council wanted its civil enforcement officers for parking to enforce environmental legislation—such as control of litter, abandoned cars, fly-tipping and so on—it would not be able to do so in law. The purpose of my Bill would be to correct that anomaly in law, so that those wardens could enforce each others' responsibilities.

Kettering Borough Council is extremely keen to ensure that this problem is sorted out before the successful residents' parking schemes in Kettering are undermined. I am sure it is not the intention of the existing law to make such residents' parking schemes in Kettering unworkable. Ideally, Kettering Borough Council would be happy to see parking decriminalised, with Northamptonshire County Council allowing Kettering Borough Council to enforce the new arrangements, but that would require a change in the law to enable Kettering Borough Council's wardens to police the new parking arrangements. If the Government are not certain that that correction to the law would necessarily be the right thing, Kettering Borough Council is volunteering to offer itself as a pilot for this new, multifunctional working to apply to the new types of wardens in Kettering, so that the Government can satisfy themselves that the change in the law is required.

If this more integrated option were taken up, it could provide a template that the rest of the country might like to follow, because what Kettering Borough Council is saying is that we can have better enforcement of on-street provisions for environmental offences and parking offences with a smaller number of wardens, operating a larger number of hours, at a lower cost. If that were rolled out across the country as a whole, I estimate that it could save the Exchequer hundreds of millions of pounds, while also providing better arrangements at street level to police all the things that most of us tend to overlook day to day, but which are very important to making sure that a local area functions properly.

Question put and agreed to.

Ordered.

That Mr Philip Hollobone, Mr Stewart Jackson, Mr John Baron, Andrew Rosindell, Mr Peter Bone, Sir Simon Burns, Mr Christopher Chope, Andrew Percy, Mr Nigel Evans and Tom Pursglove present the Bill.

Mr Philip Hollobone accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 11 September, and to be printed (Bill 55).

Ways and Means

Budget Resolutions and Economic Situation

AMENDMENT OF THE LAW

Debate resumed (Order, 13 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.

Madam Deputy Speaker (Mrs Eleanor Laing): I have to inform the House that Mr Speaker has selected the amendment in the name of the hon. Member for Dundee East (Stewart Hosie).

1.48 pm

The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid): Last Wednesday, the Chancellor unveiled a one nation Budget with one aim in mind: security—the economic security of a country that lives within its means; the financial security of lower taxes and higher wages; and the national security of a Britain that defends itself and its values. Since then we have had almost a week of debate—a week of the Opposition trying and failing to pick holes and a week in which we have had the usual predictions of doom and disaster. It is a familiar story from Budget debates past. In June 2010, the then shadow Chancellor called our approach “a profound mistake” that ran the risk of “derailing the recovery”. Two years later, another shadow Chancellor said that our long-term economic plan had “failed”, although I should add that in the same speech, the former Member representing Morley and Outwood also warned that “after hubris comes nemesis”—a lesson he apparently failed to learn himself. Let us fast forward to 2015, and yet another shadow Chancellor said last week that

“this Budget made the wrong choices for working people”.—[*Official Report*, 9 July 2015; Vol. 598, c. 481.]

We have heard it all before.

Every year, the Opposition warn of catastrophe around the corner, yet every year Britain’s economy has got stronger. They said our policies would lead to mass unemployment, yet today more people are in work than ever before. They said that economic growth would be strangled; today, our economy is growing faster than any other in the G7. They said we could not bring down the deficit, yet today we are on course to have a surplus by the end of this Parliament. Even the most partisan critics can see that our economic plan is working. That is why,

[Sajid Javid]

in May, the British people gave us a mandate to finish what we started, which is exactly what this Budget delivers.

Mr David Anderson (Blaydon) (Lab): While I accept that it is part of political knockabout that the Government say one thing and the Opposition say another, does the Secretary of State agree with external groups such as Parkinson's UK, which said that the change to welfare benefits will have a debilitating impact on people with Parkinson's and will do them real harm? Does he think that is part of the political knockabout, or does he accept what it is saying?

Sajid Javid: What I accept is that we need a welfare system that protects the vulnerable and is affordable and sustainable for the long term. As we deal with excessive welfare spending, we are able to strengthen the economy, which means higher wages for working people. I hope that the hon. Gentleman can support that.

Geraint Davies (Swansea West) (Lab/Co-op): Does the Secretary of State accept that child tax credits are, in fact, work incentives based on the American earned incomes tax credit, and that the reason the cost is so high at £30 billion is that productivity and wages are so low? In particular, there are 800,000 fewer people now earning over £20,000 than there were in 2010. Is that not a complete failure?

Sajid Javid: I think the hon. Gentleman would agree that it is better to have a sustainable welfare system that protects the vulnerable while at the same does not allow companies to get away with paying lower wages than they otherwise were. I hope he supports our national living wage, especially the fact that it means someone working at the national minimum wage today will get at least £5,000 more a year by 2020 because of our national living wage.

A business-led economy in which hard work is rewarded, entrepreneurs are encouraged and aspiration is applauded—that is at the heart of our Budget. Above all, it is a Budget that supports business. For all the rhetoric one hears from politicians, Governments do not create jobs; businesses do. As my right hon. Friend the Secretary of State for Work and Pensions said last week:

"It is only when businesses are thriving that the people of our country can thrive too."—[*Official Report*, 9 July 2015; Vol. 598, c. 482.]

It is only a strong and growing economy that allows us to invest in the NHS and schools; and it is only a strong and growing economy that allows us to spend money on protecting our most vulnerable citizens. Anyone who is successful in business should be congratulated and not condemned.

Helen Whately (Faversham and Mid Kent) (Con): Does my right hon. Friend welcome, as I do, the introduction of a national living wage, which will increase the pay of the worst paid and help make work pay?

Sajid Javid: My hon. Friend is absolutely right. At the heart of the new national living wage is just what she says—it will mean working people earning even more, and it will go on to boost productivity, too.

Aggressive regressive policies that penalise honest labour have no place in the modern world. That is why we have already cut the main rate of corporation tax to 20%, rewarding productive companies and boosting UK competitiveness. It will now fall further to 19% in 2017 and just 18% in 2020, making it the lowest in the G20. More than a million businesses will see their tax bill fall as a result, allowing them to invest more in their staff and facilities.

That is not all. As corporation tax falls, tax allowances for growing businesses will rise. The annual investment allowance will be set at £200,000—its highest-ever permanent level, while the employment allowance will increase by £1,000 to £3,000, cutting employer national insurance contributions still further. By next year, businesses will be able to employ four people full time on the national living wage and pay no national insurance at all. By April next year, we will publish a business tax road map, setting out our plans for business taxes over this Parliament and giving employers the information they need to plan ahead.

From September 2017, working families with three and four-year-olds will receive 30 hours of free childcare—twice what they currently receive. This will help the parents themselves, but it will also get more skilled employees back in the workforce sooner—a real bonus for British business.

David Rutley (Macclesfield) (Con): I welcome my right hon. Friend's announcements. In tandem with the enterprise Bill and plans to review self-employment, does he agree that they will help boost the enterprise culture that we Government Members believe is vital to further the interests of our national economy?

Sajid Javid: I agree absolutely with my hon. Friend. Conservative Members have always understood the power and importance of enterprise, while Labour Members have never understood just how important it is to boosting our productivity and making sure that our economy keeps growing and creating jobs at a record rate.

Nia Griffith (Llanelli) (Lab): The Secretary of State makes great play of the importance of long-term planning. We all understand its importance for business, so what would he say to the company near Chepstow that used to make wind turbines but is now facing closure because of the sudden change in policy by his Government? Is it not sad that this Government, which should be offering certainty to business, are not only changing policy willy-nilly, but leaving a really big question mark over the European Union that is making businesses very jumpy indeed?

Sajid Javid: No one wants to see any company close in Britain, and no one wants to see any of the job losses that would potentially come alongside that. What is most important when changes in the economy affect businesses is a growing economy so that businesses are growing at record rates. We have record high growth as a country among the G7, which is exactly the sort of environment we want so that other companies can continue to grow alongside.

The national living wage will put more money in customers' pockets. This will deliver a real boost to businesses right across the country, as eight out of

10 people who will see their pay rise live outside London and the south-east of England. These measures will all support growing, dynamic businesses, as we work with them to tackle the economic challenge of our time.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): The right hon. Gentleman has made an intellectual case for what he calls the national living wage, which most people would call a rise in the national minimum wage. Why did the Government not choose to bring in the national living wage? Surely the case he has made is for the national living wage.

Sajid Javid: Perhaps the hon. Gentleman missed last week's Budget and what the Chancellor said. The Chancellor did introduce the national living wage. Of course it will be phased in over five years, but by 2020 it will be equal to at least 60% of median earnings. It is the national living wage.

Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP): Will the right hon. Gentleman confirm the situation in Scotland for UK Government employees? Will they get his Government's low national living wage or will they get the living wage that applies in Scotland, which is considerably higher?

Sajid Javid: People will be receiving the new national living wage, as set out by the Chancellor in his Budget. That is a huge step forward, raising the incomes of millions of people throughout Britain. At least 2.6 million people will benefit directly, and a further 6 million will also benefit. I am sure that the hon. Gentleman will join me in welcoming that.

Mr Anderson: The Secretary of State is being very generous. May I ask him what will be the living wage—his living wage—for under-25s and for under-21s?

Sajid Javid: As the hon. Gentleman may know, the new national living wage applies to those aged 25 or older. The statutory wages for younger age groups are already being set by the Low Pay Commission.

The economic challenge of our time is boosting Britain's productivity. Britain is home to some of the world's most dynamic businesses, staffed by incredibly talented, hard-working individuals, yet our productivity—the rate of output per hour worked—is well below its potential. Let me put this in stark terms. It now takes a worker in the United Kingdom five days to produce what his or her counterpart in France can deliver in four. There is encouraging news—the British automotive industry is among the most productive in the developed world, with a vehicle rolling off the production lines every 20 seconds—but by and large, in a situation familiar to fans of the England men's football team, the country that invented modern industry has fallen behind its competitors, and the Germans in particular.

Mr Jim Cunningham (Coventry South) (Lab): What does the Secretary of State think we need to do in Britain to improve our productivity?

Sajid Javid: If the hon. Gentleman had joined me in Longbridge on Friday, he would have heard me set out the Government's productivity plan, which I shall come to in a moment.

Productivity is not just some obscure measure that is of interest only to economists. Higher productivity means higher incomes. When productivity rises, standards of living rise too. That is why, as part of last week's Budget, we published "Fixing the foundations: Creating a more prosperous nation". It is our blueprint for getting Britain moving, building and growing, and creating the environment that is needed to tackle the productivity gap once and for all.

The productivity plan will support apprentices with a new compulsory apprenticeship levy that requires large businesses to invest in their own future. It will boost skills with a radical streamlining of further education qualifications and the creation of prestigious institutes of technology. It will support infrastructure, with vehicle excise duty paying for a new roads fund, and a plan to put Network Rail and the rail investment programme back on track. It will allow us to invest in innovation, putting nearly £7 billion into the UK's resurgent infrastructure, and developing our network of Catapult centres for commercialising technology. It will make our world-class universities open to all, removing the student cap and putting higher education on a more sustainable footing. It will ensure that superfast broadband is available to 95% of UK households and businesses by 2017, and it will make it easier for the market to roll out fixed and mobile infrastructure by reforming planning rules on taller masts. It will mobilise the whole of Government behind exporting, working alongside a more effective UK Trade & Investment and building stronger links with emerging markets.

Geraint Davies: I am grateful to the Secretary of State for his generosity in giving way again. Why did the front page of *The Economist* sum up the Budget with the words "politically astute, economically flawed"? Why did its editorial observe that it was a result of quick fixing that focused not on productivity but on abandoning investment in the railways, not allowing enough easy access to universities, and not raising skill levels and improving infrastructure in order to make Britain strong?

Sajid Javid: Probably because *The Economist* was published before I launched the productivity plan on Friday.

The productivity plan will strip further red tape out of the planning system, making it easier to build the homes that British workers need. It will rebalance our economy, devolving further powers and responsibilities to the elected mayors of London and Manchester and working towards devolution deals with the west midlands, Sheffield, Liverpool, Leeds and West Yorkshire. It will create open and competitive markets with the minimum of regulation, an environment in which innovative businesses can thrive to the benefit of consumers.

The drivers of productivity are not a mystery; the barriers that prevent it are well understood. What has been lacking in this country for too long is the political will to do something about the problem by making the bold decisions that are necessary to unleash the full potential of British business. That is not lacking any more. This Government have the mandate and the will to deliver lasting change, and that is exactly what the Budget will do.

In the past few days, we have heard Labour's former Chancellor say that his party lacks "a credible economic policy". The Leader of the Opposition has attacked our

[Sajid Javid]

changes in tax credits one day and supported them the next. We have heard the SNP's economy spokesman, the hon. Member for Dundee East (Stewart Hosie), promise somehow to reduce the national debt while still running a deficit. On the Opposition Benches, economic competence is almost as rare as a Liberal Democrat Member.

Only this Government have the policies and the will to back British business. Only this Government have the foresight to invest in infrastructure and skills. Only this Government will build the homes that the country needs and the economy that it deserves. This Budget does not just fix the roof while the sun is shining. It fixes the foundations too, and I commend it to the House.

2.6 pm

Mr Chuka Umunna (Streatham) (Lab): We gather here today to conclude the Budget debates, but before I dive in, I want to put the Budget in a long-term, global context.

All political parties in advanced economies face the challenge of translating their values into action in an era of change and globalisation. In some circles "globalisation" is seen as a dirty word, but in my view it is wrong to view it as such. We cannot ignore the fact that it has lifted millions of people out of poverty and destitution in developing economies around the world: that is something that we should celebrate. It has also expanded opportunities in advanced economies for some particularly highly skilled, internationally mobile workers. However, globalisation, powered by technological forces, is also displacing and reshaping industry after industry in economies like ours. It has failed to deliver for nearly enough people in middle and lower-income jobs, often destroying jobs that families and whole communities have done for generations.

The nature of work is also changing. More people are becoming self-employed, and more people need to work around caring and family responsibilities. That is not a bad thing, but our systems are not set up to serve those new work patterns so well. Anyone who speaks to a self-employed person about how difficult it is to take out a mortgage, or to a working family about the rising cost of childcare or the challenge of working while also caring for an elderly relative, will see what I mean. Economic policy is about nothing if it is not about the job that people do, from which so much else flows: self-esteem, a sense of security, and the ability to support a family.

The job of Governments, in addition to providing a safety net for those who cannot work, is to decide what policy responses can transform the challenges posed by technology, globalisation, and other changes from obstacles to solutions—solutions to problems related to jobs, growth and competitiveness—today and in the coming decades. That, ultimately, is the yardstick against which we must measure the Government's Budgets during this Parliament. Do they empower people to get on in an era of globalisation? Do they promote growth and prosperity, at the same time as reducing our debt and deficit in a fair way?

Let me now turn specifically to this Parliament's first Budget, and the projections for the economy and public finances in the short term. The Office for Budget

Responsibility's growth forecasts for the forecast period are relatively unchanged compared to those in March, although growth has been revised down for this year. The current recovery is real, but it is the slowest on record. The economy is still fragile. If that were not the case, the foot would not be firmly on the floor when it comes to monetary policy levers: the base rate has sat at 0.5% for more than six years. So there can be no complacency on growth. At the same time, we still need to reduce public sector borrowing and the national debt in the wake of the global financial crisis of 2008-09. That crash was triggered by grossly irresponsible behaviour in the banking sector. It caused a recession that precipitated a fall in tax receipts and the debt and the deficit to substantially increase. I will deal with the debt and deficit issues first, because I want to deal in more detail with matters of growth. Ultimately, the best way to reduce our debts is by people earning more and for the economy to grow in a sustainable way.

James Cleverly (Braintree) (Con): The hon. Gentleman sticks rigidly to the Labour party's script that it was all the fault of the banking sector, but does he concede that his Government—whether through too little, too much or the wrong regulation—had any part to play in the economic downturn we are now coming out of?

Mr Umunna: First, undoubtedly we should have better regulated the banks during our time in office, but it is worth Conservative Members remembering that the Financial Services and Markets Act 2000 that put in place a tripartite system for banking regulation was not opposed by them at the time—[*Interruption.*] No, it was not; I have read the *Hansard* myself. It is also worth noting that, to the extent that we were criticised by Conservative Members, they were saying we were regulating the banking sector too much.

Secondly, I will happily acknowledge that after 15 years of economic expansion we should not have been running a deficit—albeit an historically small and unremarkable one—going into the crash, but again I remind Conservative Members that the average deficit during our time in office before the crash hit was 1.3% of GDP, whereas in the 18 previous years it was 3.2%. It was not that small deficit that caused the increase in the wake of the crash; it was the fall in tax receipts precipitated by the recession.

David Rutley: By anybody's measure there was a record structural deficit before the crash. That was on the Labour Government's watch. Will the hon. Gentleman now join others in his party who have had the guts to apologise for creating that huge structural deficit?

Mr Umunna: That is simply not true—and if it were true, why did the hon. Gentleman's party sign up to our spending plans in 2007?

Robert Ffello (Stoke-on-Trent South) (Lab): I came into this House in 2005, and right up until the crash, week in, week out Conservative Members were saying in the Chamber and in Committee meetings that we were killing the banks—that we were stifling them with overregulation and we needed to weaken it. I also remember them coming to the House week in, week out saying they wanted more schools and hospitals in their constituencies; they wanted more spending.

Mr Umunna: I could not agree more with my hon. Friend.

Geraint Davies: Does my hon. Friend agree that in the 10 years up to the 2008 banking crisis the economy grew by 40% under Labour, which is how we afforded to double spending on the health service, and that since 2010—when, incidentally, the economy was growing under Labour—the share of the economy that is debt has risen from 55% to 80% because of the Conservatives' failure to grow the economy and their focus on cuts instead of growth to get the deficit down?

Mr Umunna: I will come on to that right now.

The Prime Minister said in a speech to the CBI in 2010: "In five years' time, we will have balanced the books."

The Government have failed to do that. It is worth revisiting the promises made then before giving the Chancellor the congratulations he seeks now for this 2015 Budget. In June 2010 they set a forward-looking fiscal mandate to achieve a cyclically adjusted current balance by this financial year. It was a rolling target, but no one took the rolling nature of it very seriously, so let us put that to one side. In short, they were saying they would eliminate the deficit by this financial year. In 2010, by their own measure, we were told they would do this, achieving a surplus of 0.3% last year and 0.8% this year. That is what we were told would happen. In the event, the Chancellor completely failed to meet that goal. The deficit came in at 2.4% last year, is forecast to be 1.7% of GDP this year and does not move into a surplus until 2017-18, some three years later than planned on their own measures.

There was also a supplementary target for public sector net debt as a proportion of GDP to be falling by 2015-16. The Chancellor managed to achieve that through some jiggery-pokery with the numbers, namely rapid asset sales in the last Parliament to pay down enough of the debt for his supplementary target to be met. But rushed asset sales mean poor value for the taxpayer, as the disastrous sale of Royal Mail illustrated in technicolour.

It is also worth reflecting on what we were told the debt-to-GDP ratio would be in 2010. It was supposed to fall from 61.9% of GDP in 2010 to 69.4% and 67.4% last year and this year, but debt as a proportion of GDP was 80.8% last year and is forecast to be 80.3% this year.

The Chief Secretary to the Treasury (Greg Hands): It is falling.

Mr Umunna: The truth is—I say this to the Chief Secretary—the Government borrowed over £200 billion more than they planned in the last five years. That is more in five years than the last Labour Government borrowed in 13 years. Now they want us to pat them on the back for their failure. I will not do it.

James Cleverly: The hon. Gentleman bemoans rushed asset sales. Does that include the significant sale of our gold reserves under a former Labour Chancellor of the Exchequer?

Mr Umunna: Oh dear; I think I will move on.

Why does all this matter? It matters because reducing the deficit is a progressive endeavour. We seek to balance the books because it is the right thing to do. We will not

stand by while the state spends more paying interest every year to City speculators and investors holding Government debt than on people's housing, skills or transport. It follows that aiming to reduce the national debt in the long term, and running surpluses when the economic circumstances allow and the economy is robust, is the right approach. It means we can free resources to invest in people to help them succeed in an era of globalisation. I would much rather invest in people than spend the £36 billion the Red Book tells us we will be spending on debt interest this financial year.

By the way, I say to Conservative Members that this is in keeping with the history of our party. In our 1964 election-winning manifesto we criticised, as we did in the lead-in to the last general election, "an ever-increasing burden" of debt payment on the country. I note that the Chancellor wants to legislate to make surpluses a legal requirement in "normal times". In 2010, when the then Chancellor Alistair Darling sought to enshrine in law, in the Fiscal Responsibility Act 2010, a deficit reduction target, the Chancellor said that it was "vacuous and irrelevant." to enshrine such things in law. The Conservatives now need to explain what has brought about this change of mind.

This recognition that we need to reduce the national debt is why we said before the last general election that there would be efficiency savings and cuts under a future Labour Government. However, we were clear we would achieve this in a fair way—not by balancing the books of the nation off the backs of the poor and the vulnerable. The centrepiece of this Budget was to proceed with further fiscal consolidation, principally by slashing the support which helps—[*Interruption.*] I ask the Minister for Skills to wait for me to finish my paragraph, and then perhaps he can comment on the national living wage.

As I was saying, the centrepiece of this Budget was to proceed with further fiscal consolidation, principally by slashing the support that, for lower and middle income earners, helps to make work pay, and then by supposedly compensating them with an increase in the national minimum wage, which people such as the Skills Minister have sought to re-badge as a living wage, even though it is anything but. Let me say a few things about that. No one will ever forget how the Conservatives opposed the very establishment of the national minimum wage in the first place. They can say what they like about it now, but no one will ever forget that.

In the lead-up to the election, I received sustained criticism from the Conservatives' supporters in business about our plans to increase the national minimum wage in this Parliament. People say that imitation is the sincerest form of flattery, and in some senses that is what this is, but there are important differences between what we are proposing to do and what the Government are now doing. First, our national minimum wage increase would have applied to all adults on the main rate. This Government, however, do not believe that anyone aged between 21 and 24 deserves an increase. Having abolished their education maintenance allowance and trebled their tuition fees, they are now saying that when those young people get into work, they do not deserve to earn what everyone else does when they reach adulthood.

Secondly, we would not have punished any adult benefiting from the increase we were proposing by subsequently withdrawing their tax credits. The Government

[Mr Umunna]

have called this a new deal, but it is a gigantic con-trick. Thirteen million families will be affected by the changes, and the Institute for Fiscal Studies could not have been clearer when it said that it was “arithmetically impossible” for the increase in the minimum wage to make up for the withdrawal of the credits that help people to work.

Let us take as an example a couple, both aged over 25, with two children. Both adults work full time and earn the minimum wage. Yes, they will gain £1,560 from the increase in the minimum wage, but they will lose more than £2,200 next year as a result of the change to tax credits. [Interruption.] I say to the Conservative Members who are chuntering that I totally accept that it would be better for people to be in receipt of a salary that did not necessitate the payment of tax credits to make ends meet, but reforming our economy so that it delivers more highly paid jobs must come first; otherwise, it is the working poor who will suffer.

Let me remind Conservative Members that nearly half the people in poverty in this country are in work. The Government seem to forget that. That is why it is unsurprising that the IFS calls this a “regressive” budget and says that the tax and welfare changes between them will result in poorer households losing out quite significantly, and much more significantly than richer households.

Geraint Davies: Does my hon. Friend agree that the minimum wage increase cannot replace children’s tax credits? If a single man and a woman with two children both went for the same job, which paid the minimum wage, the woman would have greater needs due to her childcare responsibilities. Tax credits provide an incentive for people such as her to work, yet they are being withdrawn. We accept that increasing the minimum wage is a good idea, but this measure will not help business at all, because putting up the minimum wage while removing tax credits will clearly be a disincentive for families to work.

Mr Umunna: That is quite right. The problem with Conservative Members is that they just lump everyone into the same bracket. Anyone who is in receipt of support is told, “It’s your fault. You’re not working.” The thing about tax credits is that they help to make work pay, but that seems to be lost on Government Members—

Paul Scully (Sutton and Cheam) (Con) *rose*—

Mr Umunna: Although perhaps it will not be lost on the hon. Member for Sutton and Cheam (Paul Scully). Let us see.

Paul Scully: The hon. Gentleman mentioned welfare changes. Does he agree with his interim leader that Labour should support a number of the welfare changes that we are proposing?

Mr Umunna: We are very clear that, in principle, we accept the benefit cap. In respect of the overall changes to tax credits, I have just made a comprehensive argument to illustrate the problem with those. This is not just about the overall tax changes. I will come on to talk about the withdrawal of support for students in poorer

households, which the hon. Gentleman is going to vote for, and about other matters. It is for all those reasons that we cannot give our overall support to this Budget.

Ultimately, the best way to cut the deficit and the debt is to ensure that we have better-paid jobs, which will increase tax receipts and reduce people’s need for extra support from the state. We are among the countries with the highest incidence of low-paid work in the developed world. We come fifth in the rankings of the OECD economies in that respect. We have to change that by rebalancing and restructuring our economy through the active prosecution of industrial strategies—a term that the Business Secretary seems to have a problem with. Now is not the time to junk the approach that started under the last Labour Government and that his Liberal Democrat predecessor sought to continue. Now is the time to move up a gear on industrial strategy if we are to achieve the necessary rebalancing. I say this because, in fairness to the Government, they started with good intentions and sought to rebalance the economy, with their Liberal Democrat partners, from 2010.

I am happy to acknowledge—and have done so publicly—that rebalancing was something that the Major Government failed to do and that we failed sufficiently to address in office, in spite of our many achievements. Our economy was one with too few savings; it was also too concentrated in too few sectors and regions of the UK, and it was based too strongly on cheap credit. The problem is that the current recovery has those same weaknesses that have plagued British recoveries for decades: productivity growth has been absent, as the Business Secretary mentioned; our export performance remains lacklustre; output depends on private consumption; household debt is rising; regional imbalances persist; and investment in innovation and research and development lags behind that of our competitors. I am not at all convinced that the Budget will reverse those weaknesses.

Tulip Siddiq (Hampstead and Kilburn) (Lab): Going back to the question of tax credits, does my hon. Friend agree that they gave a boost to employment, and especially to the employment of families with a single parent? Between 1997 and 2010, employment in that group increased by 28%.

Mr Umunna: My hon. Friend makes a very good point.

I want to comment on each element of the rebalancing that the Business Secretary mentioned. The first relates to productivity. We have the worst productivity in the G7, save for Japan. There was some fanfare around the Treasury-BIS co-sponsored productivity plan published on Friday—[Interruption.] Ministers might chunter, but having taken account of that amazing plan, the Office for Budget Responsibility has downgraded its forecast for productivity per hour for next year and the following three years. I am not surprised. Two key ways of increasing productivity are to sort out the skills system, which is simply not doing enough to resolve the chronic skills shortages in our economy, and to boost business investment.

After half a decade of Tory-led Government, the CBI warned in its annual skills survey this week of ongoing skills shortages acting as a drag on productivity. Its deputy director general could not have been clearer yesterday when she said that

“firms are facing a skills emergency now, threatening to starve economic growth. Worryingly, it’s those high-growth, high-value

sectors with the most potential which are the ones under most pressure. That includes construction, manufacturing, science, engineering and technology.”

Of course we all want to see more apprenticeships, and we support the proposed apprenticeship levy, but we need to see far more action from the Government to ensure that all those apprenticeships are of sufficient quality to reduce the skills shortage. More than one in five apprentices are currently receiving no formal training whatsoever, and almost four in 10 employers do not regard the qualifications they are providing as apprenticeships, even though the Government deem them to be apprenticeship qualifications. Also, there are simply not enough people doing qualifications at level 3 and above.

Mr Jim Cunningham: It has always been generally accepted that, at a time of economic downturn, we should train people with the skills necessary to bring about the upturn. I have never understood why that was not undertaken sooner in this country. Germany has been doing it for many years. Why has it taken until now for the Government here to recognise that?

Mr Umunna: That is a good question, but in fairness I do not believe that there was consensus among employers that that would help increase the number and quality of apprenticeships. There is growing consensus in much of our manufacturing sector in particular—I know that my hon. Friend represents a constituency with a wonderful manufacturing tradition and history—that they must go down this route to prevent those who are not providing training in the different sectors from freeloading.

Mr Cunningham: I have worked in manufacturing, unlike the Secretary of State, who had a crack earlier about visiting Rover. I have not only visited the factories, I have actually worked in the factories. One thing we did when I was involved in the trade unions to try to encourage employment, and particularly investment, was to get the companies to invest, as in a recession the first thing that happens is that training budgets are cut.

Mr Umunna: My hon. Friend makes a very good point. While I am on the subject of apprenticeships, it is worth remembering that the number of apprentices still not receiving the legal minimum wage is alarming. According to the Government’s recent apprenticeship pay survey, 15% are not receiving the appropriate minimum wage, rising to 24% for young apprentices. If we want more young people to study the science, technology, engineering and maths skills that we need them to study, taking away the maintenance grant from the poorest who want to study those subjects at university is hardly the way to encourage that. The Government are taking a huge gamble that that policy will not deter students from lower-income households from going to university.

Catherine West (Hornsey and Wood Green) (Lab): Does my hon. Friend agree that cuts to further education of up to 24% could undermine the good idea of the employment levy? That is the glue that holds the whole thing together.

Mr Umunna: That is a good point. The cuts that the Government are making in FE are already having a hugely negative impact, not least in the college that the Secretary of State attended.

To go back to undergraduate student financing, I note that the Government are switching from student grants to loans, but that simply dumps more debt on students. In the end, that is debt that, along with the loans taken out to pay tuition fees, will end up in the hands of the taxpayer. It is estimated, according to House of Commons Library figures, that that will add £280 billion to the national debt and we have heard no solutions from the Government to address that.

In the 2011 plan for growth, the Government told us to judge them not only against their achievements on skills but on whether they helped to deliver a substantial boost in business investment. Clearly, we must address that, because, as I said, our performance lags behind that of our competitors.

Mr Anderson: The Secretary of State said that the Government were working on a one-nation basis. Young people in this one nation are being deprived—they are being denied maintenance grants, will lose housing benefit and will not be allowed the proper living wage or minimum wage, yet they are supposed to be able to make their way in that one nation. Is that not nothing other than a two-nation strategy from the Conservative party?

Mr Umunna: My hon. Friend is right to draw attention to the assault on the aspirations of young people all the way from school to when they get a job. We remember that the Government stopped the Building Schools for the Future programme, which helped to give our young people a decent place to work. The Government took away the education maintenance allowance when people got to college and trebled their tuition fees when they got to university. Now, when they leave university the Government tell them that they should not earn as much as everybody else and that they will not extend the increase in the national living wage to those under 25.

Let me return to research and development. Although I welcome putting the annual investment allowance on a more long-term footing and the corporation tax changes, which also help, I would ask Ministers, who have suddenly perked up, this: where was the action on business rates for small businesses in this Budget? They create two thirds of private sector jobs, so where was the news for them?

Reducing the tax burden is all well and good, but in order to invest people need to be able to raise the finance to do so. According to the Bank of England, net lending to small firms has fallen by more than £1 billion in the past year and it continues to be an issue. Towards the end of his time in office, the Secretary of State’s predecessor joined us in championing a state-backed investment bank and put in place the British Business Bank, which we support. Now that he is no longer in post, and with the Government flogging off the Green Investment Bank, the British Business Bank has had no guarantees of future funding in the spending review and faces an uncertain future. I note that there was just one mention of it in the Red Book. I am happy to give way to the Business Secretary if he wants to answer this question: can he confirm today whether the Government plan to sell off the British Business Bank, too, and can he rule out doing that in this Parliament? The silence is deafening.

Let me turn now to infrastructure. We must end the dither and delay in making decisions on projects that not only increase our productivity but iron out regional

[Mr Umunna]

imbalances and help people travel around in a more cost-effective way. In the Red Book, we are told that the Government believe that a modern infrastructure network is vital, so why, having commissioned the Davies report on aviation, do they appear to be locking themselves into a holding pattern right through until the autumn before coming into land and making a decision on this important matter? Our aviation industry employs hundreds of thousands of people, contributes more than £50 billion to GDP and pays the Exchequer more than £8 billion in tax every year. We have been clear that we will make a swift decision on this matter in the national interest. If the commission's proposals to build a third runway at Heathrow can meet our tests, including consistency with our climate change obligations, we will take swift action to back them. I suspect that the Business Secretary agrees with me and all I say to him is that he needs to face down the opposition arising in Cabinet and do the right thing.

As for the regional growth policy, there has been a lot of chat about the northern powerhouse, so let me make a few observations. We cannot build a powerhouse if there is no power to connect our northern cities. The decision to shelve northern rail electrification, such as for the TransPennine Express route between Manchester and Leeds, was a kick in the teeth to the areas and regions of the north, and plans for a northern Oyster card do not make up for it. If I have one criticism of the Government's overall approach to devolution, it is that they should be seeking to make every region a powerhouse rather than simply having a northern powerhouse.

Helen Whately *rose*—

David Rutley *rose*—

Mr Umunna: I will give way to the hon. Lady.

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Before the hon. Gentleman gives way any more times, I should draw his attention and that of the House to the fact that a very large number of colleagues wish to speak in this important debate. The hon. Gentleman has taken well over half an hour of the time so far, in contrast to the Secretary of State—[*Interruption.*] Order. I hope that the hon. Gentleman will bear that in mind before considering taking further interventions.

Mr Umunna: I think my generosity in taking interventions perhaps got the better of me, Madam Deputy Speaker.

Let me finish by dealing with trade. In 2010, we were promised that an export boom would fuel the recovery. The Government set a target of tripling exports to £1 trillion by 2020 and getting 100,000 more small businesses exporting. What has happened since? The current account deficit widened to 5.9% of GDP last year—the largest peacetime deficit since at least 1830 according to the OBR. Frankly, I am not surprised given the degree to which we have seen various initiatives fail. Ministers have to sort out what is happening at UK Trade & Investment. UKTI's own surveys show that more than a quarter of businesses that use its services saw no business benefit in doing so, and it is little wonder when we consider the range of different schemes and the failure to command the attention of Ministers. Records are not even kept of the trade missions that Ministers go on.

We are a great country. We have a great history and great people. We have a tradition not only of ensuring that those who can get on are able to realise their ambitions and aspirations, but of looking after those who cannot. That is one of the big problems with the Budget: it is unfair and regressive. Ultimately, if we really want to get the economy powering on all levels, we have to ensure that our people have the wherewithal and the tools to do that, particularly the skills and business investment needed, but they come up short as well. This Budget is unfair and not equal to the challenges we face as a country, and that is why I ask all hon. Members to support us in opposing the Budget today.

2.40 pm

Rishi Sunak (Richmond (Yorks)) (Con): It is a privilege to be called to speak in this debate, Madam Deputy Speaker, and a pleasure to follow the hon. Member for Streatham (Mr Umunna).

There is much to commend in this excellent Budget, but to me one conclusion stands out: that by the end of this Parliament, under this Government, Britain will live within its means. No more irresponsible borrowing. No more spiralling debt at the taxpayer's expense. No more passing the debt to the next generation. I was delighted to hear the Chancellor's plans for this nation finally to run a budget surplus.

I have spent my career in business. Every company I have been involved in sets a budget, as indeed does every household in this nation, and when they do they operate with these basic principles: first, "How much is coming in?" and only then, "How much can I spend?" For too long, Governments have got that back to front, spending first, ignoring how much is coming in, then letting borrowing endlessly make up the difference.

Coming from a financial background, I decided to spend some time analysing our nation's fiscal history. I wanted to know, when it comes to our Government's revenue, how much does in fact come in. I can tell the House that, since 1955, tax receipts, with limited variation and remarkable consistency, have averaged 36% to 38% of GDP. In spite of the vast differences between Labour and Conservative Members in our approach to setting tax rates, the average tax take has been remarkably similar under Governments of both parties. There appears to be a natural ceiling to what any Government can extract from the pockets of its hard-working taxpayers.

That to me suggests a simple conclusion: in normal times, public spending should not exceed 37% of GDP. That is the best estimate of our income as a Government and therefore the best guide to what we can afford to spend. So the Government's plans to get public spending to that level are not, as some Opposition Members have suggested, an ideological crusade or clever politics; rather, tackling excessive public spending is simply the sensible, logical and responsible course of action. That action, taken to make sure that we live within our means, is the same course of action that any business or household would take when presented with the facts. We all know what happens when those facts are ignored: more borrowing, more debt.

Catherine West: The hon. Gentleman makes a good point about debt. Does he agree that a graduate in social care from London Metropolitan University with

personal debt of £54,000 not only has a personal problem on her hands, but represents a long-term national problem for us, because in the end we will have to pick up that debt?

Rishi Sunak: It is clear that university graduates' earning power is raised. It is hardly fair to ask people working hard without the benefits of a university degree to pay for the earnings of someone in the legal profession or the City who is earning a great deal. That is why this Government created a progressive system whereby those who earn more pay more back and those who do not pay just a fair share.

Catherine West: Will the hon. Gentleman give way?

Rishi Sunak: I would like to make some progress. As you said, Madam Deputy Speaker, many people wish to speak.

All debts need to be repaid, with interest. For the next generation, that means higher taxes or less money to spend on public services. As the hon. Member for Streatham said, we already spend more money on debt interest than we do on the police, transport or housing. That simply cannot go on.

Whether one is a Thatcherite or a Trotskyite, the rules of budgeting are the same: one cannot sustainably spend more than one earns. I commend the Chancellor for acting on that principle and ensuring that Britain's finances will once again be back in the black.

2.45 pm

Michelle Thomson (Edinburgh West) (SNP): I beg to move an amendment, after "importation", insert "other than in relation to Police Scotland and the Scottish Fire and Rescue Service".

The amendment stands in the name of my hon. Friend the Member for Dundee East (Stewart Hosie).

On this final day of the Budget debate, we have heard a great deal about debt and deficit, the Budget itself, and the recently released productivity plan. All the Scottish National party Members have listened with sadness to the planned cuts, which strike fear into our hearts and those of our constituents. I have found myself reflecting a great deal on it—both the conflict of moral principles and the economic madness I believe is contained therein. Called out by the Institute for Fiscal Studies, this Budget is described as having

"benefit cuts at the centre";

and as a "tax-raising budget", the IFS gives the stark warning that,

"unequivocally, tax credit recipients in work will be made worse off by the measures in the Budget on average",

and that ultimately it is a "regressive" budget.

We are supposed to believe that the smart economic choice is for the UK to eliminate any deficit, pay down all debt, and run—and then sustain—a surplus. We are fed the yarn that an economy must be in surplus; that the gain is worthy of the pain. Despite the concerns of Robert Chote of the Office for Budget Responsibility, who described the plan—somewhat euphemistically—as "ambitious", and the concerns of 77 leading economic academics, the Chancellor has ploughed on regardless. Now, I know that a degree in history—or, for that matter,

one in music—does not equip one with an instinctive understanding of cause and effect, supply and demand or even so-called Micawber economics for that matter, but history does teach us about previous economic choices, and that ability to look back provides real accuracy. We know how the Chancellor's previous predictions failed to meet actuality, and we know that the much vaunted current growth has taken place only over the past few years.

A number of issues concern me today, one of which is levels of personal debt. The OBR predicts household debt going above the levels of 2008 and reaching an incredible 173% of GDP by 2019. That household debt figure excludes mortgages but is based on unsecured lending such as credit cards and store cards and, with increasing frequency, payday loans. Fundamentally, it contributes to a very real risk of a repeated debt crisis as a direct result of the cuts. We have seen a consumption-led crisis before, yet here it is planned again. I quote the Chancellor, who said:

"This growth is driven by stronger private consumption".—[*Official Report*, 8 July 2015; Vol. 598, c. 322.]

There is a small mention in the productivity plan about championing enterprise by stimulating finance for small and medium-sized enterprises—but what and how specifically? Simply privatising RBS with the mantra "private equals good" is frankly not good enough. A lack of access to liquidity remains the biggest single issue for small business, while at the other end of the spectrum large businesses stockpile their cash. It has been asked before but is worth reiterating: where is the support for the challenger banks? The cut in corporation tax has been trailed as encouragement for businesses to invest, but there is no clear link or evidence to suggest that will happen. I would have thought that I would have been intervened on by now to ask what within the Budget I agree with, and I confirm that, although I am disappointed with the cut in the annual investment allowance from £500,000 to £200,000, it is better than what was proposed, which was taking it down to £25,000.

The continued focus on financial services, in which I must declare a previous interest, without rebalancing to improve our exports or manufacturing is a worry, particularly where we continue with the models we have adopted. The New Economics Foundation has expressed the view that the

"United Kingdom has the least resilient financial system among leading industrial (G7) nations. It is unusually large and homogenous, highly interconnected . . . highly complex and highly reliant on funding from the wholesale financial markets".

I recommend to all Members that they read the foundation's recent report; its concerns concur with those of many other economists.

The SNP is urging action so that we can end the unfair anomaly whereby Scottish police and fire and rescue services alone are liable for payment of VAT. The proposed change to the Budget resolutions would enable us to introduce the necessary changes to the Finance Bill. Were this unfair and discriminatory situation to be corrected, we could free up an additional £23 million of resource for the Scottish Police Authority and £10 million for the Scottish Fire and Rescue Service—money which, I trust, all hon. Members would agree could provide welcome funds to support the fantastic work that our emergency services do.

[Michelle Thomson]

Our calls for an end to this anomaly have gained cross-party support in the Scottish Parliament, and I am disappointed that the Government have so far refused to address the disparity in their treatment of emergency services north and south of the border. I hope that Members will take the opportunity today to take action and put this situation right.

We all agree that this is about choices, and the choice is how we grow the economy. This must fundamentally be by investment. Despite the productivity plan and various Ministers suggesting an increase in capital expenditure, a comparison between the Red Book of July and that of March 2015 shows total capital spend going down through the lifetime of this Parliament. If the Chancellor is unwilling to invest in the UK economy, give us the powers in Scotland and we will get on with the job.

When talk turns to economic and productivity comparisons, we hear a lot about the G7, the group of the world's largest western economies, with which the UK likes to compare itself.

Roger Mullin: On productivity in the economy, my hon. Friend may be aware that since 2008 and until about 2014, it is fair to say that in terms of productivity per capita the UK has effectively been flatlining, while many other countries, including smaller countries such as Ireland, have seen their productivity rise significantly. There is much to learn from others, is there not?

Michelle Thomson: I thank my hon. Friend for his intervention, and I thank the House of Commons Library for some excellent work on GDP per capita and GDP per hours worked, including in relation to Ireland. I shall come on to that.

Where the UK stands in relation to Germany, France, Italy, the USA, Canada and so on provides some useful benchmarks for relative economic performance. The fact that the UK lags behind its peers on so many key indicators is another, all too sad, story. Last out of the recession, lowest productivity, and lowest GDP per capita growth rates—a record that does not tally with the UK Government's "back in business" narrative.

Although the G7 provides a useful comparison for the UK, its relevance to Scotland is less apparent. We do not aspire to be one of the largest economies in the world, to strut faded imperial grandeur on the world stage or to maintain the pretence of exerting some kind of global influence, 100 years after the height of the British empire. Our ambitions are different—more modest, some would say; more enlightened, others would call it. In business there is a saying, "Turnover is vanity, profit is sanity." To be big is not always to be beautiful. Scotland seeks fairness and prosperity for those who live there.

Jeremy Quin (Horsham) (Con): Given what the hon. Lady said about financial services in this country and how they should be funded, how would she propose to deal with the situation of RBS?

Michelle Thomson: We know that at its heart the sell-off of RBS is an attempt to balance the books, but the issue that I pointed out earlier is that banks such as

RBS are still not lending enough to small businesses. That is vital. I referred to challenger banks. I come from a business background and speak to many people. That is what I hear from them about what they consider to be a critical issue.

For us, the G7 has more limited relevance. What we need to know is how we are performing as a medium-sized north-west European nation. Are we doing well, or are there opportunities for improvement? Thankfully, there is no shortage of comparable countries—our very own G7 equivalents, nations with characteristics similar to those of Scotland, but in most cases with far fewer natural resources. Whether we look north to Scandinavia, east to central Europe, south to the low countries or west to our Celtic cousins, comparisons abound among nations of similar size to Scotland. They are medium-sized in global terms, sitting in the middle third of global population rankings, not too big, not too small—the Goldilocks nations. Let us call them the M8, and I do not mean the boring motorway that runs between our two great cities. Those are countries with diverse histories, a range of memberships of international organisations and monetary systems, and varying levels of natural resources, physical geographies and cultures, but in their diversity all providing useful comparisons for Scotland. So how does the UK line up against them?

The M8 countries are among the wealthiest nations in the world. In terms of GDP per head their average has consistently outperformed that of both the G7 and the European 28. In terms of GDP per hour worked, which it is so vital to improve as a measure of productivity, their average also beats that of the G7 and Euro28. M8 countries are all richer than the UK by 25% on average, and the M8 countries are 9% richer per capita than the G7 as well—not a bad place to start, given our ambitions. Our aspiration as a nation is to be the best we can be, not to accept the poor performance and failed austerity agenda of the UK Government, but to look to what can be achieved when we set our sights a bit higher. Perhaps it is time we used the M8, rather than the G7, to frame our aspirations.

2.56 pm

Victoria Borwick (Kensington) (Con): Thank you, Madam Deputy Speaker, for allowing me to make my maiden speech in this important debate. It is a privilege to have the opportunity to speak from these Benches that have borne witness to so much of our country's rich history.

I would like to begin by paying tribute to my predecessor, Sir Malcolm Rifkind. One of only five Ministers to serve throughout both the Thatcher and Major premierships, Sir Malcolm has a long and distinguished record of service to our country.

A fierce opponent of injustice, Sir Malcolm is not one to be cowed or intimidated. In 1984, as a junior Foreign Minister on an historic visit to Poland, against the wishes of the then Polish communist Prime Minister, General Jaruzelski, Sir Malcolm insisted on meeting the leaders of the Solidarity movement and laying a wreath at the grave of a Polish priest who had been brutally murdered at the hands of his communist oppressors. Sir Malcolm is also a visionary and a forward thinker. Quick to identify Mikhail Gorbachev as someone with whom the west could "do business", he was instrumental

in convincing Margaret Thatcher of the importance of our engagement with the Soviet Union. Above all, Malcolm Rifkind was much admired in the constituency.

Like Sir Malcolm, who as Transport Minister was sent to inspect the early construction of the channel tunnel, I too have had the good fortune to inspect multimillion-pound infrastructure projects. Upon the instruction of my now hon. Friend the Member for Uxbridge and South Ruislip (Boris Johnson), I was lowered through a manhole cover to inspect sewers, as part of the re-engineering work for Crossrail. Separately, I have made further visits to inspect the sewers as part of the Thames tideway renewal work. Who says being deputy Mayor of London is without glamour?

While preparing for this maiden speech I dipped into the fantastic resource of books in the Library; I am very grateful for the assistance of the Library team. I re-read my predecessors' maiden speeches: Sir Malcolm spoke about children with special needs, and incapacity benefit, still topical today. Michael Portillo highlighted what an area of contrasts Kensington is, with some of the most expensive property in the land contrasting with some of the poorest, drawing attention to people living in leasehold property struggling against unscrupulous landlords.

Alan Clark, before Michael Portillo, not only wrote about the delightful architecture of our leafy squares, but spoke about our splendid, robust and diligent local authority, which I am glad to say continues today. I must mention, however, that when my husband was skimming through Alan Clark's diaries and found my name in the index, he was somewhat concerned. [*Laughter.*] The story remains untold. I am glad to say that again we were fortunate to have an MP who was a charismatic supporter of Kensington.

Dudley Fishburn, our MP in 1988, reminded the House that it was Sir Brandon Rhys-Williams who argued for people having the right to portable private personal pensions, so I am delighted that this Government have at last made some progress on implementing one of my predecessor's proposals. I hope that the whole House can empathise with my sense of trepidation in following in the footsteps of such political titans, and in being the first woman to represent the residents of Kensington.

Having come from a family background in engineering, I went into business for many years, becoming a school governor, a campaigner and then a local councillor. As a lifelong Londoner, I was honoured to be elected to the London Assembly in 2008, and in 2012 I was honoured that the Mayor, now my hon. Friend the Member for Uxbridge and South Ruislip, asked me to be his deputy.

Kensington is my home; it is where I grew up, went to school, worked and raised my family. Although I have seen Kensington change over time, I am not quite old enough to have seen the deprivation of the mid-19th century piggeries and potteries, which were some of the most evil-smelling in London, but which have since been transformed into the stylish streets of Notting Hill.

I know many hon. Members are familiar with Kensington. How many have beaten a path with their families to twirl the handles and press the knobs at the Science Museum, to explore the world of the dinosaurs and meet the much-maligned Dippy in the great hall—now the Hintze hall—of the Natural History Museum, and to marvel at the glories of the V&A, to name but a few

of our cultural attractions? Twelve million visitors came to our museums last year. Nationally, more people visit museums and cultural attractions than go to football matches.

However, the museums and the streets lined with terraced mansions tell only one side of the story in Kensington. Beyond the affluent stereotype there is a deeper story: the blight of poverty and social isolation afflicts Kensington, too, with some of London's poorest communities. The constituency is not just for the rich and famous; it is home to a melting pot of constituents who make London the greatest city on earth. I intend to be a champion for all my constituents, irrespective of their backgrounds. It is with this sentiment in mind that I would like to touch briefly on my campaigning priorities.

I have been married to Jamie for over 30 years, and we have four wonderful children. Sadly, our eldest two were born with serious heart defects. Our eldest son spent a year in the Royal Brompton & Harefield hospital. Despite the excellent care, he was left with permanent disabilities. But Jamie and I are great believers in the American maxim, "When life gives you lemons, make lemonade." We quickly gained a working knowledge of paediatric cardiology and, of course, lifelong disability. I know that I am not alone in this Chamber when I talk about the hours spent by the bedside of a sick child or loved one, or about the toll that being a carer takes. I intend to work steadfastly here with others to represent the needs of the disabled, just as my husband takes up the cudgels for that campaign on the red Benches.

The second issue of vital importance to me is the need to support local businesses, which is topical, given today's Budget debate. Only by supporting entrepreneurs and small businesses can we help promote jobs and employment. For much of my career I was involved with the art and antiques industry. There are over 7,000 specialist art and antique dealers nationally, offering jobs and employment, particularly in Kensington Church Street and, of course, our famous Portobello Road. As president of the British Antique Dealers Association, I support our trade. We should be working with those small businesses to ensure that we in this House do not impose ill-considered restrictions upon them.

So it is that I come here to fight for the needs of the vulnerable and disabled in our country, and to work with the Government to build on and promote both our small businesses and our national industries, which offer such a valuable contribution to Britain's growing economy. I welcome the challenge.

3.6 pm

Mhairi Black (Paisley and Renfrewshire South) (SNP): Thank you, Madam Deputy Speaker, for calling me to make my maiden speech in such an important debate. I want first to pay tribute to my predecessor, Douglas Alexander, who served the constituency for many years—I was only three when he was elected. It is for that reason that I want to thank him for all he did for the constituency. I especially commend him for the dignified way he handled himself on what must have been a very difficult election night for him. He did himself proud, and he did his party proud. I wish him the best for the future.

When I discovered that it is traditional for a new Member to speak about the history and legacy of their constituency in their maiden speech, I decided to do some research, despite the fact that I have lived in mine

[Mhairi Black]

all my life. I am at the tail end of Scottish National party colleagues making their maiden speeches, and I have noticed that they tend to mention Rabbin Burns a lot. In particular, they have tried in their maiden speeches to own him for themselves by claiming some intrinsic connection between him and their constituencies. I feel no need to do that, because during my research I discovered a fact that trumps them all: William Wallace was born in my constituency, in Elderslie, which you will be familiar with, Madam Deputy Speaker.

Beyond the Hollywood film and the historic name, my constituency has a fascinating history, from the mills of Paisley to the industries of Johnstone and the weavers of Kilbarchan. It has a wonderful population with a cracking sense of humour and much to offer, both to tourists and to residents. But the truth is that things are not all fantastic in my constituency. We have watched our town centres deteriorate and our communities decline. Our unemployment level is higher than the UK average. One in five children in my constituency go to bed hungry. Paisley's jobcentre has the third highest number of sanctions in the whole of Scotland.

Before being elected, I volunteered for a charitable organisation. There was a gentleman there who I grew very fond of. He was one of those guys who have been battered by life in every way imaginable—you name it, he has been through it. He used to come in to get food, and it was the only food he had access to and the only meal he would get. I remember sitting with him while he told me about his fear of going to the jobcentre. He said, "I've heard the stories, Mhairi. They try to trick you out and tell you you're a liar. I'm not a liar, Mhairi." I said, "It's okay. Calm down. Go and be honest and you'll be fine."

I then did not see him for two or three weeks and became very worried. When he finally came back in, I asked him how he had got on. Without saying a word, he burst into tears—a grown man standing in front of a 20-year-old and crying his eyes out. What had happened was that in order to get to the jobcentre he had needed to use the money that he would normally have paid to travel to the charity in order to get his food. He needed to save the money, so he did not eat or drink for five days. He fainted while on the bus going to the jobcentre due to exhaustion and dehydration. He was 15 minutes late and was sanctioned for 13 weeks.

The Chancellor spoke in his Budget speech about fixing the roof while the sun is shining, but who is the sun shining on? When he spoke about benefits not supporting certain kinds of lifestyles, is that the kind of lifestyle that he was talking about? If we go back even further, when the Minister for Employment was asked to consider if there was a correlation between the number of sanctions and the rise in food bank use, she stated:

"Food banks play an important role in local welfare provision."—*[Official Report, 22 June 2015; Vol. 597, c. 608.]*

Renfrewshire has the third highest use of food banks, and food bank use is going up and up. Food banks are not part of the welfare state—they are a symbol that the welfare state is failing.

The Government, quite rightly, pay for me, through taxpayers' money, to be able to live in London while I serve my constituents. My housing is subsidised by the taxpayer. The Chancellor said in his Budget:

"It is not fair that families earning over £40,000 in London...should have their rents"

paid for

"by other working people."—*[Official Report, 8 July 2015; Vol. 598, c. 335.]*

But it is okay so long as you are an MP?

In this Budget the Chancellor also abolished any housing benefit for anyone below the age of 21. So we are now in the ridiculous situation whereby because I am an MP, I am not only the youngest, but I am also the only 20-year-old in the whole of the UK that the Chancellor is prepared to help with housing. We now have one of the most uncaring, uncompromising and out-of-touch Governments that the UK has seen since Thatcher.

I must now turn to those with whom I share these Benches. I have sat in this Chamber for 10 weeks. I have very deliberately stayed quiet and listened intently to everything that has been said. I have heard multiple speeches from Labour Members standing to talk about the worrying rise of nationalism in Scotland. Yet all these speeches serve to do is to demonstrate how deep the lack of understanding about Scotland is within the Labour party. I, like so many SNP Members, come from a traditional socialist Labour family, and I have never been quiet in my assertion that I feel it is the Labour party that left me, not the other way about. The SNP did not triumph on a wave of nationalism; in fact, nationalism has nothing to do with what has happened in Scotland. We triumphed on a wave of hope—hope that there was something different from and better than the Thatcherite, neo-liberal policies that are produced from this Chamber, and hope that these representatives could genuinely give a voice to those who do not have one.

I do not mention this in order to pour salt into wounds that I am sure are very open and very sore for many Labour Members, both politically and personally; colleagues, possibly friends, lost their seats. I mention it in order to hold a mirror to the face of a party that seems to have forgotten the very people it is supposed to represent and the very things it is supposed to fight for. After hearing of Labour leaders' intentions to support the changes to tax credits that the Chancellor has put forward, I must make this plea through the words of one of their own, and a personal hero of mine. Tony Benn once said that in politics there are weathercocks and signposts. Weathercocks will spin in whatever direction the wind of public opinion may blow them, no matter what principle they have to compromise. And then there are signposts, which stand true and tall and principled. They point in one direction and they say, "This is the way to a better society and it is my job to convince you why." Tony Benn was right when he said that the only people worth remembering in politics are those who are signposts.

Yes, we will have political differences; and yes, in other Parliaments we may be opposing parties, but within this Chamber we are not. No matter how much I may wish it, the SNP is not the sole opposition to this Government—but neither is the Labour party. It is together with all the parties on these Benches that we must form an Opposition. In order to be effective, we must oppose, not abstain. So I reach out a genuine hand of friendship which I can only hope will be taken. Let us come together; let us be that Opposition; let us be

that signpost to a better society. Ultimately people are needing a voice and people are needing help—let us give them it. [*Applause.*]

Madam Deputy Speaker (Mrs Eleanor Laing): Order. The hon. Lady has just made an excellent speech—particularly her reference to William Wallace and Elderslie, where I was also born—but the House will show its appreciation in a way other than clapping. [HON. MEMBERS: “Hear, hear!”] The House—[HON. MEMBERS: “Aye!”] Yes, the House can show its appreciation vociferously—just do not clap.

3.14 pm

Chris Davies (Brecon and Radnorshire) (Con): It is a great privilege to stand before you today to make my maiden speech in a such an important debate, particularly as the Chancellor’s Conservative Budget is one of the greatest Budgets of modern times. It is also an enormous pleasure to follow my hon. Friend the Member for Kensington (Victoria Borwick), who delivered a wonderful maiden speech that puts me in a difficult position in following it.

I feel that, as a Welshman, I should—I must—tell the House a little story. I have to admit that this was not the easiest speech I have ever had to write. Many hon. Members might find this surprising, as one’s maiden speech should be the easiest of them all. In many ways it was, but in many others it was rather difficult. You see, since my election, my time in this House has been a total whirlwind. When I arrived in this place, I was given my pass and a laptop and set about meeting a great many people and discovering how this place works. I was rushed off my feet and time never seemed to stop.

That was until I came to write my maiden speech. I sat down at my desk, pen in hand, ready to go, but no words flowed forth. At first, I thought it could be the pressure I felt after listening to so many of my colleagues’ excellent maiden speeches, or the realisation that electioneering was now over and the real work would now begin—but I was wrong. As I looked out of the window at London, I realised that it is almost 180 miles from here to my constituency of Brecon and Radnorshire—the largest constituency in England and Wales, where the distance from Lower Cwmtwrch, below Ystradgynlais in the Swansea valley in south Breconshire, to Llanbadarn Fynydd in north Radnorshire is 85 glorious miles. As I sat in my office, I was a long way from my home in the village of Glasbury in the beautiful Wye valley, and a long way from my family—my wife and my two children. I will be honest—I felt very, very homesick. I wondered what I could do to make myself feel better so I decided to put down my pen and go for a walk; I thought that might make me cheer up and give me inspiration. I left my office and began walking.

The first place I came to was Central Lobby. I looked up and saw the mosaic of St David looking down on me. I smiled and thought of Wales and of how proud I am to be a Welshman—and proud to be a Unionist. I immediately began to feel a little less homesick. I then looked around and saw everybody waiting to meet their Member of Parliament, and I was reminded of my constituents and how honoured I am that they elected me with the largest majority in Brecon and Radnorshire for nearly four decades. I am truly indebted to them for

putting their faith in me to represent them, and I will do my utmost to repay that faith by always putting them and their interests first in this House.

I then left Central Lobby and entered Members Lobby, where I encountered the postboxes of Members of this House. I stopped and looked at all the names of current Members and thought of the names of all those who have had their postboxes here over the years. Roger Williams, my immediate predecessor, who I would like to thank for all of his hard work over the past 14 years, would have had his name here when he was campaigning for lower VAT on the tourism industry—a cause I also intend to champion. Jonathan Evans, my friend and my last Conservative predecessor back in 1992, who served as a junior Minister in John Major’s Government, would have had his name on a postbox. Even Walter D’Arcy Hall, my Conservative predecessor from 1924, whose heroics on the battlefields of world war one won him the Military Cross and Bar, would also have had his name there—though I do hope that my battles in this House are not as ferocious as his on the fields of northern France. As I stood in front of the postboxes, I realised that I too get to walk in their shadows and collect my post as they would have done.

I turned around and saw my Whip coming out of the Whips Office, ready to keep me in order. As he headed towards me, I was reminded of my wife back at home, so I quickly slid into the Chamber. It was there that I saw your Chair, Madam Deputy Speaker. I was reminded that as an auctioneer by trade and an announcer at the Royal Welsh show for more than 25 years, I have some understanding of the role that you undertake, although my time as an auctioneer was in the rural sector, encouraging animals to parade around the ring, preening and prancing and showing off their best sides—of course, that is very different from your role in this House, Madam Deputy Speaker.

Taking a load off my feet, after my thus far long walk, I sat down and took my place on these very green Benches. Looking at their colour, I was reminded of the green fields, valleys and hills of my constituency and of the enormous respect I have for those who farm the beautiful and varied acres that make up the rural counties of Brecon and Radnorshire. I thought of my election to the Select Committee on Environment, Food and Rural Affairs and how I cherished the opportunity to play my part in helping our family farms and young farmers’ clubs to continue to play a vital role as the backbone of our rural economy.

My eyes continued to gaze around the Chamber and I saw the crests and shields that adorn the walls. I remembered that they represent Members of this House who fell during active service in conflicts past. I was reminded of the armed forces that are based in Brecon and Sennybridge in my constituency, and the courage that those servicemen and women show day in, day out on our behalf.

Thinking about my constituency raised my spirits and I was beginning to feel less homesick. As I sat on the Bench, I listened to the speeches being made from the Government Benches and I was pleased to see so many of colleagues called to speak—and yes, their surnames were Davies. It felt just like being at home. I was reminded of the abundance of Davieses in the regiment of the South Wales Borderers, who won 11 Victoria Crosses in the battle of Rorke’s Drift, which

[Chris Davies]

was made famous by the film “Zulu” and brilliantly commemorated by the Regimental Museum of the Royal Welsh in Brecon—an organisation for which I am the resident fundraising auctioneer.

Having listened intently to my colleagues, I began to walk back to my office, feeling in much higher spirits, which only began to rise as I encountered a tour group walking around this beautiful Palace and thought of the excellent tourism industry in Brecon and Radnorshire, which plays host to some of the best events this country has to offer. Many in this place will have come to the Hay literary festival in Hay-on-Wye trying to sell one of their books—I hope that they were successful. [Laughter.] We have the Crickhowell and Talgarth walking festivals, the Llandrindod Wells Victorian festival, the Rhayader and Knighton carnivals and the Royal Welsh show, to which I will be delighted to welcome my right hon. Friend the Prime Minister for the second year in succession next week. Then, of course, we have the world alternative games at Llanwrtyd Wells, which includes the world bog snorkelling championship, where, I have no doubt, many in this House would excel if they attended.

As my walk came to a close, I was feeling much happier. I found myself in Westminster Hall. The glorious old building was full of visitors, staff members and even more tourists, but the people who caught my attention most were the schoolchildren. There were school parties of all ages, shapes and sizes in the hall and, as I climbed the stairs and opened the door to my office, I was reminded of schools in my constituency, including Gwernyfed high school, where I am a governor. Its future is currently under threat unnecessarily. I decided that I would continue to take a proactive role in promoting our schools’ interests to ensure that every child in Brecon and Radnorshire has the opportunity of the best start in life.

I sat down at my desk once more and realised that there were reminders all around me of my constituency, as Brecon and Radnorshire is as much this place as this place is Brecon and Radnorshire. I lifted my pen with a smile, for I no longer felt homesick. In fact, I felt right at home and, with that, my maiden speech was as good as written for me.

3.24 pm

Mr Michael Meacher (Oldham West and Royton) (Lab): It falls to me to comment on the excellent maiden speeches that we have just listened to. The hon. Member for Kensington (Victoria Borwick) made a lovely, warm and engaging speech, with some generous recollections of her predecessor. She need not feel trepidation in following him. We will all remember the emotional and feeling way in which she talked about carers and the disabled. She will make a clear contribution to the House in that regard.

The hon. Member for Paisley and Renfrewshire South (Mhairi Black) made a remarkably confident, relaxed, witty and effective speech. It is not often that a maiden speech in this House makes a strong political case, but she certainly got away with it. I liked her distinction between weathercocks and signposts, with which I wholeheartedly agreed. I think that we will hear a great deal more from the hon. Lady in future debates in this House.

I congratulate the hon. Member for Brecon and Radnorshire (Chris Davies), who again made a warm and generous speech about his first recollections in this place. I am not sure whether his speeches will remain so generous, not least given his early contact with the Whip. It is nice that in some ways, this place reminds him of Wales, his constituency and his roots. I very much hope that he will continue to reflect those things, and I wish him well.

Turning to the debate, all the hoo-hah about the Budget has centred on the £9 so-called living wage in 2020, even though the living wage in London is already £9.35. It is therefore not a living wage at all, but a slightly revamped minimum wage. Nevertheless, it is the macroeconomics of the Budget that really matter and those are unreservedly depressing. If this is such a wonderful economic recovery, as we are constantly being told, why are average wages still 6% below their pre-crash level seven years ago? Why was the growth rate in the last quarter—the first of this year—just 0.4%, with an annual rate of just 1.5%? Why has productivity been flat for the past five years?

David T. C. Davies (Monmouth) (Con): Clearly we would all like to see even higher growth rates, but does the right hon. Gentleman not acknowledge that we currently have the highest growth rate in the G7 and that that is a good thing?

Mr Meacher: I would like to ask the hon. Gentleman—although I am not inviting him to come back in—how he would explain the fact that in the latest quarter the growth rate was 0.4%, up from 0.3%. In the last three quarters it has gone down from 0.9% to 0.6%, and then to 0.3% or 0.4%. It was clearly a short-term growth surge, which is now fading.

We all regard productivity as crucial, but the UK’s investment as a percentage of GDP is now among the lowest in the world at barely 14%. By the time depreciation is netted off the growth figure, we are actually down at just 2.5%, which hardly even keeps up with our rising population.

Why does the OBR’s Budget report forecast a never-ending decline in Britain’s share of world exports, even compared with 2014, when this country experienced the biggest proportionate balance of payments current account decline since 1830? Why have the Government squeezed the economy so hard that they are now looking to a steep rise in household borrowing as the main source of future demand? Dangerously, the borrowing level already exceeds £2 trillion and may well be the source of the next economic crisis?

For all those reasons, the Chancellor’s boasts about the state of the economy do not bear even superficial scrutiny. Nor is his explanation of the cause of the economic crisis any more truthful. He continually lambasts the last Labour Government for overspending, but their economic record actually shows the opposite. The largest budget deficit under the Blair and Brown Governments in the 11 years from 1997 to 2008, before the crash, was 3.3% of GDP. The Thatcher and Major Governments ratcheted up budget deficits in excess of that in 10 of their 18 years. Who were the profligate ones? It was not Labour.

Then there is the question of which party has handled better the enormous rise in the deficit, caused by the bankers and the international recession. Again, it is

valuable to look at the economic record. Alistair Darling, the last Labour Chancellor, gave the economy a big fiscal stimulus worth nearly 5% of GDP, allowing the automatic stabilisers to work and bringing forward public investment projects worth more than £30 billion.

Robert Ffello: Would that be the same Alistair Darling who said that we should halve the deficit between 2010 and 2015, and who was lambasted by the Conservative party for proposing such a measure?

Mr Meacher: My hon. Friend makes a good point, and I will come on to comparing what the Government have achieved with what the Chancellor said in 2010.

Bearing in mind that it takes between 12 and 18 months for Budget measures to work their way through the economy fully, we should remember that Alistair Darling cut the deficit from its peak of £154 billion to just £114 billion by the fourth quarter of 2011—a cut of £40 billion in fewer than two years at a rate of £20 billion a year. The current Chancellor, however, through his successive austerity Budgets, slowed that deficit reduction to a trickle. Today it is still £90 billion, which represents a reduction of £24 billion in three years at a rate of £8 billion a year. If he wanted to reduce the deficit as efficiently and as fast as possible, he has clearly failed. But of course, his real aim all along has been to shrink the state and squeeze the public sector. The deficit has merely been a convenient pretext to enable him to do so.

Now the Chancellor is telling us that he will eliminate the structural deficit by 2019-20. Judging by the fact that he boasted that he would achieve that by this year, when it is still a whopping £90 billion, we can take that with a fair pinch of salt. His Budget forecasts assume a 2.5% a year growth rate all the way to 2020, but with the £25 billion of further expenditure and benefit cuts now being imposed on the economy, we are likely to see a reprise of what has happened in the past five years. The reimposed austerity will flatten growth, exactly as it did from 2010 to 2012, when it was relieved only by postponing austerity to generate a short 18-month economic surge in 2013-14. As I have explained, that surge has now deflated. That pattern is likely to be reproduced in the next five years. I fear that we will have the worst of both worlds—a short-lived growth spurt that fizzles out and is achieved only through a further postponement of deficit reduction extending well into the medium-term future.

The most fundamental question is: what is the right way to deal with a large deficit? We all agree that it is far too large and has to be reduced. It is a statement of the blindingly obvious, but one that is not publicly stated, that there are two ways of doing that—either by cutting expenditure or by increasing income. An individual does not have that option, of course, but the state does, because it controls the momentum of the economy through either expanding or contracting it. The Chancellor chose exclusively to pursue the latter because it suited his political ends of shrinking the state, but economically, it has been dire—the impoverishment of a quarter of the population and the generation of 350 food banks, rather like a third world country, while only cutting the deficit by a marginal amount.

Historically, all the evidence is against the Chancellor. The reduction of large deficits by both the US and Sweden in the 1990s occurred as a result of sustained

growth policies. Above all, we have the precedent of Britain in 1945, when the debt was 260% of GDP—three times higher than the 80% it is today. That did not prevent the Attlee Government from introducing the NHS and the welfare state, building 300,000 houses a year, reconstructing the country's broken infrastructure and, above all, restoring full employment, with the deficit steadily decreasing to 60% over the next 30 years.

The Chancellor has not only failed to cut the deficit by much, but his legacy will be that he fundamentally chose the wrong way to do it, for the wrong reasons, with huge, irrecoverable losses to UK growth and output.

Several hon. Members rose—

Mr Deputy Speaker (Mr Lindsay Hoyle): If we aim for speeches of up to 10 minutes, everybody should get the same amount of time.

3.36 pm

Luke Hall (Thornbury and Yate) (Con): I congratulate colleagues on the excellent maiden speeches we have heard this afternoon. My hon. Friend the Member for Kensington (Victoria Borwick) made a passionate speech about the work she wants to do for the House and what brought her here. My hon. Friend the Member for Brecon and Radnorshire (Chris Davies) reminded me, as another Member of Parliament who represents a rural constituency, that the green of these Benches reminds us of home when we are so far away. The hon. Member for Paisley and Renfrewshire South (Mhairi Black) made a passionate speech. I very much enjoyed her signpost analogy and might well use it myself in future.

This was by far the most aspirational Budget I have seen delivered. It speaks to people who want to get up, work hard and get on in life. It promises that work will be rewarded, and seeks to cut taxes and let people spend their hard-earned money as they see fit.

People who work on the minimum wage in my constituency, as I did for a number of years, will take great pride in the implementation of the living wage. I am sure they will also be extremely pleased to know that the Government are clamping down on tax avoidance on a scale never seen before. For those who are successful, who put money away and who want to support the next generation, it is a welcome step that the inheritance tax threshold has been raised.

I should like to discuss the Chancellor's proposals for devolving Sunday trading hours rules. I am a retailer who has worked in supermarkets since the age of 16. I remember somebody on the campaign trail telling me they would vote for me if I could tell them the price of milk. They were very surprised when I told them not just the price, and how many millilitres were in the carton, but that the barcode was 20076795, and that they could get it mix-and-match with a loaf of bread at best value at the shop round the corner.

I am familiar with the Sunday trading hours rules and they have caused me and other retailers no end of frustration. I understand that there are concerns about the reforms among some smaller retailers and have spoken to a number of retailers in my constituency in the past few days. Many stores are extremely keen for the right to trade when and how they wish, as they already do online, but Stanshawe service station, a local

[*Luke Hall*]

business in my constituency located within a mile of a Tesco, a Lidl and a Morrisons, is concerned that it could lose business to larger stores if opening hours are relaxed.

The Government's stance is the right one. The internet is a risk to the high street and I want shops to have the freedom to work and innovate wherever possible. I have heard stories of stores doing whatever they can to ensure cash flow by bending the Sunday trading hours rules and serving customers on Sunday when opening hours are restricted. I understand that, in some cases, stores even provide computers for customers to order the product online before giving it them inside or just outside the store. The stores do not want to break the rules. They simply want to be able to trade freely at times when they know they can sell their goods.

The internet does not rest on a Sunday. In 2011, online sales accounted for just 8.3% of all retail sales. That figure is now at 11.2%. Wherever we can, we must help stores manage that shift in consumer behaviour and for some stores—especially those that serve weekend activity, such as garden centres—Sundays can be the busiest trading day of the week because of the nature of the business. It is right that local authorities can determine the opening hours of such businesses.

Amanda Milling (Cannock Chase) (Con): Does my hon. Friend agree that we need to find ways to help our high street retailers to adopt online methods of retailing so that they have many ways to reach their customer base?

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. When the hon. Member for Thornbury and Yate (Luke Hall) gives way, he should sit down until the intervention has finished, and then he can stand back up. We cannot have two people on their feet at the same time. He should not worry; we are all learning. It is not a problem.

Luke Hall: Thank you, Mr Deputy Speaker.

I absolutely agree that we should do everything we can to support retailers, including the option of trading online. Removing the restrictions on Sunday trading will give consumers and families the flexibility that they need. People who work in small businesses often have Sunday as their day off, because it can be an easy day to manage stores. Current restrictions mean that their first day off—Sunday—is often the least productive and, in the modern world and the retail industry, convenience is key.

I will work closely with local shops in south Gloucestershire to ensure that their voices are heard when local authorities consult on these changes. It is vital that any consultation includes all retailers in any area, and that small shops in the catchment area of larger stores and supermarkets have a strong voice locally in any consultation.

In conclusion, I once again voice my support for the Budget, and I look forward to hearing ones like it in the future. We should support workers by ensuring that work always pays, encourage employers and free the market to provide what the public demand. The Budget

delivered the Conservative promise and supports our long-term economic plan to get this country moving forward.

3.41 pm

Mr George Howarth (Knowsley) (Lab): I should start by saying a few words about the three maiden speeches that I have recently heard. All were passionate, witty or lyrical, and one was all three. We will look forward to hearing more from those hon. Members in the future.

I want to concentrate my remarks on young people, especially those in Knowsley. Three years ago I carried out a project over the summer in my constituency. I think we called it, "What young people in Knowsley think". It is not a very original title, but it summed up what we were trying to do. Without going through the whole process and perhaps spending too much time on an analysis of what we did, I just want to talk about two conclusions that I drew from the questions that we asked some 80 young people.

The first conclusion was that young people in Knowsley are no less ambitious than young people anywhere else in the United Kingdom. Like other people, they want to have their own business, to join one of the professions or to be in the entertainment business. Some of them were remarkably specific about what they wanted to do: one young man wanted to be a diesel fitter in Canada. I never did get to the bottom of that story. In any case, they were all very ambitious.

The second conclusion, however, came from asking the young people what barriers they saw to achieving what they wanted to achieve in their lives. Most of them were between 14 and 18, and it was staggering that at that young age they recognised that in an area such as Knowsley—one of the poorest in the country—the barriers to achieving what they wanted in life were enormous. Some of the barriers were to do with educational qualifications—they thought that they would not get the requisite number of GCSEs to go on to do A-levels or to higher education, and that there was a lack of availability of training in the things they wanted to do.

Others feared that they did not have the right connections to get into professions they wanted to follow. In other words, mum and dad could not buy them an internship in a firm of national accountants so that they could get a head start to put on their CV. I say that not with any sense of bitterness, but at the tender age of 14 to 18 young people in Knowsley already know the limits of their potential owing to the poverty of their background. I am not saying that some will not get out of that—some will—but at that point in their lives they realise that there are enormous barriers to their achieving what they want to do.

What will the Budget do for children and families with children, particularly for those in receipt of tax credits? There are 9,900 such families in Knowsley, compared with the average in English constituencies of about 3,342—we have more or less three times the number. The number of families affected by the changes to tax credits will be nearly 10,000, which is an enormous number. That will have an impact on the children in those families. The percentage of children in families receiving tax credits in Knowsley is 71%, compared with 55% for England as a whole. On top of that—I am grateful to the Children's Society for these statistics—the Government have allocated just £6.8 million in early

intervention funding to Knowsley Council for the current year. That is £10 million less on early intervention than in 2010, yet we know that to overcome the sort of barriers I referred to earlier early intervention support is crucial. Children need that head start at an early age, but fewer resources will be available.

We also know from the Children's Society that nationally there are 3 million children living in poverty. Some 5,290 of them are in Knowsley alone, of whom 3,840 are living in families who are the working poor. In other words, the families are in employment but they are still classified as being in poverty. I know the Government might like to redefine poverty in such a way that a lot of these statistics fall out of the definition, but there is real poverty in many of those families. We know that from some of the things that have already been mentioned.

For example, two weeks ago I spent Saturday morning collecting food for the Big Help Project food bank in Knowsley. As always when I do that, I am struck by the incredible generosity of people. They were going around Tesco, as it happened, buying their own food and then setting aside one or two bags full of food to donate to the food bank. Other hon. Members have referred to food banks. I am a huge supporter of the Big Help Project and I recognise the necessity of food banks because of the situation some families are in—many of them, by the way, are in employment, not on benefits. I never thought—a number of customers in Tesco made the same point to me—that I would live through a time when we saw families dependent on food banks to feed their children.

Chris Stephens (Glasgow South West) (SNP): Does the right hon. Gentleman agree that in many communities across the United Kingdom the food bank is the only growth industry?

Mr Howarth: The hon. Gentleman is probably right. In some areas, a food bank has an enormous impact. It is something I honestly never thought I would live to see.

Mr Anderson *rose*—

Mr Howarth: I will give way to my hon. Friend and then I will press on, because I know, Mr Deputy Speaker, that you do not approve of interventions in added-on time.

Mr Anderson: Does my right hon. Friend agree that Conservative Members would probably say that going to a food bank is a lifestyle choice?

Mr Deputy Speaker: I do not mind interventions, but I want to ensure that speeches come in below 10 minutes.

Mr Howarth: I shall try my best, Mr Deputy Speaker.

My hon. Friend is right; of course it is not a lifestyle choice. Who would choose a system where they have to get a voucher, turn up somewhere and give it to someone they have never met before in return for food to take home to their family? It is not a lifestyle choice. Of the 7,000-odd people—a staggering number—who have used the food bank in Knowsley, 700 are in employment. It is definitely not a lifestyle choice for them, and I do not think it is for the others either.

In conclusion, I have set out the reality for many children in Knowsley, and Knowsley is not unique—I am not making that argument—but even at the end of it all, what sort of employment opportunities are available? For many, there are zero-hours contracts under which the person does not know when they are expected to turn up for work, or even how many hours they are going to work, and in some cases—I have spoken to people for whom this is the case—the person gets a call at 11 o'clock at night telling them to go 10 miles away to do a two-hour shift in a packaging factory, the first hour's earnings from which go on a taxi because public transport does not start till after 6 o'clock. Is that the sort of work these children should inherit? I think not. And these are often major international firms. For those not lucky enough to go into higher education, the other option is a rolling contract. That sounds great, doesn't it? Why would anyone not want to be on a rolling contract? Actually, it means that every now and then the person gets sacked, so they do not have any continuity of employment rights. Sadly, that is the future for many young people, and this Budget does nothing to take away the fear of that future.

3.52 pm

Wendy Morton (Aldridge-Brownhills) (Con): Thank you, Mr Deputy Speaker, for the opportunity to speak in today's Budget debate, particularly on enterprise and business. It has been an honour to listen to the maiden speeches of colleagues from across the Chamber, each so different, so eloquent and so passionate. I have two lasting memories: the references to Dippy the Dinosaur and—I cannot resist—the “preening and prancing” of animals into the auction ring. They were all really enjoyable speeches.

I am particularly pleased to speak on business and enterprise, not just because I come from a family manufacturing business—we started 25 years ago thanks to the enterprise allowance, introduced by the then Conservative Government, without which we would never have taken that first step and for which I will always be grateful—but because I believe business is at the heart of Britain's economic recovery.

A main objective of the summer Budget was recognising that business was leading our economic revival. Like other colleagues, I spend time visiting and using local businesses in my constituency, be they the large manufacturers, the small shops and traders in the villages and high street shopping centres, or the farmers. Each business plays a vital part and contributes to our local economy, be it in Aldridge, Brownhills, Pelsall, Rushall or any of our other communities, and each plays a part in securing the economic future of our country. We must never forget that.

We hear much about the plans for the northern powerhouse. As someone from the north originally—my roots are in Yorkshire—I welcome those plans; they are exactly what we need. But let us not forget the west midlands. I believe that the west midlands is the engine room of our economy—the engine room of the future. That is what I will be supporting and fighting for. It will come as no surprise that I am not a mechanic, but I know that a good engine needs to be well tuned. In a similar way, businesses need to be well tuned to keep running smoothly and to keep our economy moving

[Wendy Morton]

forward. I believe that there are measures in the Budget that will help to make a big and positive difference to businesses in this country.

Back in 2010, corporation tax was a staggering 28%. It was lowered under the coalition Government to 20%, and this Budget sets out further reductions, from 20% to 19% from April 2017 and down again to 18% from April 2020. From April next year, the employment allowance, which gives national insurance contribution-free allowances to businesses, will be extended, from £2,000 to £3,000. That means that a company will be able to employ four people full time on the new living wage without paying any national insurance. These are the sorts of practical measures that I believe help businesses today. They therefore also help local communities—when we help a business, we are helping to create jobs and put money back into the economy.

In 2010, the figure for jobseeker's allowance claimants in my constituency was 4%. In May this year, it was down to just 1.4%. That does not just happen; it happens because of the economic policies of the Government of the day—a Conservative Government. It is also down to the hard work and the efforts of all those businesses and traders, who work day in, day out, often to keep those businesses going and to support their staff. The Budget will be a strong step forward in continuing to support and encourage business, enterprise, and apprenticeships and skills. We will continue to deliver this country's economic recovery and security. We will continue to show not only that Britain is backing business, but that we are well and truly back in business.

Before I finish, I want to refer to the welcome news on vehicle excise duty and the fact that we will be putting that money into improving our roads. With my Aldridge-Brownhills hat on, I want to make a plea: please make sure that some of that money really comes down to the local level and that we all feel the benefit of it.

I for one welcome this Budget. It is the right Budget for this country. It is the right Budget for moving us forward.

3.58 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in this vital debate. I commend the three Members who have given their maiden speeches. The hon. Member for Kensington (Victoria Borwick) spoke of her constituency and how we can deal with what life gives us. I commend her for that. The hon. Member for Brecon and Radnorshire (Chris Davies) did not walk too far in the House, but he walked the length and breadth of his constituency, and we appreciate that. The hon. Member for Paisley and Renfrewshire South (Mhairi Black) has just left the Chamber. I am unashamedly a Unionist and I do not agree with the ultimate goal of the Scottish National party, but I tell the House this: I agree very much with many of the issues that she raised, as my speech will reflect. I commend her for her contribution. While she speaks for her constituents, I know that I speak for mine.

There are several issues that I feel must be addressed, as I have already been inundated with phone calls from constituents concerned in particular by the announcement

on tax credits. That is a massive issue for me; the mailbag has been enormous. Those who have phoned or written have been worried. There are some pleasing announcements in the Budget—I recognise that—including on defence spending. I am on the Select Committee on Defence and I am pleased that we will be spending 2% of GDP, but is that enough? The Chairman of the Defence Committee has said we should have 3%, and I agree with him.

Sammy Wilson (East Antrim) (DUP): Does my hon. Friend accept that the 2% on defence spending has been reached only as a result of including expenditure on internal security—it is not pure defence spending—which is a disappointment and, indeed, a manipulation of the figures?

Jim Shannon: I thank my hon. Friend for his contribution. We made the decision in the Defence Committee just today that we will look at this issue. We will thoroughly investigate whether the 2% figure amounts to real money. As I said earlier, the Chairman of the Defence Committee wants 3%, and I want it too.

Another of my concerns is about the national living wage. I also fear for the huge number of small and medium-sized enterprises across the Province and particularly in my Strangford constituency. I have grown increasingly concerned about the large number of people using food banks, to which other hon. Members have referred. Some people in secure employment simply do not earn enough to live, so it obviously goes without saying that wages have to increase. We must help to safeguard the most vulnerable in our society.

The Federation of Small Businesses Northern Ireland claimed that 99.9%—its figures—of employment in the Province comes from small and medium-sized businesses, so naturally this change in wages poses a huge threat to some employers. I am concerned about that. What is the Chancellor going to do about the minimum wage? We welcome it, but what is he going to do to help small and medium-sized businesses to remain profitable and successful. Will some businesses be forced to employ people in the lower-age bracket, and will it demean and detract from what is being put forward?

As for child tax credits, it seems that we are given something on the one hand, but a great deal is taken away on the other hand. It is great to hear that tax-free personal allowances will increase next year. I hope that it will put a little bit of extra money into our constituents' pockets, but whether it will really help the poorest in our society is debatable.

I find it rather distressing that the Government are virtually saying that by 2017 they will support people if they have two children or less, but if they happen to have more than two children, they are on their own. One cannot help but draw comparisons between the United Kingdom of Great Britain and Northern Ireland and the Democratic Republic of China. I am reminded of a quote from the American poet, Maya Angelou, who said:

“I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel.”

Clearly, this Government are in danger of adversely affecting the people they are supposed to be standing up for. This change in tax credits and benefits will greatly affect many of my constituents.

The anti-child poverty charity, Barnardo's in Northern Ireland, has claimed that 160,000 families across the Province could be left struggling if plans to cut tax credits go ahead. Barnardo's also warned, as it launched a campaign, that the Westminster Government should keep the "lifeline" benefit. Lifeline benefit is rightly named, because that is exactly what it is. With low wages and high living costs stretching budgets across Northern Ireland, tax credits are an everyday lifeline for families. It would be remiss of me not to remind the Government of the impact on families of the reduction or removal of child tax credits and working tax credits. Let me assure the Chancellor and the Minister that people feel extremely aggrieved. Large families feel totally alienated, and people feel they are being punished for having more than two children.

In the last Parliament, the Democratic Unionist party worked alongside the Conservative Government to deliver the marriage allowance. What a breakthrough that was: we encouraged marriage, we encouraged the family. Yet now, one year later, it seems that the Government intend to punish those with more than two children. I find that quite incredible. Last year, the family was the cornerstone of our society, and we agreed that family brought communities closer together; now it seems that the Government have done a U-turn. The Government cannot claim to support the family unit, and then attach terms and conditions to it. We cannot say that we support families so long as they do not go over the two-child criterion—this is simply ludicrous. I have already had many calls from concerned parents, from families and from many of my constituents who are struggling. This reduction in child tax credits is going to make it even more impossible for them just to get by. Unfortunately, this is evidence that the Budget was certainly not designed to help working people in our society.

Another issue that concerns me—this, too, was raised by the hon. Member for Paisley and Renfrewshire South—is the change in housing benefit for those aged between 18 and 21, which will force young adults to live at home with their parents until they are 21. They will have to either "earn or learn". In principle, that seems a good idea, given that a significant number of 18 to 21-year-olds are either working or still in education, but the fact is that a great many of them are not. All that this measure will do is increase the pressure on social workers, and that concerns me greatly.

The Budget has made some welcome changes, but a great many others will cause the worst off in society to struggle even more. It has been estimated that, in the years leading up to 2019, a 10th of the population in the United Kingdom will lose about £800 a year as a result of the tax and benefit changes. That is equivalent to nearly 7% of their net income. As I have said, I fear that the pluses in the Budget do not outweigh the disadvantages, especially for the most vulnerable and the worst off in society.

It is good to see the economy recovering and growing, but those at the bottom are struggling to see that that is happening. I fear that if the Chancellor and the Government press ahead with their £9 billion saving, reducing tax credits, housing benefit and other benefits and pushing 160,000 more families in Northern Ireland—including families in my constituency—towards child poverty, they will undo all the economic good that has been

done. They may well lose sight of it altogether as, once again, the purse strings tighten around those who can least afford to absorb the changes.

Those are my concerns about the Budget, and they reflect the concerns of my constituents. I shall vote against the Budget this evening.

4.6 pm

James Cleverly (Braintree) (Con): According to figures published by the Office for National Statistics in 2014, there are 4,155 businesses in my constituency, but that is almost certainly a considerable underestimate. Many businesses will have started up since the figures were compiled, and many others are not captured by official statistics because they fall below the VAT threshold. Of those businesses, 90% are defined as micro-businesses, having between zero and nine employees. That, too, is almost certainly an underestimate, because it is in the micro-business sector—the back-bedroom business, the converted garage business, the former farm outbuilding business—that we see the most expansion. Those businesses form the cornerstone of the British economy. Other members have rightly spoken with pride about the number of businesses in their constituencies, but it is at that end of the business spectrum, the small and micro-business end, that the largest opportunity for employment growth presents itself.

I was deeply disappointed, saddened and shocked by how infrequently the shadow Secretary of State used the words "business", "firm" or "company" during the half hour that he spent at the Dispatch Box. The simple truth is that, eloquent as the hon. Gentleman is, and good as he is at using words, the words that he used today were fundamentally flawed. This country is, has been and always will be built on a business foundation, and when the Labour party loses sight of that fact, we are in trouble. I am very proud that my party has presented a Budget with business at its heart.

Paul Scully: Does my hon. Friend agree that what the Chancellor has done is help set businesses free from regulation and lower taxes, whereas Labour tends to add regulation and layers of bureaucracy, which makes it far harder to start and grow a business?

James Cleverly: As is often the case, I am in considerable agreement with my hon. Friend, who I know shares my passion for, and understanding of, small business.

I feel guilty that I have not yet congratulated my hon. Friends on the Conservative Benches who have just made their maiden speeches. I will now set that right. Both of them have strong business backgrounds and credentials—my hon. Friends the Members for Kensington (Victoria Borwick) and for Brecon and Radnorshire (Chris Davies). I almost said "Brecon and Renfrewshire".

Kwasi Kwarteng: Renfrewshire is in another country.

James Cleverly: That would be a big constituency.

I also wish to put on record my huge admiration for the hon. Member for Paisley and Renfrewshire South (Mhairi Black) for her excellent and punchy delivery of what was an impassioned and very well thought-through maiden speech—I have already written a personal note

[James Cleverly]

to her. Her maiden speech was more political than I would perhaps have delivered, but it was none the weaker for that.

An understanding of small business is essential if the British economy is to succeed and I am proud that my Government have recognised the significant part small businesses play not just in the economic prosperity of this country, but in its social prosperity. Employment does not just give people the opportunity to pay the bills; it gives them a sense of worth and place, and it is a foundation stone in their lives that enables them to blossom and flourish in so many other areas.

Wendy Morton: Does my hon. Friend agree that small businesses are often not just the backbone of the local economy, but are at the heart of the local community?

James Cleverly: The word “community” is key, because businesses are as much a part of any geographical community as the people who live in it. We lose sight of that at our peril.

Barbara Keeley (Worsley and Eccles South) (Lab): I feel the need to defend my hon. Friend the shadow Business Secretary, who is being unfairly attacked by Conservative Members. It is being said that he did not even mention business in his opening speech. [Interruption.] I am one of the people on this side of the House who does have a business background; I have a very substantial background in the IT sector, supporting manufacturing industry up and down the country. An extensive section of my hon. Friend’s speech addressed the need to do something about business rates, but there was no answer from the Secretary of State on that point. I think—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. We must have briefer interventions.

James Cleverly: I will take it that the hon. Lady misheard the opening of my speech. I did not say that the shadow Business Secretary failed to mention business; I said I was horrified by how seldom he used the words “business” and “firm” in his speech.

Kwasi Kwarteng: The broader point my hon. Friend makes is absolutely right: in the run-up to the election the Labour party gave absolutely no indication whatever that it had the faintest interest in the wealth-creating business part of this country. There was—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. The hon. Gentleman has made his speech; I do not need to hear a repeat of it.

James Cleverly: It does not matter what my hon. Friend or I think, or what Labour Members think; what matters is what businesspeople think, and the feedback I had—

Barbara Keeley *rose*—

James Cleverly: I am running short of time and have been very generous in taking interventions, so if the hon. Lady forgives me I will continue.

The message that came through loud and clear on the doorsteps when I visited businesses in my constituency during the election campaign was that they did not feel that the Labour party understood them or was sympathetic to their plight. The hon. Member for Worsley and Eccles South (Barbara Keeley) asked me specifically about business rates. We are going to have a business rates review—

Barbara Keeley: When?

James Cleverly: I am not a member of the Government. The hon. Lady needs to take that up with a member of the Government. If anyone wants to make me a member of the Government, however, my door is always open.

Small businesses need a tax and regulatory framework that is sympathetic to their needs, but they also need interventions that will unlock their potential. I am unapologetic that I am now going to mention the need for broadband in rural Britain, and I shall continue to mention it almost every time I get to my feet in the Chamber. I recently visited a business in my constituency, EScO Business Services Ltd. It provides services to the magazine industry, dealing with magazine subscriptions and prizes and so on. It is a digitally enabled business, and much of its work is done online. It is in a building in the middle of the countryside, near the picturesque village of Finchingfield. It provides good quality, well-paid local employment, and it relies absolutely on good quality digital connectivity, without which it would be unable to locate where it is. Instead, it would be forced to locate in a nearby city such as Cambridge, or even in London. If we are to spread economic activity in this country away from London, it is really important that we open the door to businesses such as EScO to allow them to locate where the potential employees are, rather than where the broadband is.

I echo the point made about road investment, and I make no apology for once again mentioning the A120, which is sorely in need of attention. My Government understand the needs of small businesses—I am far from convinced that the Labour party does—which is why I welcome the Budget and will be supporting it in the Lobby later.

4.17 pm

Mr David Anderson (Blaydon) (Lab): I congratulate the people who have made their maiden speech today. I particularly commend the very mature speech from the hon. Member for Paisley and Renfrewshire South (Mhairi Black), and I agree with her view that Labour Members and our colleagues from Scotland must form a shared opposition against the Conservatives.

It is well known that British education is among the best in the world. We also know that the more we pay for it, the better it is. And didn’t that show last week, when we saw our Chancellor, the Old Etonian, in action? We are used to the Tories fiddling the figures, but now they are using a new tactic. As well as fiddling the figures, they are misleading by message. Let me give the House some examples. The first, and most blatant, is the renaming of the national minimum wage as the new living wage. That is clearly a farce. It might have seemed to Conservative Members like a real wheeze, a rabbit being pulled out of the hat, but it is nothing other than subterfuge.

The concept of the living wage—the real living wage—has been around for decades. Back in the 1990s, when the national minimum wage was introduced at a level of £3.60 an hour, I led the Unison delegation to the Low Pay Commission, where we proposed a living wage of £4.85 an hour. We made the case that that was the level at which working people would not need wage support from the state. It is on that basis that the proper living wage has been developed over the last two decades.

The farce is that the rip-off Chancellor wants to con our people by pretending that this new living wage is a genuine substitute not only for the national minimum wage but for the present and very worthy living wage. Added to his attack on young people who will be excluded, and building in the appalling attack on in-work benefits, we now have a new basic wage that is nothing but a con. He has not spelt out what he intends to do to support public sector bodies to pay the so-called new living wage. For example, councils have already said that they will have a £1 billion funding gap in paying their in-house workforce and at least a £500 million funding gap in paying the wages of workers contracted in from private sector service companies providing things such as care for the elderly.

Sammy Wilson: Is that not the flaw in the argument that we move the burden of wages from the taxpayer to the employer? First, there is no guarantee that the timing will be correct, secondly, there is no guarantee that employers can make the payment and, thirdly, there is no guarantee that many employers will even bother making the payment.

Mr Anderson: It is absolutely clear that that is the case and that this was nothing other than a political ruse to try to mislead the country and to wrong-foot the Labour party to pave the way for the Chancellor to move from No. 11 to No. 10 Downing Street. It is nothing other than that.

The Government now call this the new living wage, but we have been here before. We were there in the 1980s and 1990s, when the Conservatives tried to pretend that the community charge was not really the poll tax. We have been with them over the past five years as they have tried to pretend that the spare room subsidy was not a bedroom tax. Just as those two ideas have never stuck, the new living wage will not stick. People know that it is nothing more than half of a new minimum wage that blocks out young people in this country.

I want to move on to something else the Chancellor said last week:

“The left will never understand this, but we on the Conservative Benches know that the wish to pass something on to your children is about the most basic, human and natural aspiration there is.”—[*Official Report*, 8 July 2015; Vol. 598, c. 330.]

Well, he is half right. The left never will believe that providing for the grown-up children of dead millionaires with a bung from taxpayers while poor families and children go hungry is a basic, human or natural aspiration. What is basic is that far too many families face the reality of sending kids to school hungry, and worrying about where the next meal will come from and whether they can afford to clothe and feed their children. Too many families are worrying about whether to keep the house warm or not, and now they are being hit even harder in the struggle to pay their rent. The hit is £60 a

week in this city and £120 a week for the rest of us across the nation. When the landlord says, “I want your rent off you,” the tenant has to say, “I’m sorry, I can’t pay the rent this week and, by the way, next week I will pay you £120 a week less than I am now.” I really do not know where those people will end up. That is basic, that is life at the sharp end and that is what is happening in the real world. That is what happens when the children of dead millionaires are prioritised over the children of poor working people. It is an utter disgrace.

Kwasi Kwarteng: Will the hon. Gentleman give way?

Mr Anderson: I certainly will, even though the hon. Gentleman has only been here for five minutes.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I think that I am the judge of how long people have been here. We have already had one intervention from Kwasi Kwarteng and I can assure the hon. Gentleman that he has been here for a lot longer than five minutes, although it might only feel like that.

Kwasi Kwarteng: I promise that my intervention will not last five minutes. Who are the dead millionaires that the hon. Gentleman is talking about?

Mr Anderson: The people who die leaving property worth £1 million. In the past, some of that would have been taxed and now it will not be. Instead, the Government will tax poor working people, people who are on the dole and people who have more than two kids—they can have two kids, but no more.

Let us also consider the deliberate misuse of language by this Government over the past five years. They have replaced the notion of social security with the idea of welfare, yet they pretend to be the workers party. The concept of social security is crucial to the notion of how civilised we are in this country. Social security underpins the lives of working people and is based on the real concept of people being in this together, with a national insurance scheme that we all pay into if and when we can work and a security net that will support us when we cannot work for whatever reason. I know that the Conservative party has spent the past 10 years trying to paint everybody who uses public services or needs social security as a skiver and not a striver, or a shirker and not a worker, to further its own political narrative. That despicable tactic has to be challenged as the poor, the vulnerable, the ill, the young, the women and the disabled people of this country struggle to make ends meet in desperate times. They are the people the Tories are making pay for the economic mess that their friends in the City, the banks and the hedge funds got us into.

At the same time, the Tories are attacking the millions of public sector workers in this country who take care of the nation by freezing their pay for what will become a decade. We have to stop making nurses, careworkers, firefighters, police and other public sector workers pay the price for the failure of the Tories’ friends. Let us acknowledge in the debate about productivity the productivity gains that have been made in the public sector, where far fewer people are doing a lot more.

James Cleverly: Will the hon. Gentleman give way?

Mr Anderson: Yes, because I am going to mention the hon. Gentleman in a minute.

James Cleverly: If the hon. Gentleman is so proud of his party's credentials in relation to working people, perhaps he would like to explain why the working voter has deserted his party for mine and even for the United Kingdom Independence party?

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. It might help if I remind people that this is a Budget debate, not an election debate.

Mr Anderson: Actually, less than a quarter of the people of this country voted for the Tory party, and the vast majority of them would not be traditional working people. More than 75% of the people of this country did not vote for the Tory party.

Let us acknowledge that people in the public sector have made great sacrifices. The hon. Member for Braintree (James Cleverly) told us less than five minutes ago about the 4,000 businesses in his constituency. What about the thousands of people who work in the public sector in his constituency, who he never mentioned once? They have not had a pay rise for five years and will not have one for another five years, but they are the people who pay for his businesses to make their way.

Quite frankly, this Budget stinks—it is as simple as that. It is divisive, it is dishonest, it is damaging, and people inside and outside this House know it. It will not be long before they and those of us who really care about this country stand up against it to get rid of it. We have to send a strong message from this House. On Saturday, going on for 150,000 people marched on the streets of Durham saying clearly, “You’ve got it wrong. We’ve got to stand up. We’re not taking any more of this. We’re sick to death of the poor paying for the failings of the rich.” It is time to change the tune in this country.

4.27 pm

Paul Scully (Sutton and Cheam) (Con): It is a pleasure to follow the hon. Member for Blaydon (Mr Anderson), who gave us a more than adequate demonstration of what one might call the Corbynisation of the Labour party. It is an equal pleasure and a privilege to follow three fantastic maiden speeches. My hon. Friend the Member for Kensington (Victoria Borwick) reminded me that I must go back and flick through my copy of the “Alan Clark Diaries”, which I did enjoy. I was not present to hear the speech of my hon. Friend the Member for Brecon and Radnorshire (Chris Davies), but knowing him as I do, I am sure he lit up the House. I look forward to reading his maiden speech in *Hansard*. I had to go to visit a constituent who is a black cab driver attending a rally upstairs about Uber. Those people are small business people in their own right, and it is important that we take that into consideration. As has been said, the hon. Member for Paisley and Renfrewshire South (Mhairi Black) gave a fantastic maiden speech, and I know we will hear far more of her in the years to come.

For 20 years or so, I have run my own small business—I refer the House to my entry in the Register of Members' Financial Interests. Being responsible for other people's livelihoods, going through bad times when one struggles

to pay the mortgage and the bills, but also during the good times of real success when one can think, “Actually, that was down to me and my efforts as a self-employed businessman”—those experiences give one a perspective on life, on business life, on working life, on wages and on what it means for people to strive and take opportunities. That is why I welcome so many of the measures that the Chancellor has given us in the Budget, in stark contrast with Labour. In the lead-up to the election, we had what has been described as the heaviest suicide note in history—the Ed stone.

Nia Griffith: Does the hon. Gentleman accept that the Chancellor has tried to imitate one of our policies by trying to raise the minimum wage? He mistakenly calls it a living wage, but it is not at that rate. However, he has not offered any incentives to employers to introduce it, as we were proposing.

Paul Scully: I will come back to the national living wage.

The platitudes on the Ed stone were in stark contrast to the measured policies in the Budget.

Hon. Members can talk about semantics and about whether it is the national minimum wage or the national living wage. What we have seen is a significant—

Christopher Pincher (Tamworth) (Con): Does my hon. Friend agree that the doubling of the workforce at Jaguar Land Rover from 3,000 to 6,000 in three years is not semantics? Those are real jobs for real people—a real opportunity that we are giving those people, which the Opposition never did.

Paul Scully: Absolutely. I could not have said it better. The number of jobs that we have created and the amount of wages that we are putting in people's pockets are real measures. With this increase in the national living wage, the Chancellor has put cash in people's pockets.

Kwasi Kwarteng: This is a pertinent question. For the edification of the House, does my hon. Friend have any idea what happened to the Ed stone?

Paul Scully: No. I believe it was in a London warehouse, but your guess is as good as mine. I think it may be auctioned off as a fundraiser at some point in the future.

The lowest paid people in this country will be more interested in the cash in their pockets than in the semantics being played by Labour. The big leap in the national living wage chimes with me as an employer. A good employer does not scrape around the bottom and pay people the bare minimum. The Chancellor has allowed the lowest paid to get more than that. As an employer, I tend to try and look after my employees, pay them more than the market rate and give them other benefits as well, to make them feel valued. That way an employer gains loyalty and has people who want to work with him as a career, rather than as a job.

We have increased the employment allowance by 50%, which will help ease the burden on employers. A couple of months ago I was at an independent shop in Cheam, Dragonfly. I was speaking to the proprietors with an *Evening Standard* journalist. When we talked

about what the Government have done over the past five years, they explained that they had benefited from the small business rates relief, which enabled them to pay very little, if any, business rates. They also explained that they had benefited from the employment allowance. The fact that they knew that term floored the *Evening Standard* reporter. The employment allowance, they explained, had allowed them to take the gamble of taking on a part-time worker when times were tough financially—a gamble, they went on to explain, that had worked out for them and helped them grow their business.

John Mc Nally (Falkirk) (SNP): The hon. Gentleman will be aware that small businesses up and down the country, especially those in the construction industry, are struggling to stay afloat due to incomplete payments. Does he agree that a voluntary approach will not work and that tougher sanctions should be available so that small businesses can spend less time chasing debt and more time creating economic—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. If the hon. Gentleman has such a long list, he ought to do it in two bites, not all at once.

Paul Scully: The combination of measures—paying the lowest paid more and softening the cost to employers with the increase in employment allowance—will help businesses solve that problem themselves.

The Budget is only one part of helping to build growth and productivity. It is the Whitehall part, but we also have the town hall part. We need to look at our changing high streets and at issues such as parking. For example, Ross's Fruiterers in Worcester Park is a real centre of the community—my hon. Friends the Members for Aldridge-Brownhills (Wendy Morton) and for Braintree (James Cleverly) made similar points—because everybody knows Ross Nelson and uses his business as their local shop. The key issue for him is parking, as it is for hundreds of shops and small businesses in Sutton and Cheam and Worcester Park. He needs stop-and-shop parking so that his delivery vans can come and go. That is a matter not for the Chancellor, but for the local authority and Transport for London, so we need to work in partnership.

The third part of the jigsaw is businesses themselves. As we heard earlier, Governments do not create jobs; businesses do. Having been a businessman for 20 years, I feel that, in becoming a politician, I am a poacher turned gamekeeper. However, I still believe that business people are far better placed than any politician to solve the problems faced by retailers dealing with changing high streets or by small businesses trying to attract more customers and grow. Members will remember Ronald Reagan's remark that the nine most terrifying words in the English language are, "I'm from the Government and I'm here to help."

Christopher Pincher: I am obliged to my hon. Friend, who is being generous in giving way. Of course, the Labour party was never there to help business when it was in government, because it introduced regulation after regulation. Is not regulation bad for business, and should not the Government—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Mr Pincher, you should have applied to make a speech, rather than making these long interventions. The problem for Mr Scully is that he is coming to the end of his speech, because I said that Members should speak for up to 10 minutes, not beyond.

Paul Scully: Regulation is a key issue for businesses.

I will conclude with the welcome news about the cut in corporation tax. Having inherited a rate of 28%, bringing it down to 20% and now 18% will release £6.6 billion for companies to put back into their businesses to help improve jobs, training and productivity. It is really good news for big businesses in Sutton such as HH Global and Subsea 7, and for small businesses such as Sense Communications, Press 2 Dress and Brasserie Vacherin, which is a fantastic restaurant in Sutton. Some 40% of residents in my borough commute to London, but those sorts of investments help deliver a local option to allow them to work closer to home.

Finally, I echo the Chancellor's words, which really chime with my Conservative guiding principles, about moving from a low-wage, high-tax and high-welfare economy towards a higher wage, lower tax and lower welfare economy. That is why I very much support the Budget.

4.38 pm

Neil Gray (Airdrie and Shotts) (SNP): Thank you, Mr Deputy Speaker, for calling me to make my maiden speech in this most important of debates. It is a pleasure to follow all the excellent maiden speeches we have heard this afternoon, particularly that of my hon. Friend the Member for Paisley and Renfrewshire South (Mhairi Black). She has just graduated with a first-class degree in politics. I suspect that her first-class speech will be read by generations of her successors as political students. It was brilliant, powerful and moving. In line with the Scottish National party being in trend in this place, my hon. Friend is now trending on Twitter.

I rise sharing some of the trepidation described in the maiden speeches of many of my predecessors, including the former Leader of the Opposition, John Smith. The fact that he was humble enough to share his nervousness fills me with hope for the next few minutes. If I can be half the parliamentarian and constituency representative that he was, my constituents and I will be doing well.

I owe a huge debt of gratitude to a number of people for helping me to my place here today: first, my brilliant campaign team, led so ably by Graham Russell and Michael Coyle; my Scottish Parliament counterpart and former boss, Alex Neil, who first encouraged me to stand, and whose example I wish to follow; and my family, particularly my wife Karlie and baby daughter Isla, who are a constant source of love and support. It will not be standing up to this most right-wing of Tory Governments or, indeed, standing up for the good people of Airdrie and Shotts that I will find most challenging over the next five years; it will be missing my family when I am here. I am sure that is a sentiment shared by many others in this House.

Lastly, I am incredibly grateful to the 23,887 people who voted for me on 7 May. Fifty-four per cent. of voters in Airdrie and Shotts voted for an end to austerity, for the Scottish Parliament to receive the full package of

[Neil Gray]

powers promised last year, and for an end to the immoral and financially obscene Trident nuclear fleet. While I am incredibly grateful to those who took journeys of varying difficulty to arrive at the decision to mark their cross next to my name and that of the SNP, I want to make it clear to everyone in Airdrie and Shotts that I am here to represent you, no matter which way you voted or if you voted at all. The SNP won a decisive victory in Scotland because we put forward a credible alternative to austerity and we are recognised as the party of and for all of Scotland.

This result was many decades in the making. We must not just be thankful for the work done by the First Minister and by my right hon. Friend the Member for Gordon (Alex Salmond); we must also thank the giants whose shoulders we stand on. One of them comes to mind more than most for me personally. As I prepared this speech, and as I go about my business pursuing the various issues I plan to in this place, I am truly sorry that I cannot seek the wise counsel of my friend Margo MacDonald. Her experience here, of the Parliament up the road, and of life in general would have given all of us, as new SNP Members, valuable guidance. It would also have been great to tease her about gaining only a 26.7% swing in her 1973 Glasgow Govan by-election, but I would have needed to be prepared for the inevitable stinging but witty rebuke that would have followed.

I must take this opportunity to pay tribute to my most immediate predecessor, Pamela Nash, with whom I shared a positive election campaign. When Pamela took her seat in 2010 she was the baby of the House, at just 25—a veteran compared with my hon. Friend the Member for Paisley and Renfrewshire South. Her election was none the less a fantastic achievement. She went on to represent her constituents to the very best of her ability and championed the cause of those with HIV/AIDS around the world through her position as chair of the all-party parliamentary group on HIV and AIDS. I wish her well for whatever she chooses to do with the rest of her career.

Pamela Nash regularly spoke of her pride at representing Airdrie and Shotts, and I am equally proud and humbled to be here to represent the good people of this constituency. Airdrie and Shotts sits either side of the M8 motorway between Edinburgh and Glasgow and stretches from the Airdrie town boundary, with Coatbridge in the west through to Harthill in the east. To the north are Greengairs, Wattston, Riggend, Longriggend, Stand, Glenmavis, Plains, and Caldercruix; to the south are Holytown—the birthplace of Keir Hardie—Calderbank, Chapelhall, Salsburgh, Newmains, Bonkle, Allanton, Hartwood, and Shotts, which I hope will receive town status from North Lanarkshire Council very soon.

It is a constituency dominated by heavy industry. Communities have literally been forged by mining, steel and iron. The grit, determination and common weal needed for workers, their families and communities to make ends meet has lived on from those days and I am proud to represent people who are warm, generous and welcoming. You need only look at the incredible work done by Airdrie Supporters Trust, Getting Better Together in Shotts, Shape up Shotts, the Moira Anderson Foundation, HOPE for Autism, Basics food bank, St Andrews Hospice, Airdrie food bank and many more brilliant community groups who are supported by the

kind-hearted people of my constituency to know that the people I represent are as honest and generous as they come.

Looking back on the maiden speeches of some of my predecessors, I was struck by the fact that there was a consistent theme running through them all, and that is how we treat those who are disadvantaged and living in poverty in our society. In that vein, as I look to address this Chancellor's Budget statement, I must quote what Margaret, or Peggy, Herbison said in her maiden speech on 17 October 1945:

"I realise that I have chosen a subject upon which one cannot be at all non-controversial."—[*Official Report*, 17 October 1945; Vol. 414, c. 1281.]

This Government are plotting a path of social engineering with this Budget and by continuing their ideological austerity agenda. For example, saying that families on low wages can only receive support for two children is outrageous. As my hon. Friend the Member for Glasgow Central (Alison Thewliss) pointed out, the fact that there needs to be a form for the victims of rape to "register" their child highlights everything that is wrong with this policy. It is stigmatic, demonising and utterly degrading.

Further cuts to social security will hit not only the poorest and most disadvantaged people in our society, but ordinary working families. The Tories plan to freeze working-age benefits for the next four years, which will fail to protect social security against rises in the cost of living. They also plan to further marginalise young people by scrapping support for those who are under 25 and under 21.

The Government must recognise that they cannot threaten, demonise and sanction people into work. After seven years working on casework in Airdrie and Shotts, I am still to come across anyone who has chosen to live on social security. That is why the Chancellor's comments about benefits being a lifestyle choice were inappropriate, inflammatory and, frankly, ill judged.

People in my constituency are desperate for work that allows them a decent standard of living and that suits their skills and qualifications. If they cannot work due to temporary illness or permanent disability, or intermittently due to mental illness, they rightly expect the support to meet minimum living standards. There is no doubt that the best way to lift people out of poverty and indignity is through work, but it must be well-paid work.

The wholesale cuts to tax credits that the Chancellor has announced, which include a reduction in the income threshold at which tax credits are paid, remove any benefit from the minimal increase in the minimum wage. For the Chancellor to attempt to present the proposed minimum wage rise as a living wage is a scandal. The living wage is £7.85 an hour outside London, so he is 65p short. It is a con trick. If he gives with one hand and takes back with another, the people will not swallow it.

Freezing public sector pay at 1% for another four years yet again punishes those who are delivering vital front-line services for the profligacy of the banks. It was not the low-paid, it was not the disabled, it was not the under-25s, it was not the public sector workers who got the UK into dire financial straits, so why is the Chancellor choosing repeatedly to kick the legs from underneath those who are struggling to stay on their feet? We on

these SNP Benches are opposed four-square to the dismantling of the social security system by this Tory Government.

Earlier, I quoted the maiden speech of Peggy Herbison, who must be birling at the state of her proud party. At the beginning of the sitting in which she delivered her maiden speech, Sir Basil Neven-Spence, the then Member for Orkney and Shetland, raised a point of order and begged the Speaker to allow Scottish Members to be called more frequently in the House. Without wishing to prejudge, Mr Deputy Speaker, I doubt that you will need such a reminder of the presence of Scottish Members. The Chair has certainly been more than fair thus far. It strikes me that then, as now, the status of Scottish Members was under discussion, although with the constitutionally kamikaze English votes for English laws proposal, the status of Scottish MPs and, as a result, the Union hang far greater in the balance.

I am proud to hail from Orkney and a large chunk of my family and friends still live there. I am reliably informed by the learned listeners of BBC Radio Orkney that I am the first Orcadian parliamentarian for 200 years, since Malcolm Laing served in this House between 1807 and 1812. I hope that after next year's Scottish elections, Orkney returns its first ever SNP representative. I was proud as a schoolboy to carry the Orkney banner at the parade for the reopening of the Scottish Parliament in 1999. It struck me then, as a 13-year-old, that a nation having its own Parliament was perfectly normal. Why on earth would we want decisions about us to be taken elsewhere?

On that note, I will make my closing remarks. As SNP MPs, we are not here just to argue the case for the Scottish people; we are here on behalf of the people of Scotland. We want to build consensus where we find it to deliver progressive policies across these isles. We are here to be a voice for change, and we are determined that the voices of our constituents will be heard, no matter which Standing Order the Government use to try to curb our right to represent them. As we have seen with the Budget, Scotland cannot afford for decisions over its people and resources to be taken here for much longer. That is the ultimate change that we want to see: independence for Scotland. Benjamin Franklin said,

“When you are finished changing, you're finished.”

That is something we all must reflect on.

4.49 pm

Paul Blomfield (Sheffield Central) (Lab): I am delighted to follow the maiden speech of the hon. Member for Airdrie and Shotts (Neil Gray). Like him, I represent an area whose heritage is in mining steel and iron, and that has similarly warm-hearted and welcoming people. I thank him for his tribute to his predecessor, Pamela Nash, and for opening his speech with a quote from John Smith, whose premature death was a sad loss to all of us in politics. The hon. Gentleman made a powerful maiden speech that demonstrated values and passion, which indicates that he will bring a great deal to the House.

I want to congratulate the Chancellor—[*Interruption.*] There is some dissent among my hon. Friends, but he did well to put the issue of low pay in the headlines. He is right that we need to tackle the scandal of low pay, and he was right when he stole the words of the TUC in

saying that Britain needs a pay rise. The question is whether his measures meet that challenge. Any increase in wages for struggling families has to be a good thing. That was why Labour introduced the national minimum wage.

Robert Ffello: Did my hon. Friend spot that when the Chancellor said that the nation needs a pay rise, that did not apply to public sector workers with their 1% rises for four years?

Paul Blomfield: My hon. Friend is absolutely right, and other colleagues have made that point forcefully in this debate.

As we have been reminded today, Labour's introduction of the national minimum wage was opposed by the Conservatives. I am delighted that they now apparently embrace it. It ended the scandal of poverty pay, providing a safety net below which wages should not fall. But for too many people, the national minimum wage has become the norm, not a safety net, as have zero-hours contracts and part-time hours for those who want full-time work. Alongside those setting up real businesses, there has been a growth in bogus self-employment, particularly in sectors such as construction. Uncertainty has replaced job security, and it has all been aimed at reducing labour costs.

Christopher Pincher: The hon. Gentleman mentions zero-hours contracts. Would he care to tell the House the percentage of the workforce who are employed on zero-hours contracts?

Paul Blomfield: I will tell the hon. Gentleman that too many people are employed on zero-hours contracts, and I could cite countless examples of people in my constituency whose lives have been destroyed by them and who have raised the issue with me.

It was interesting last week to hear Ministers, almost in the same breath, expressing their concern about low pay and then condemning tube staff for their industrial action.

Kwasi Kwarteng: Will the hon. Gentleman give way?

Paul Blomfield: I will not at this stage, simply because other Members want to speak and I am conscious of time.

Over a generation, we have seen a shift of between 5% and 7% of GDP from wages to profits, and from profits to shareholders' dividends. That has widened inequality and reversed a century of progress towards a more equal society, and it started with deliberate decisions in the 1980s to weaken the bargaining power of working people and the trade unions that represent them. A sensible policy response to low pay would be to strengthen the negotiating hand of working people, but instead the Government made it clear in the Queen's Speech that they want to weaken their position further with more attacks on the trade union movement.

James Cleverly: Would the hon. Gentleman concede that when tube drivers, for example, go on strike, the people who are hurt the most are not those who can fire up their laptops and work from home but those who, if they cannot get to work, do not get paid for work, such

[James Cleverly]

as contract cleaners and those who work in the care sector? Is it not the case that when people go on strike it is the low-paid who get hit the hardest?

Paul Blomfield: It is absolutely true that when people go on strike, everybody gets hit, including those on strike. Trade unionists go on strike only with enormous reluctance, because of the impact on services and their wages. The uncomfortable truth for Conservative Members is that improvements in living conditions, health and safety and other workplace situations have been won through the struggle by trade unions.

The campaign for a living wage was a great response to the challenge of low pay. Members on both sides of the House have rightly praised the work of the Living Wage Foundation, but that work has been made more difficult by the Chancellor's attempt to steal its clothes. We need to be clear. The increase that he proposes to take the wage floor up to £9 for many workers is welcome, but let us not pretend that it is a living wage. Let us call it the over-25s rate or the national minimum wage supplement, or we could just call it the national minimum wage, but he should not damage the brand of the living wage by associating his proposal with it.

We should continue to work to encourage employers to adopt the living wage and to incentivise them to do so. We need to recognise, as the Living Wage Foundation has pointed out, that the rate will need to rise to take account of the cut in tax credits. Here is the rub: although the new rate of the national minimum wage might benefit up to 5 million workers, more than half of them will be worse off—an estimated 3 million families, according to the Institute for Fiscal Studies—by an average of £1,000 a year because of the changes in tax credits. It could not be any other way: an estimated wage uplift of £4 billion is being offset by welfare cuts of £12 billion.

The Chancellor will argue that raising the tax threshold will benefit low-paid workers by taking them out of tax, but he knows that that is not true. He knows that lifting the tax threshold is a regressive tax measure, because it benefits everybody equally except the lowest paid. Six million workers who are already paid too little to pay tax in the first place will not benefit at all from raising the threshold, whereas Members of Parliament will get a tax break. Frankly, in comparison with low-paid workers, we do not deserve one.

Kwasi Kwarteng: Don't take it then.

Paul Blomfield: Perhaps the hon. Gentleman can explain how people can choose not to take a tax break.

The hon. Member for Braintree (James Cleverly) rightly spoke forcefully about small businesses. I do a lot of work with small businesses in my constituency. They are a driver of growth. When there is any increase in pay, they face a challenge, as does the voluntary sector. They need support, but the Government and the Budget have got it wrong. Support should not have been provided through a greater cut to corporation tax; it should have been provided to small businesses by further cuts to business rates.

The Prime Minister is right that company profits should not be subsidised by the public purse. If he is serious, why not tax listed companies that fail to pay the

real living wage to recoup the cost? If he is serious about tackling poverty pay, what about strengthening labour market enforcement? We know, for example, that thousands of workers do not even get the national minimum wage in the care sector because employers refuse to pay for travelling time. We debated that in the last Parliament. Ministers admitted that the practice was widespread and said it was illegal, but nothing is happening to chase down those rogue employers and bring them to book.

Robert Flello: On that point, will my hon. Friend allow me to intervene?

Paul Blomfield: I will not because of time—I am sorry.

On the question of the care sector, will the Government find the resources to support local councils—they have been hit harder than any other part of the public sector—in meeting the cost of increasing the national minimum wage and paying workers what they are legally due?

The Government are right to respond to the need to give people a pay rise and have opened a debate, but they will need to do much more to make the difference that working families need, because this Budget fails to do so.

Several hon. Members rose—

Mr Deputy Speaker (Mr Lindsay Hoyle): We now have a maiden speech. I call Martyn Day.

4.59 pm

Martyn Day (Linlithgow and East Falkirk) (SNP): I am grateful for the opportunity to make my maiden speech as the newly elected Member for Linlithgow and East Falkirk. There are so many new Members that I was starting to worry that I might not get the opportunity before the summer recess. Now I need only live up to the high standards set by so many who have gone before me.

I would like to start by extending my gratitude to the parliamentary staff who have assisted Members with directions and procedures. Of particular assistance was my induction buddy, Donald Grant, whose help proved invaluable. May I recommend that the practice of induction buddies be continued for future intakes?

Of course, I would not be making this speech without the trust and confidence placed in me by the local electorate, who returned me with a convincing majority of 12,934 on my first attempt at a parliamentary election. Much as I would like to claim all the credit for my election victory, I am very conscious of the fact that, along with my local campaign team and the wider Scottish electorate, I have played only a small part in the transformational change in Scottish politics. Indeed so transformational has the change in Scotland been that it may better be described as a revolution—a revolution without even breaking a window. Politics in Scotland will never be the same again.

Many long-serving former Members were swept away in the revolution. Such was the fate of my predecessor, Michael Connarty, who had represented the constituency since its creation and the former Falkirk East seat

from 1992. It would be fair to say that Michael was a man of deeply held political convictions. While we may not always have seen eye to eye on every issue, one area where we were in agreement was our support for Scottish CND and our opposition to nuclear weapons—I will always campaign strongly against nuclear weapons during my time in office.

Prior to the formation of the current seat, much of the constituency was represented by Tam Dalyell who was the Member for Linlithgow and before that for West Lothian from 1962. Tam Dalyell can claim some responsibility for my personal journey to this House. As a young lad of nine years, I first visited Parliament as a guest of the Member for West Lothian, as he was then. It took me 35 years and 32,055 votes before my return trip. Tam is well known for the West Lothian question, and given the current debate on EVEL—English votes for English laws—Members would be well advised to review his contributions from the 1970s. I have made a point of reappraising his book, “Devolution: The End of Britain?” in which he looked at all four possible answers to the post-devolution problem of Scottish representation at Westminster and concluded that

“not one of them can be reconciled with Britain’s continued existence as a unitary state”.

He was right then, and he is right now. Perhaps less well known is Tam’s entry in “Guinness World Records” for having contested the same constituency against the same opposing candidate at a record number of successive elections—seven times, against Billy Wolfe, in the old West Lothian seat.

Billy very much modernised the SNP in the 1960s, and led the SNP to its previous Westminster high point in 1974, though he was never successful in his own parliamentary attempts. On a personal note, he was my friend and political mentor and he taught me much about decency in politics. It is therefore a particular honour to have achieved the victory that eluded Billy on so many occasions across much of the same geography. I owe a debt of gratitude for the early groundwork that he, along with many other pioneers of the SNP, put in over the years.

That brings me on to the nature of my constituency. Linlithgow and East Falkirk is a varied mix of county towns and villages across parts of West Lothian and Falkirk districts. From Whitburn in the south to Grangemouth in the north, and from Slamannan in the west to Newton in the east, the constituency has numerous landmarks and attractions as well as many famous sons and daughters. My own hometown of Linlithgow, for example, can boast many famous births. The House may think that the most famous of them all is Mary, Queen of Scots, but it is not. The House may think that, following last year’s referendum, it is my right hon. Friend the Member for Gordon (Alex Salmond), but it is not him either. It certainly is not me: I was born in Falkirk. It is in fact Scotty from “Star Trek”, who will be born in the town in 2222!

Scotty is not the only science fiction connection from my constituency. David Tennant, who played “Doctor Who”, was born in the neighbouring town of Bathgate. For my part, I did not need a TARDIS to travel backwards in time—it only took my election to Parliament. Arriving here has reinforced my belief that we need electoral reform and modernisation, and a good place to start would be with abolition of the House of Lords.

Linlithgow and East Falkirk lies between a rock and a hard place, being situated midway between Edinburgh and Glasgow, and enjoys good transport links across the central belt of Scotland. Ironically, the weakest link in local transport connections lies at the very heart of the constituency at the Torphichen bridge over the Avon gorge. The inadequacy of the bridge was described by one of my predecessors, Manny Shinwell, when he was MP for Linlithgowshire in 1922 as being “unfit for the horse and cart”.

It is scantily better today.

The area was of course the heart of the shale industry and is now subject to much speculation regarding fracking. Let me make my position clear: I just dinnae like it. I will work with local groups in the constituency to oppose fracking applications across the local area.

The villages of Westfield and Torphichen, at the heart of my constituency, can lay claim to being the birthplace of the modern SNP, having been continuously represented at local government level since 1963. I myself was one of the SNP councillors for a number of years in that area. Of course, the claim to the birthplace of the modern SNP will also be hotly contested by the neighbouring towns of Armadale and Bo’ness, which were returning councillors as far back as the 1940s for the SNP. My stint as a councillor has now ended after 16 years on West Lothian Council.

Every Member will tell the House that theirs is the best constituency to visit and so will I, but they do not just have to take my word for it: so attractive is my constituency that other Members are trying to claim parts of it. Take the Falkirk Kelpies for example, which my hon. Friend the Member for Falkirk (John Mc Nally) tried to claim. I can understand why, but just for the record the Falkirk Kelpies are in Grangemouth and lie just within the boundary of my constituency. Perhaps, in the spirit of cross-constituency relations, I could offer to share this magnificent attraction with my hon. Friend and promote the wider local area together.

As well as impressive tourist attractions, the area in general is outstripping Great Britain and Scotland across a number of indicators, including population growth and economic activity. The real level of unemployment in the constituency depicts a falling trend in recent years. However, it remains largely a low-wage commuter economy, and the Budget’s proposed minimum wage con-trick will see many families in Linlithgow and East Falkirk on average £1,000 a year worse off.

Let me end with an apocalyptic reminder that my constituency also has the distinction of being the scene of the first modern political assassination, when Regent Moray was shot by a firearm in 1570 while riding through Linlithgow high street. So let us be under no illusions as to what fate may befall any of us should we fail to meet our constituents’ expectations. Therefore, to my constituents, family and friends I give this commitment: I will work tirelessly as your representative; I will not go native; and I will not be seduced by the political bubble, but I will enjoy my stint behind enemy lines working on your behalf.

5.6 pm

Mr Jim Cunningham (Coventry South) (Lab): I congratulate the hon. Members for Paisley and Renfrewshire South (Mhairi Black), for Airdrie and Shotts (Neil Gray)

[Mr Jim Cunningham]

and for Linlithgow and East Falkirk (Martyn Day) on their three excellent maiden speeches. I grew up around Airdrie and Shotts, so I know the area very well.

Let me remind the Government that Labour certainly did not cause the deficit. It was caused by events in the United States. Many people have heard me say that before so I will not go over old ground, but listening to Conservative Members we could think that they had been brainwashed into trying to brainwash us into thinking that we did it. We have fought the general election and that one should be put to bed.

Conservative Members also talked about visiting Rover and about Jaguar-Land Rover. Let me remind them that we saved Rover when it collapsed in 2001. On Jaguar-Land Rover, the previous Labour Government encouraged Tata to invest in the company, so we do not need any lessons from Conservatives about who did what in relation to manufacturing.

I have listened to Conservative Members make an argument on productivity two or three times now, but there is a difference between efficiency and productivity. Productivity is what we actually produce and efficiency is how we get people to do that. The Government should understand and distinguish between the two. The other issue is that of skills. I would support the Government on anything they do in relation to skills. If we look at Germany's economic recovery, there was a training levy on most of the businesses in Germany. We have had debates on that for many years and the Government have just woken up to the fact that if they want to improve productivity in this country, this is one of the areas that has to be looked at.

We should remember that the Budget did not provide for public sector workers. The Government talk about the value of nurses and doctors in the public sector, but they never put their money where their mouth is. They should have given them a decent wage increase. In the past five or six years, we could argue that the 1% increase is actually a 6% cut in their living standards. Of course, in general terms there has been a 6% or 7% cut in wages throughout the public and private sectors. We should bear these things in mind when we listen to what the Government have introduced in the Budget.

Mr Gregory Campbell (East Londonderry) (DUP): Does the hon. Gentleman agree that the Chancellor also appeared to miss the geographical distribution of private sector jobs? The problem in the UK is that so much of our economy is concentrated in the south-east of England. The regions of the UK need to see the benefits from this and future Budgets.

Mr Cunningham: I agree with the hon. Gentleman. The Government, and sometimes previous Governments, have governed on the basis of what London and the south-east think, forgetting there are about 45 million people in this country outside London and the south-east. Any Government pursuing an economic policy should remember that.

As many Members have mentioned, the Budget contains cuts to tax credits that leave the poorer worse off. I will not waste everybody's time repeating the figures that others have already mentioned, but I thought it interesting that, despite the Government's talk of manufacturing,

only once in the Budget did they talk about exports. This country, being a trading nation historically, thrives on exports, so I am surprised that a Government who want to improve the economy did not talk much about exports.

Robert Ffello: I am listening intently to my hon. Friend, but there is another side to it: the UK is being flooded with cheap imports subsidised by overseas Governments. This Government are not acting strongly enough to deal with the issue at the point of entry or to address the safety of some of these imports.

Mr Cunningham: I am sure you will remember, Mr Deputy Speaker, that when we were on the Trade and Industry Select Committee, we discovered that the Americans were using their defence budget for research and development. The private sector benefited from that because it did not carry that overhead of research and development, which can be at least 50% of any company's budget and even more than wages. I agree with my hon. Friend, therefore, that the Government should be looking at that.

The Chancellor's boast—if you want to put it like that—about the living wage is, when we actually analyse it, a con. The living wage as proposed by the Living Wage Foundation is 60p an hour higher than the Chancellor's proposed amount, and much more inside London—although I do not have the exact figure for London. His proposals have even been criticised by the Living Wage Foundation. The cost of living varies between regions, and for those on low pay, each penny matters. We can only assume that he is rebranding the national minimum wage to muddy the waters. It is political smoke and mirrors to avoid comparisons with the recommendations of that independent charity and to avoid criticism of his low-pay economy. Once again, he has also ignored young people by excluding under-25s from the proposals.

The massive cuts to tax credits will utterly undermine any positive outcomes from the increase to the minimum wage and leave 13 million families worse off, according to the independent Institute for Fiscal Studies analysis, which has also shown that the poorest will be negatively impacted far more than the well-off. Once again, the low-paid suffer. Much is paid in tax credits because of the Chancellor's low-pay economy, but slashing tax credits will not make the problem of low pay go away.

Simon Hoare (North Dorset) (Con) *rose*—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. The hon. Gentleman needs to hear a lot more of Mr Cunningham.

Simon Hoare *indicated dissent.*

Mr Deputy Speaker: Have you been sat there all along?

Simon Hoare *indicated assent.*

Mr Deputy Speaker: I apologise. In that case, by all means come in.

Simon Hoare: Thank you, Mr Deputy Speaker, but you have now put me off my stride.

Given that we have had tax credits for so long and that low pay is becoming endemic, tax credits have clearly not incentivised employers to increase pay. Why then is the hon. Gentleman opposed to their reduction to encourage employers to do just that?

Mr Cunningham: The hon. Gentleman is entitled to his opinions. I do not think tax credits are endemic. Most people I have ever come across prefer to work for a decent wage. They do not want a subsidised wage, but the employer is never going to pay that decent wage on the basis of the Government's proposals. If they really believe that, they are deluding themselves, because quite frankly employers do not like spending money.

The Chancellor has announced plans to scrap maintenance grants and replace them with repayable loans. These grants are offered only to the poorest students, so that will saddle more debt on those who already get the least help and support, while well-off students remain unaffected. This, along with the under-25s not receiving the new minimum wage and the under-21s not receiving housing benefit even if they have no parental support, shows that the Chancellor is not interested in helping young people to succeed and get on in life.

The Budget shows, once again, the Chancellor's contempt for the west midlands. He mentioned the northern powerhouse three times in his Budget speech and the north more generally seven times, yet he mentioned the midlands only once, with no distinction made between east and west and no mention of the vital infrastructure investments required to ensure a balanced economy across the UK. Once again, the west midlands has been overlooked in favour of the Chancellor's pet projects. This is a Chancellor who cares more about press headlines than pressing need. A future west midlands combined authority would represent the second biggest economic area after London, yet the Chancellor ignores it at every turn.

The rise in the minimum wage is welcome, but the fall in tax credits will leave millions worse off. The Chancellor's changes to inheritance tax also benefit the wealthy few at the top of society, not those at the bottom. He has made scant proposals to remedy the housing crisis. The number of homes and the cost of rent and mortgages have been ignored. Rent has become a very big issue in this country.

This is a Budget that ultimately fails young people. Once again, the Chancellor has failed to give the west midlands either the time or support it deserves. All his changes are an attempt to paper over the cracks of a low-pay economy that only works for the few.

5.17 pm

Robert Ffello (Stoke-on-Trent South) (Lab): This was a shambolic, shameful, pitiful Budget, more interested in grabbing headlines, trying to get the Chancellor in the slot for a future place in No. 10 and trying to lay political traps. This was not a Budget for the future of Britain. My right hon. Friend the Member for Oldham West and Royton (Mr Meacher) had it down to a T: this is a Budget to provide cover for the Chancellor to shrink the size of the state. That is all that this has been about.

The Secretary of State for Business, Innovation and Skills talked about security, but security for who? There is certainly no security for the working poor of this

country, those on zero-hours contracts or the people who provide care on the minimum wage who do not get paid for their travelling time or travelling costs, who have to provide their own uniforms and who quite often have to contribute towards any training they receive, if they are lucky enough to get any. In short, this was a Budget providing no security whatever for the poorest, the most vulnerable or the weakest in our society, but plenty of security for multimillionaires looking to pass on assets and for other people.

The Secretary of State also talked about this great plan that the Government have got. They had a great plan in 2010 that was supposed to pay down the deficit over five years. That great plan failed to do that because it stalled the economy for three and a half years—three and a half years to get back to the same level of growth we had in May 2010. So much for hard work rewarded. No matter what the Chancellor thinks, there are people who work very long hours who can only dream of limiting their hours to those in the working time directive and who can only dream of a decent wage and being able to come back to a home that they can afford to live in. Hard work rewarded? There has been a lot of hard work from those people and very little reward for what they do.

I want to take a quick canter through some of the measures in the Budget. Much has been made about the supposedly national living wage. What an absolute con! The living wage has been put at £7.85 or £9.15 in London. The aspiration over the term of this Parliament will be to reach £9 by 2020.

So talk about this being a living wage is simply not the case. The proposal for it to be set at £7.20 is already well short of the necessary £7.85. As said many times, including by my hon. Friend the Member for Sheffield Central (Paul Blomfield), setting the living wage takes into account tax credits and additional support. Actually, the real living wage should be recast at a higher figure now that so much of people's tax credits has been wiped out. This aspiration for what amounts to a rebranded minimum wage is nonsense.

To pick up on an earlier exchange, many employers have, sadly, seen the national minimum wage as a reason to dumb down wages rather than to use it as a baseline. Here there is an issue with tax credits because some employers have indeed said, "Hang on, let the state subsidise our profits and we'll pay the minimum wage." Those self-same employers will not now say, "Well, we should not have done that even though we did, but we are now going to put the minimum wage up to a proper living wage level". Of course not. They will keep people working on the same minimum wage and see that their workforce are worse off on account of the reduction in tax credits.

Yet again, this is all about pulling the rug from under the working poor. The Chancellor makes great play of how the Government want to help people in work. These are people in work; they are people who are doing their best and working very long hours, but they are having the rug pulled from under them.

We hear talk about tackling aggressive tax avoidance and evasion, yet this Government have made various attempts to deal with it. We have seen various attempts to introduce general anti-avoidance type provision, but none of them had teeth and none was really designed to address the situation. I remember from when I was a tax

[Robert Ffello]

and finance adviser in a previous life that people were capable of coming up with schemes to get round legislation within minutes. The Government have known about this for a long time; this is not new. To be fair to the Government—I rarely try to be fair to this particular Government, but I will be on this occasion—from time immemorial, Governments have not seized the opportunity to provide for proper anti-avoidance measures that will have teeth and will work. There are simple ways of achieving that.

As we have heard, reductions in public spending are about trying to take us back to a small state. The proposal to increase personal allowances, much heralded at the Dispatch Box, sounds wonderful, but it is all jam tomorrow. It is a £400 increase in the personal allowance, which is nowhere near the sort of level it should be and nowhere near the level necessary to provide a genuine living wage in the sense of a basic amount that people need to live on. People will continue to earn less than they need to survive—and will be taxed on it, thrown into the bargain. Raising the threshold for higher rate taxation and raising the personal allowances has provided double help for those on higher incomes, who will see less of their income taxed.

Nia Griffith: Does my hon. Friend suspect that the Chancellor has deliberately renamed this “the living wage” so that he can break the promise of taking everybody on the national minimum wage out of tax?

Robert Ffello: Absolutely. That could well be one of the motives behind it: it is certainly not about giving a genuine living wage to people, and it is certainly not about ensuring that people who work 40, 50 or 60 hours a week just to make ends meet will actually be able to secure a decent living wage. As I say, £7.20 from next April is already short of the £7.85 needed to take tax credit changes into account.

Let us move on to some of the Chancellor’s real friends in all this and consider inheritance tax and the increase to a £1 million threshold. How many people will benefit? A tiny number, and that has to be set against the millions of people who are, to quote the Secretary of State’s words, “hard work rewarded”. It is nonsense, and it shows where the Chancellor’s thoughts lie and who he is really concerned about.

The reduction in corporation tax is another issue. On the face of it, it might seem very good. We already have one of the most competitive rates of corporation tax, but what about the small businesses that are not corporations or not incorporated companies? What about those small businesses that, as sole traders or partnerships, are the lifeblood of our country? What of the small businesses that do not pay corporation tax, for which it is not an issue?

Another item on this long list of measures is the introduction of a supplementary tax on banking sector profit versus the bank levy. I suspect—and I fear that I am right—that more smoke and mirrors has been going on in respect of what the levy was levied on and what profits will be subject to the supplementary tax; I suspect that this will work in favour of the banks.

The increase in insurance premium tax is another measure that will hit those on the lowest incomes. The Minister shakes his head, but there are no two ways

about it. People who are already stretching their budgets to try to afford their contents insurance, for instance, will then be hit by a massive increase in insurance premium tax, from 6% to 9.5%.

As for the proposals for the Chancellor’s good friends, those with non-domiciled status, they are welcome on the face of it, but how soon will it be before someone comes up with a great ruse to get around the “15 of the previous 20 years” residence rule? How soon will it be before someone says, “That is OK; I will go abroad for a year, and then restart my clock”? How soon will it be before someone takes advantage of some scheme or other? Why not be more assertive, and take much stronger action?

I am conscious that time is beating me again, Mr Deputy Speaker, but I want to draw attention to a few more points. There are to be more apprenticeships, but the question is the quality of those apprenticeships. The ending of student maintenance grants will hit the poorest yet again—in this instance, the poorest students. I have already made my point about the public sector pay increase.

Buried among these measures is the reduction in the backdating of housing benefit from six months for working-age claimants and three months for pensioners to a maximum of four weeks. It is not really about reducing benefit; it is about saying, “If you were not quick enough to spot the benefit that you were able to claim, or if the paperwork was not processed, or if you are a pensioner who struggles with paperwork, you will lose out.” That will save £10 million, which is outrageous.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Will the hon. Gentleman speed up a bit? I shall have to impose a limit on speeches if he does not finish his speech very quickly.

Robert Ffello: I thought it important to put that point on the record, Mr Deputy Speaker. As you will have noted, I have just discarded most of my speech.

Let me say just four more words. Well, eight: infrastructure spending, fuel duty, investigation of immoral or illegal economic issues such as the farming of dogs and cats, and a huge shortage of commercial drivers. Where was the Government’s help when it came to putting more drivers into the economy?

Thank you for your patience, Mr Deputy Speaker.

Several hon. Members rose—

Mr Deputy Speaker: I do not think that I have much more. If Members aim for eight minutes from now on, everyone will have the same amount of time. I call Nia Griffith.

5.27 pm

Nia Griffith (Llanelli) (Lab): Thank you, Mr Deputy Speaker. Did you say 10 minutes?

Mr Deputy Speaker: I said eight.

Nia Griffith: In that case, let me very briefly congratulate those who have made their maiden speeches today, before turning to the subject of the steel industry.

Let me begin by thanking the Minister for Small Business, Industry and Enterprise for being so helpful last week by voting to retain anti-dumping measures for wire rod. The steel industry is being flooded out by a massive increase in imports from China, and it is important for us to work with other EU countries on anti-dumping measures. I hope that the Government will take the same approach to measures in relation to steel reinforcing bar, grain oriented electrical steels, and cold rolled steels.

Let me now say something about the EU compensation package. As we know, the Government set the carbon floor price too high, thus causing considerable difficulties to the steel industry. They have now come up with a compensation package for energy-intensive industries, but it is still a long time until April 2016. Will the Government think again about whether the date could be brought forward, and will they make absolutely certain that the package will not be cut?

As well as the problem of the carbon floor price, the steel industry faces the challenge of the EU emissions trading scheme. I firmly believe in working with the EU to create a level playing field, and I believe in the need to reduce our carbon emissions, but the energy-intensive industries need special consideration. It is important that the Government work with them so we actually achieve those goals, rather than achieving what is called carbon-leakage—manufacturers going elsewhere where they are allowed to get away with higher emissions levels. There is a lot of work to be done here.

Business and industry need absolute certainty as they plan ahead and invest, and I am disappointed at the infrastructure projects that have been scrapped. The cancellation and postponement of rail projects and other infrastructure projects is very serious both to our skills base and our manufacturing industry. I am pleased that electrification is still planned for the railway line to Swansea, although I would like to see it come a lot further west, but it has still not started. I urge the Government to make sure that goes ahead with full speed.

I would like the Government to make greater efforts to maximise the UK input into the supply chains for such infrastructure, too. It is possible within EU regulations to include in tendering criteria a recognition of the benefit to the local community. Other EU countries manage that very effectively, and we should do a lot more in this regard.

Roger Evans from Schaeffler in my constituency of Llanelli is working with the Swansea tidal lagoon to maximise the proportion of supplies for the construction of the lagoon that is sourced locally in Wales and the UK. He is to be applauded for his efforts and I hope the Government will take note and do likewise, and that they will also strike the right price for the tidal lagoon to make it economically viable.

Business and industry need absolute certainty. We saw the Government cut the feed-in tariffs unexpectedly sharply without consultation, resulting in manufacturers and installers—many of whom had spent a lot of money training up as solar panel installers—going out of business, and now the Government's sudden cut to the wind turbine incentive is again threatening manufacturers. When such decisions are made, they should not be knee-jerk, politically motivated decisions; there should be proper consultation with the industry and sensible

lead-in times for any changes. There will now be a massive knock-on effect on the manufacturers and installers of wind turbines.

On the financial changes in the Budget, I welcome the national minimum wage going up to £7.20 next April, but it is, after all, a national minimum wage and it is high time it did go up to that amount—and the Chancellor promised ages ago it would go up to £7. I am very concerned, however, that it does not apply to those under 25, and I am extremely concerned about the loss of tax credits. They are an important part of our current taxation system. As has been mentioned, a couple on the current minimum wage with two children gain £1,500 but lose £2,200 in tax credits. We must raise the wages first, before scaling down any tax credits. This hits those on the lowest incomes who are often dealing with problems of insecurity, juggling more than one job to make ends meet, and often working antisocial hours.

We still need a crackdown on zero-hours contracts as well. It is not enough to do what the Government did, which was say “You shouldn't be prevented from taking another job.” They must do a lot more to try to ensure people can have proper contracts. USDAW has done a lot of work in this regard by getting annualised contracts that allow flexibility for employers and employees, but guarantee an agreed number of hours, so offering some security and chance of planning ahead for workers.

The cuts to tax credits will have a massive knock-on effect on local economies. People on low incomes out of necessity use their money immediately, putting it back into the local economy. There are wards in my constituency where Government changes over the past five years have already led to a loss in income of an average of £800 to £1,000 per person per year. Add to that the new cuts to the tax credits and we will see even more money sucked out of local economies. That is bad news for local business and could lead to further job losses.

I was shocked a fortnight ago to hear the Secretary of State for Work and Pensions say that the way for families to get out of poverty is through education and getting higher paid jobs. Of course it is, but in the meantime they need help. They cannot get that education and move into higher paid jobs in two minutes; we are talking about very long-term goals. What we are seeing in this Budget is a cut to what was a grant and has now become a loan for going into higher education for those very families on the lowest incomes.

We are also worried that the Government are removing the cap on the £9,000 fees for what are probably going to be the most sought-after and prestigious universities. Again, they are creating disincentives for people from less well-off homes to achieve the best and go to the very best universities. These are extremely worrying features of the Budget. Obviously, people want their children to do well—

Mr Speaker: Ahem.

Nia Griffith: I am sorry, Mr Speaker, are you suggesting that I should finish? I thought I was allowed eight minutes.

Mr Speaker: Yes, eight minutes.

Nia Griffith: In conclusion, then—

Mr Speaker: Order. There is not a formal limit at this stage, but colleagues are being encouraged to stick to eight minutes to give everyone a decent chance of getting in. However, it is up to the hon. Lady at this point.

Nia Griffith: Thank you, Mr Speaker.

Very briefly, tax credits are extremely important for those who work part time, who have to juggle childcare responsibilities or who simply cannot find enough hours' work, and I would have liked the Government to ask those with the broadest shoulders to bear a great deal more of the burden, perhaps by putting up the 45p tax rate to 50p for those earning more than £150,000 a year. Instead, I believe that there is to be legislation that will limit income tax rises for millionaires. It is completely the wrong priority that it is those with the least money, rather than those with the broadest shoulders, who will be bearing the greatest burden.

5.36 pm

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): The Budget we have just seen was a masterclass in presentation, but a poor one for facing up to the real problems of the British economy. Before we begin, it is worth recalling the recent history of these debates and the economic state of the nation. Both major political parties went into the 2008 financial crisis with identical spending plans, because this Chancellor had pledged to match the Labour Government's spending plans of the time. The UK's banking regulation comprehensively failed in 2008, but then so did the system of banking regulation in nearly every other country. Both parties then backed the bail-out of the banks, to protect the people from the banks' mistakes.

The only other major point of difference between the parties was that on our side we favoured a stimulus, a decision replicated in most other countries at the time, and which I believe was correct, but which the present Chancellor and the Conservatives opposed. The Chancellor also made a serious error of judgment in opposing the nationalisation of Northern Rock.

It is worth saying all that because I believe that the standard of debate on the economy in the last Parliament was fairly poor, given that it was the major issue of that Parliament. The partisanship of Government Front Benchers and Back Benchers reached moronic levels at times, reducing serious questions about the prosperity of the UK to slogans with no real content. I hope that we will see a change in this Parliament.

This Budget has proved one thing above all—there really is no long-term economic plan for this country. Deficit elimination has been put back a further year, which is no surprise to any of us who were here in the last Parliament, because that is what happened every time the Chancellor gave us one of his set-piece presentations.

James Cartlidge (South Suffolk) (Con): Will the hon. Gentleman give way?

Jonathan Reynolds: I will not give way, because of the direction from the Chair. I hope that the hon. Gentleman will forgive me.

It is surely worth noting that the Chancellor has now failed to match either the Darling plan or the original Balls plan for deficit reduction, mainly because his emergency Budget in the last Parliament damaged the

economy so much. We are now debating an emergency Budget in this Parliament, and let me say that there are some good things in it: the apprenticeship levy; the super-tax on bank profits; the reforms to the non-dom rules, creating just one tax regime no matter how wealthy someone is; and of course the increase in the minimum wage. That is all good social-democratic stuff. I hope we will see those commitments maintained, and that we can soon implement the actual living wage, now that the intellectual argument for it has been so comprehensively won by those of us on the left. I also have no hesitation in welcoming the sustained fall in the unemployment rate in the last few years. Like most people, I am concerned about the relatively poor pay and conditions of some of those jobs—that is a very valid point—but work is a very good thing and the more people who are in it, the better.

However, I put it to the House that if we look seriously through the Chancellor's presentation, we find some fundamental problems with the British economy that he does not seem eager to address. For instance, we are a country with a terrible current account deficit. We simply do not export enough, but even more worryingly, we do not have many sectors of the economy that look as though they could substantially increase exports. There have been many warm words from the Government on this matter, but there has been little improvement over the past three to four years, and the sectors that could provide growth, such as the green economy, have been consistently undermined. We need a proper industrial strategy and a smart interventionist state, with the kind of policies pioneered by the Labour Government during the financial crisis, to address that.

We also have poor productivity, as has been fairly well documented, yet the Government are pausing key infrastructure upgrades, such as the electrification of the trans-Pennine rail line through Stalybridge and, even worse, are making it even more expensive for people to go to university and get a degree to improve their skills.

The replacement of university grants with loans is one of the changes that I absolutely abhor. Of course, students should make a contribution—that issue is now settled—but £50,000 of debt for a three-year degree is surely far too high. I do not feel that Government MPs really understand what that means. It is effectively a 3% rise in income tax for some young people for the first few decades of their working lives. At the same time, they face much higher pension contributions and housing costs than their parents' generation. There are limits to how hard those people can be squeezed and choosing to squeeze young people simply because older people are more likely to vote is the height of short-term political cynicism.

Housing is surely the most dysfunctional part of our economy. Whether someone is on the right or the left of British politics, how can it make sense that buying a house as an asset will always be a better investment than starting a business or investing in their skills and training? Housing costs for British workers are absurd compared with those in other European countries and we must not only build more houses but start to tax assets more and income less.

That brings me to the part of the Budget that I completely oppose, which is the inheritance tax cut. To put it quite simply, if somebody has mediocre talents but wealthy parents, this is most certainly a Budget for them. In his speech, the Chancellor said that wanting to

leave a house worth £1 million to one's children was a thing that the left would never understand. My hon. Friend the Member for Blaydon (Mr Anderson) also made this point. What I say back to the Chancellor is that what the right needs to understand is the anger and resentment of hard-working and talented people from modest backgrounds who find their paths regularly blocked by the less able but more gilded sons and daughters of the very wealthy. I believe that even right-wingers should oppose inheritance tax cuts on grounds of meritocracy and instead support a society in which hard work and ability make a difference to one's life, not inherited wealth.

We have had much talk of tax credits today. There is some evidence that in some sectors and with some employers, such as the big supermarkets, tax credits have subsidised employers, but the scale of what the Government are doing is extremely worrying. Families with two earners but a modest income and with two children face eye-watering reductions in their household budgets. I would certainly notice if someone took more than £2,000 a year from my household income and there needs to be some acknowledgement from the Government that this will cause real pain. In addition, and crucially, it could also cause a disincentive to go out to work. One of the most compelling reasons for the tax credit system in the first place was that it made work pay. Tax credits also served as an incentive to hire and there could be a negative affect on employment figures as a result of the changes.

One of the Government's plans that I want to succeed is the northern powerhouse initiative. I must admit that the branding of the policy amuses me somewhat as when I was a teenager growing up in the north-east, the Northern Powerhouse was the name of the biggest gay club in Newcastle, although I am sure that the Chancellor did not mean to name his policy after it. The premise behind the policy is strong. As a country, we are far too geographically concentrated—much more so than comparative European nations—to the detriment of both north and south. The centralising of the British state has not just led to poor decision making but has, in my view, infantilised the great northern cities that were once the masters of their own destiny and the drivers of British prosperity. The Government must be aware that there is a great deal of cynicism in the north about this plan, which has been compounded by the recent pause in the rail electrification programme. If the Government want to show that they are serious about the policy, they need not just warm words but an announcement and some progress in the months ahead. I for one would be happy to work with them to make that happen.

We have a Chancellor whose political skills are largely unmatched but whose economic credentials for promoting the national interest are much more questionable. I hope that in this Parliament and in subsequent Budgets we will start to see a much more effective focus on the real economic problems our country faces, which I believe can be overcome. In all seriousness, I believe that in my lifetime the UK could become the biggest economy in Europe and in doing so could create a society in which wealth and opportunity are much more readily available and much more widely shared. The Budget did not contribute to that and in some ways made it even harder to achieve, and I hope that we will start to see better in the future.

5.44 pm

Danny Kinahan (South Antrim) (UUP): I thoroughly enjoyed listening to the passion and wit of the new Members who spoke today. Such speeches are a fantastic way to learn about other constituencies and we should all listen. I particularly enjoyed the comments of the hon. Member for Paisley and Renfrewshire South (Mhairi Black) about the weathercock and signposts, although perhaps not for the right reasons. She and I are not necessarily on the same page.

I thought that when I left Stormont, I had moved away from trying to get nationalism and Unionism working together and to agree. In my first few weeks here, listening to Members speak, I began to wonder whether left and right would ever learn from each other. I was impressed when, in the Budget, the living wage was introduced and to see signs that, actually, people do listen to each other. Today, listening to people's detailed speeches, I have found it wonderful to see that there is a lot of input and a lot of detail. I think we can all learn from it.

From the point of view of the Ulster Unionist party and many others, the biggest concern is that the Budget measures will be brought in without proper safeguards and that provision will be taken away before the new system is in place. Given the farce of the welfare reforms in Northern Ireland, my fear is that we will not be able to look after people because the old system has been taken away. This morning, at a meeting of the all-party group on social science and policy, I was appalled to hear about a woman on this side of the water who had had no benefits for four and a half months, and who had turned to prostitution. That is a complete disgrace. We must have back-up all the way through the system, so that no one is ever let down and has no money.

I share colleagues' concerns about tax credits being reduced and the effects on SMEs and, in Northern Ireland, on families with more than two children. Those changes could work very much against us. I welcome the lowering of corporation tax—we have the powers in Northern Ireland to do that and I wish we would get on with it, but we do not necessarily have the will and understanding that are needed. However, we need a lot of other things as well. When I was at Stormont, I was briefed by manufacturers who said that the basic costs they struggle with are high energy costs, high labour costs and high rates. We need to look at business rates, as action there could lift the whole British economy. I am pleased that there was no rise in fuel duty, and there are many other measures in the Budget that I like, but what really concerns me is not having back-up and safeguards.

From the Union point of view, I am concerned that as we focus on devolving government and giving more powers to cities, countries and everyone else, we will all be forced into just fighting our corner. We have to remember that we all need to work together all the time while we fight our corner.

In Northern Ireland, unemployment is running at 6.1%. That is way better than in my younger days, when it was about 18% in some places, but there are two aspects of those figures that I want to mention. First, a large number of the people in that 6.1% do not have the skills that the world of modern technology requires; they may never have them. We need to find some way of bringing large numbers of suitable jobs to the Province,

[*Danny Kinahan*]

because without employment, the planned welfare changes will never work. We need apprenticeships and assistance. I know the matter is devolved, but we must not adopt the attitude of “devolve and forget”. We all need to work together. Years ago, I worked at Short Brothers in Belfast. I remember visiting Harland and Wolff to see a model of that company building seven aircraft carriers. I know we should not hark back to the past too much, but we need to find jobs—the sort of jobs that the people can do.

I hope that the Government will keep the basis of the Stormont House agreement in place, whether it fails or succeeds, because it contained many measures agreed to help the Province. We are very grateful for them, but we must find a way to move forward. I hope the Minister will promise that those measures will stay. I hope also that the Barnett formula will remain in place and will certainly not go down.

The second matter that I want to raise in relation to the 6.1% unemployment rate is mental health. Last week we rightly heard praise for all those who helped after the bombings in London and learned how to look after those who had lost limbs, lost family or witnessed something awful that still affects them today. Think of the number of people affected by 45 years of the troubles in Northern Ireland. I hope the Minister will put funding in place to enable us to continue learning how to help people cope with the mental issues and difficulties in their lives.

I hope some funding, which is not in the Budget, will be put aside for the victims of the guns and Semtex supplied by Libya. The Americans, the Germans and the French all received compensation, yet nothing has happened for the British. Enough resources should be put in place to make sure that the grit and determination are recognised.

I mentioned “devolve and forget” when it comes to the Northern Ireland governing process. I do not think Members in this place know what is going on. We have Departments in Northern Ireland that do not even work with each other. When I was working on education in the past few years, the Education Minister would not share the funds and the spending reviews; he kept them all to himself. That is the sort of problem we have in Northern Ireland. I thank the House for all the help that it has given us. I hope it will keep the pressure on and get Northern Ireland working. The Budget is one way of doing that.

5.51 pm

Carolyn Harris (Swansea East) (Lab): Over the past few days there has been a great deal of debate and analysis of the Budget. Some who would not necessarily be expected to do so have praised proposals to increase the minimum wage and to increase the personal allowance. However, it is extremely important that we do not lose sight of the fact that, despite those measures, as the Institute for Fiscal Studies confirmed, the Budget is regressive. Contrary to the Chancellor’s rhetoric, it is those with the least broad shoulders who must carry the burden of reducing the deficit.

Cuts to tax credits will have a significantly detrimental impact on families on very low incomes. Neither the increase in the minimum wage nor the increase in

the personal allowance will make up for these losses. The changes mean that working parents eligible for child tax credit will lose more support more quickly than previously, from the moment they move into work or their salary starts to increase. Many parents will be worse off when the full impact of the Budget is taken into account. Barnardo’s has calculated that a single parent with two children working full-time on the minimum wage will lose £1,200 a year from April 2016, even when the increase in the minimum wage is accounted for.

It gets worse: from April 2017 some of the very poorest families—those with more than two children—will face further reductions in income. They will not be able to get financial assistance through tax credits or universal credit to account for the costs of having a third child, or any child beyond that. We are talking about a significant amount of money for families on very low incomes—about £2,700 a year, or £53 per child per week. New claimants of universal credit will also be affected by this change. A family who already have three or more children and are currently earning above the earnings threshold but lose their job or find themselves unable to work due to ill health will, after April 2017, be able to claim support for only two of their children. As a result, there is no escaping the fact that, from April 2017, families with more than two children will be more likely to live in poverty. Children with more than one sibling are already 40% more likely to be in poverty than their peers.

To illustrate that point, let me give just one example from a Barnardo’s children’s centre. Sarah is a working mother of three whose husband, John, looks after the children, one of whom is not yet of school age. John asked the centre for some nappies. When a project worker visited their home, she noticed that the only food in the cupboard was biscuits and crisps. Sarah and John said that their finances had become unmanageable after their house was deemed too big for their family and they were hit by the bedroom tax. That pushed them over the edge. Now the parents are skipping meals so that the children can eat, and they are too proud to ask for help.

Cutting tax credits will hit some of the poorest and most vulnerable the hardest. The Government keep telling us that it is about making work pay and incentivising those on out-of-work benefits to move back into work. We know that more than six in 10 children are currently living in poverty, with at least one parent in work. It is absolutely absurd that in 2015, and in the fifth largest economy in the world, parents are having to decide who can eat and whether they can afford to put the heating on.

I will finish with two questions for the Government. First, how do they intend to monitor the impact of the cuts to tax credits, and of the Budget as a whole, on child poverty? Secondly, given that they have said that the income measure of child poverty is to be scrapped, to ensure transparency and fairness in relation to measures announced in the Budget and in legislation such as the Welfare Reform and Work Bill, how will they continue to monitor levels of child poverty?

5.56 pm

Stephen Kinnock (Aberavon) (Lab): The Chancellor’s Budget, far from fixing the roof while the sun is shining, will send roof tiles flying while the storm clouds gather. Economic growth is crucial. It brings tremendous benefits.

Between 1997 and 2008 it lifted millions of people out of poverty. An economy that is not growing is failing, but the question is: what kind of growth do we need?

The fact is that Britain in 2015 is more unequal, divided and insecure than it has been at any time since 1945. We know that inequality between rich and poor in the United Kingdom has widened in recent years. We also know that inequality is bad for economic growth because the majority of the population are not feeling the recovery at all and so are unable to contribute to it.

If the Chancellor wishes to do away with state support for the working poor, he must commit to investing in a genuine, broad-based and deep recovery that works for everyone, based on a real industrial strategy and a plan for long-term economic growth. That has to start with a renaissance in our manufacturing sector. In 1970 manufacturing accounted for one third of the British economy, and now it accounts for barely 10%.

The need to drive such a renaissance is imperative for three reasons. First, the manufacturing sector achieves far higher levels of productivity than the service sector. Secondly, it produces much higher quality and higher-income skilled jobs than the rest of the economy, as well as a far greater geographical spread of skills and jobs than the financial sector produces. Thirdly, it enables us to pay our way in the world. Our balance of trade deficit is currently higher than it has ever been since the 1830s. That is a huge drag on our economy, and it can be dealt with only by increasing manufacturing for export.

Given the central part that manufacturing has to play in building that new kind of growth, it is absolutely imperative that the Chancellor now sets out a new industrial strategy, which I think should be based on six key pillars. First, we must produce highly motivated and skilled young people who are capable and willing to enter manufacturing, engineering and wider industry.

Secondly, the UK has a strong research capability, but we struggle when it comes to driving our new ideas and technologies into the business sector. A proper industrial strategy would provide enhanced support to the catapult centres, which have provided a welcome boost to the commercialisation of research and development, but much remains to be done and they need more resources.

Thirdly, on energy, there is a pressing need for a 10-year plan that lays out the investment path required to build a secure, competitively priced and clean energy supply. The growth of clean energy is a huge opportunity for the UK economy, with projects such as the Swansea bay tidal lagoon promising to deliver thousands of high-paid, high-productivity jobs.

Fourthly, there is the UK's inadequate transport and digital infrastructure. This is particularly important, as it contributes to the chasm that exists between London and the rest of the country. There is a pressing need for a long-term infrastructure plan that would properly connect the country and provide a launch pad for a nationwide manufacturing renaissance.

Fifthly, on finance, the UK's banking system is fundamentally skewed towards the stimulation of private consumption, asset value inflation, and personal debt. It is essential to create a new financial support system for manufacturing that is geared towards enabling the growth of the manufacturing sector. Germany's Sparkassen should be the model—truly local banking that is an

integral part of the regional economy, focused exclusively on lending to start-ups and small and medium-sized manufacturing businesses.

Finally, on procurement, the Government manage a multi-billion-pound budget for the procurement of everything from care services to steel for major infrastructure projects, and their approach is far too *laissez-faire*. Far more can and should be done to ensure that UK products and services are prioritised for procurement. This can be done without violating EU competition rules simply through tighter definition of value-for-money clauses in tender documents. It is right that contracts funded by the British taxpayer should be won and delivered by British companies.

This industrial strategy sounds wonderful on paper, but it is worthless if not underpinned by strong support for the steel industry, which is the critical foundation industry for our manufacturing renaissance. Steel plays into every aspect of the long-term strategy we need. As the Member of Parliament for Aberavon, which hosts the largest steelworks in the country, I must draw the House's attention to the importance of the steel industry. No longer can Government-tendered projects such as the refurbishment of the Severn bridge be allowed to go ahead using French steel when the best steel in the world is British.

This Government also need to take into consideration the importance of compensating heavy industries such as steel for the cost of the carbon tax, which eats into productivity. Going back on promises that were made in the previous Parliament would leave steel companies exposed to 70% of the cost of the EU renewable levy policies. That would be seriously detrimental to the steel sector and wider manufacturing, and ultimately harmful to the UK economy.

The time has come for a Government who are prepared to plan for a new type of long-term, sustainable growth that produces high-wage, high value-added jobs and gets the country making and exporting rather than perpetuating the agenda for the status quo of growth fuelled by debt and consumption. Until we have such a plan, I cannot support this Budget. I exhort the Chancellor to go back to the drawing board, roll up his sleeves, and come back with a strategy for a new kind of growth that will build a United Kingdom of strength, purpose and resilience.

6.2 pm

Tulip Siddiq (Hampstead and Kilburn) (Lab): I thought that I would use my time in this debate to speak about the real victims of last week's Budget: children in this country who have suffered because of the savage blows that have been imposed on their services and the support structure that we provide for them. This savage attack is twofold. First, child benefit has been frozen for the next four years, not taking into account the rising cost of living. Secondly, child tax credit is now going to be restricted to families with no more than two children. Have the Government thought long and hard about what impact these changes will have on disabled children living in families, on single mothers, and on families with low and modest incomes?

My problem with these changes is that they will in no way address the deep-rooted problems that we have in our low-wage, low-productivity economy, with the huge

[Tulip Siddiq]

discrepancy between the very well-paid and the very poor. These changes will not deal with the problems that we face in the economy.

There is little recognition of how much tax credits have contributed to alleviating child poverty. By the end of the last Labour Government, the proportion of children living in families below the poverty line had fallen from 35% to 19%. It is the Labour Government who can claim credit for lifting more than 1 million children out of relative poverty. Those are things that we are proud of.

The Tories use rhetoric that speaks of tax credits encouraging workshy people, says that people are lazy because they claim tax credits and uses that dreadful word, “scroungers” for people who abuse the welfare state. Well, guess what? The majority of people who claim tax credits are in work. The Government need to realise that. The IFS has pointed out that reducing tax credits weakens the incentives for people to work. At every turn, the Government’s rhetoric on tax credits is wrong. The single largest revenue raiser in last week’s Budget was the scaling back of tax credits, which almost exclusively hits people who are in work.

The Social Mobility and Child Poverty Commission has said that relative and absolute child poverty will increase in the next decade. Given that those figures are about to be released, is it surprising that the Government have said that they will scrap the legally binding child poverty reduction target and are busy trying to redefine poverty?

Ministers do not need to spend time redefining poverty. Instead, they should take the 15 minutes that it takes to leave Parliament and go to my constituency of Hampstead and Kilburn. They should go around the estates of south Kilburn—the most deprived parts of my constituency—and see the families giving up their dignity to queue up for food banks. In winter, those families have to make the choice between eating and putting the heating on. Those are the families who go to work, but for whom work does not pay because we live in a low-wage economy. Those are the things that we have to assess before we make these dramatic changes.

Before we rush through this Budget, which will be damaging to my constituents and constituents across the length and breadth of this country, I ask the Government to consider two things. First, they should think about the impact that the changes to working tax credit and child tax credit will have on women. Child tax credit is claimed more by women, because the main carer in the family tends to be a woman. Working tax credit is needed by women more because there are more women in low-paid jobs, as was demonstrated by the recent debate on equal gender pay in Parliament. Bearing that in mind, they should think carefully about whether they are doing something that takes away the economic empowerment of women in our country. Will the changes mean that women do not feel empowered to go out and work? They must think carefully before making those changes.

Lastly, the Government should think about the impact that restricting child tax credit will have on families with more than two disabled children. At the moment, there is a top-up on child tax credit of £3,000 if families have a disabled child and up to £4,000 if they have a severely disabled child. What will happen to families who have

three severely disabled children? What will happen to families who have two severely disabled children and one child who is defined as disabled? We need to think carefully before we rush the Budget through.

My plea to the Government is that they go back to the drawing board, listen to what Opposition Members have been saying and think about the effects that the Budget will have on women and disabled children across the country, and on families who want to work, but who cannot get the right wages from that work.

6.9 pm

Geraint Davies (Swansea West) (Lab/Co-op): It is a great pleasure to follow my hon. Friend the Member for Hampstead and Kilburn (Tulip Siddiq), who made an excellent speech underlining the cruel regressivity of this awful Budget. She particularly mentioned the impact on child poverty, families and women, and the inter-generational poverty that will scar families for life. It is also a pleasure to follow excellent speeches by colleagues from the Swansea Bay city region, my hon. Friends the Members for Aberavon (Stephen Kinnock), for Llanelli (Nia Griffith) and for Swansea East (Carolyn Harris), and a number of maiden speeches, particularly that of the hon. Member for Paisley and Renfrewshire South (Mhairi Black).

This was a Sheriff of Nottingham Budget, robbing from the poor and giving to the rich. In fact, *The Economist* has commented that taking from the very poorest through tax credit changes and giving to the very wealthy through inheritance tax changes is “indefensible”. That is not some sort of left-wing ragbag but a keenly focused magazine that says it as it is.

We have the Sheriff of Nottingham, the Chancellor, living within his castle walls and feeding his fat noble friends with inheritance tax reductions, while the ordinary people just outside are being hoaxed. With one hand they are being given higher tax thresholds, but with the other they are being pick-pocketed, with something like £16 billion of stealth taxes on things like insurance for housing and cars, and with the vehicle excise duty changes. Even the withdrawal of climate change subsidies will come back and hit them through energy prices, and the withdrawal of BBC funding will hit them through the licence fee.

The Sheriff of Nottingham is also trying to persuade the ordinary people around the castle walls that the poorest people in the forest will not be painfully abused by the tax credit cuts. Instead he is trumpeting the minimum wage increase, which of course will not compensate families on tax credits. In 2012 the Chancellor gave a speech describing the “strivers” and the “skivers” and asking whether it was fair for a shift worker to get up in the morning to go to work and see the closed blinds of his neighbours who live off benefits. Of course, skivers are not eligible for working tax credits and child tax credits, because they are only given to people in work. They are based on the American earned income tax credit, as an incentive to work. Their withdrawal will undermine not only the individuals who are paid the money but business start-ups. The change is thoroughly regressive and counterintuitive to economic growth.

The Budget was more about politics than economics. On the minimum wage, the Chancellor has taken the Labour party’s clothes and hoped that people will not

notice what he is doing to working families, and the Opposition cannot support him in that. Of course, the cost of tax credits has grown to something like £30 billion, but that is because productivity in the British economy has been so woefully poor that wages have gone down, leading to tax credits going up. In fact, 800,000 fewer people are earning more than £20,000 than was the case in 2010, which is an appalling failure. That is why this Government have borrowed more in five years than Labour did in 13. The Government should have focused on productivity growth in the Budget, rather than on fiddling around with tax and spend so that the Chancellor can position himself against the flamboyant part-time Mayor of London as the next Tory leader.

There is also the appalling situation whereby the third-born in each family will have their tax credits taken away. I wonder if that will be extended to education and health. When the third child, Johnny, has a broken arm and goes to the NHS, will he be told, "Sorry, we can't treat that, you're the third-born. Oh, don't worry, your oldest sister has just died—so it's alright now"? What is the change about? Is it an incentive for poorer people in society not to breed? Is some sort of positive eugenics returning to the Tories? It really is appalling.

Simon Hoare: Will the hon. Gentleman give way?

Geraint Davies: No, I will not. There is a time limit, and it is not really worth the air.

The overall welfare budget is £220 billion, only £2 billion of which is spent on people on the dole. A great amount of it is spent on pensioners, who are protected because they are more likely to vote. The political calculation is that poorer people are less likely to vote, and certainly less likely to vote Tory. This is a cynical Budget.

Oxford University has suggested that the number people going to food banks will increase by 1 million to 2 million. I pointed that out to the Prime Minister, and he said, "Oh well. It doesn't really matter. We won the election." When I pointed it out to the Work and Pensions Secretary, he said, "Oh well. What can you do? Lots of people in Canada and Germany use food banks." The Chancellor said, "Well, you know, we've got 1% of the people and 3% of the wealth of the world, and we spend 7% on welfare," as if we should be ashamed and not proud that we, as a developed country, invest in the most vulnerable people to help them into work.

What sort of future is the Chancellor suggesting? Is he suggesting that we cut our welfare down to the levels of developing countries and provide taps and buckets at the ends of streets? What are the values of this Tory Government? The answer is that their values are squeezing the poor because they will not vote Conservative, and squeezing the state with a fraudulent proposition as a backcloth—that minimum wages can replace tax credits that are focused on poor families. The reality is that, under the last Labour Government, the economy grew by 40% in the 10 years to 2008. The banking crisis caused a problem, but by 2010 there was growth in the economy. Since then, debt as a share of the economy has grown from 55% to 80%, basically because a low-wage, low-productivity, austerity-driven Budget does not work.

The Government have driven down wages at the same time as they are putting up tax thresholds, which is obviously not a way of generating significant tax revenues. Therefore, the business model is bust. We need

investment in productivity, skills and infrastructure. Why are we seeing another situation? Why has the train infrastructure in the north of England been removed or delayed? Why are the poorest given loans rather than grants to go to university?

The Budget is not the way forward for a high-skilled, high R and D, high-productivity and high-wage economy to pay its way. It is flawed economically and it is a political stunt. The sooner we get a Labour Government the better.

6.17 pm

Rachael Maskell (York Central) (Lab/Co-op): It is a pleasure to follow my hon. Friend the Member for Swansea West (Geraint Davies). I congratulate the new Members on making their excellent speeches, particularly the hon. Member for Paisley and Renfrewshire South (Mhairi Black), who drew on the wise words of the late Member for Chesterfield, who is a political hero of mine, too.

At the weekend in York, I talked to local businesses, our public services and those who support the poorest in our community. There were no cries of "Fantastic!" for the Budget—quite the reverse. Those are the people who will live with the consequences of what the Budget creates.

Three themes stand out from my conversations, but they were all left out by the Chancellor, who is more set on driving down our public services and our public sector workers, who, we must remember, have already had a 15% cut to their pay, than he is set on driving up exports and the prospects of so many who are left to flounder as they are stripped of essential resources to help them get by each week. The first theme was generating productivity and good-quality, high-skilled jobs; the second was strengthening public services; and the third was addressing the shameful inequality in our nation that the cuts to 30 million people will increase, and addressing the staggering nearly £2 trillion of personal debt that is being built up.

Today, I will focus on productivity. Unless we grow our productivity—our base—the long-term poverty in our country will be sustained. It is therefore not an either/or strategy, but both. We need to address inequality and to drive up our economy: investment now for future growth.

Obviously, there was deep concern at what came out last week not just in the Budget, but in the productivity plan, which should fix the foundations to create a more prosperous nation. I took the plan and put it through what I call the York test. I asked how the plan would drive the economy in the city I represent, a northern city that is so much at the centre of rhetoric at the moment.

York has so much potential. It could have high-quality, well-paid jobs, and with the considered interconnectivity of a productivity plan we could recreate the city as an engine in the north. I read in the plan lots of suggestions to bring together experts to write a strategy for productivity. If there are many gaps in the road map, having experts come together can help to grow the economy for the future, but time is wasted as we wait for the plan to be developed.

One of the loudest cries that I hear from my constituents—but it is not in the plan—is the need to address the needs of small businesses in York. They desperately want business rates to be addressed, so that our local

[*Rachael Maskell*]

entrepreneurs and business leaders can confidently build a sustainable employment strategy in the light of the ridiculously high cost of premises—another issue that must be addressed.

Kevin Hollinrake (Thirsk and Malton) (Con): Does the hon. Lady welcome the 75% reduction in unemployment in York since 2010, and the 45% reduction in 2014?

Rachael Maskell: I do not accept that those are the high-quality, highly skilled jobs that are so important for growing our economy. In fact, many jobs in York are now zero-hours contracts in the tourism industry, retail and other trades, and the number of people on the minimum wage is a real concern.

While the apprenticeship levy sounds good—I will examine the initiative as it makes progress, in particular to ensure that the apprenticeships are of high quality and not just learning experiences for people in work—we need to view that alongside the cuts in education. York college has experienced a 24% cut in funding for adult courses. Those cuts are in direct conflict with the warm words about supporting a technical curriculum. The small print of the plan also includes higher and higher tuition fees, at the same time as the removal of the maintenance grant—money that people will be expected to pay themselves. Those are disincentives for people to engage in education in the future, so the plan fails the York test on skills.

It is a scandal that the links between education and work have been severed in this country. In schools, colleges and universities, courses do not lead directly to high-quality, good jobs. Education is often in one silo and work in another, and the bridges have not been built between the two. How is it that someone can spend £50,000 on their development to end up in a zero-hours job or having to volunteer to get the necessary experience to get a decent job—experiences that a couple of people reported to me over the weekend? When people embark on a course, we want to see a guaranteed good-quality job at the end of it—a student to job guarantee. That is the sort of initiative that I expected in the Budget last Wednesday to kick-start careers and growth, and to start to help to clear up student debt, which is a scandal in itself, but one for a separate debate.

When I looked at the productivity plan, I had to ask, “Where is the manufacturing strategy?” I could not find it and I did not hear it in the Budget—nothing on good-quality, highly skilled jobs. Where was the real opportunity to develop the housing infrastructure—and the construction jobs that would go with that—that we desperately need? The plan talks of a growth in the number of houses of 40,000 a year, but we need at least 200,000—possibly 300,000—a year. Labour had a programme to ensure that by 2020 we would be building 200,000 houses a year. Of course, the OBR and the IFS believe that the right to buy and the cuts in social rent will slash that already under-ambitious building programme. So the productivity plan fails the York test on housing, even though more housing is central to the city’s ability to grow the local economy.

Where was the environmental strategy on retrofits for our businesses, public services and the domestic market, on growth in renewables, and on science and manufacturing?

As Labour promised, that would create 1 million more jobs. I am committed to developing a sustainable economy, but the Government’s approach to climate change puts us at further risk of missing our 2050 carbon reduction targets. Not only is there investment in road instead of rail, but the removal of subsidies for onshore wind and the charging of renewable energy users through the climate change levy. This will chase away another potential boom area for our future economy. The Budget fails the York test on sustainability and productivity.

There was nothing in the Budget on upgrading our infrastructure and providing good construction jobs in our schools and hospitals through new build. The state of our schools and hospitals means that this is desperately needed in York. We are seeing a strategy that will not deliver.

I would like to question the Minister more closely on investment in science and research, and on whether any of the money will be coming to our universities to give us the opportunity to ensure that York benefits from good solid jobs by 2020. I would be interested to hear his reply.

Finally, on the northern powerhouse, we have heard much about rail and the northern power cut. York is famed for its rail heritage and the national rail museum. We are at the intersection of the trans-Pennine route and the east coast main line, so we should be the rail hub of the future. We have a real opportunity to grow the northern economy, but that was not in the Budget and that was not in the productivity plan. Will the Minister sit down with me and local MPs to ensure that we have an opportunity to kick-start the economy?

Several hon. Members *rose*—

Mr Speaker: Order. The Front Bench wind-up speeches will start at 6.40 pm and there are two colleagues who have been waiting for a considerable time. I call Seema Malhotra.

6.27 pm

Seema Malhotra (Feltham and Heston) (Lab/Co-op): The political presentation of the Chancellor’s Budgets has improved year on year. Sadly, we cannot say the same about his economics. That is not to say there were not some good things in the Budget—indeed, many of them were proposed in the Labour manifesto—but there are holes, contradictions and poor judgments running right through it.

The Budget fails as a coherent and strategic plan for Britain’s growth and prosperity. It is also unfair and unjust. Women will be hit twice as hard as men. A couple working full time on the minimum wage with two kids will be £700 a year worse off. People currently paid more than the minimum wage will be even harder hit.

In 2011, the Chancellor stood at the Dispatch Box and proclaimed a march of the makers. He painted a picture of how he saw Britain’s economy growing and being rebalanced away from financial services. There was, however, no plan behind it and it proved to be more of a mirage than a reality. Manufacturing output began to fall in 2012 and 2013, in part as a consequence of the Chancellor’s reckless rate of cuts. It was only when he began to slow the pace of cuts that manufacturing output began to recover. Some economists argue that had he embraced Alistair Darling’s balanced plan for

reducing the deficit this might have been less likely. The Office for Budget Responsibility forecasts that the Chancellor will miss his export target in 2020 by a massive £370 billion.

Today, I would like to focus on two specific issues: investment in logistics and further education. Local businesses in Feltham and Heston tell me that there is an acute shortage of qualified HGV drivers that is crippling the British road haulage industry, and a shortage of qualified forklift truck drivers for manufacturing and distribution. If our businesses do not have enough support to get their products to domestic and foreign markets, we are holding back growth. There are some welcome proposals in the Chancellor's Budget, but they do not go far or fast enough for the UK logistics sector.

I welcome the proposed compulsory levy on large companies to fund new apprentices, but it will not come into effect until 2017. We have a national shortage of more than 45,000 lorry drivers, and more than 60% of HGV drivers are over 45, which means that the problem is likely to get worse, not better. At least 45,000 drivers are expected to leave the industry over the next two years, but road haulage firms are only able to train 17,000 drivers a year.

Recently, I attended the launch of West Thames College's logistics centre at Feltham skills centre, near Heathrow. It is an excellent college delivering key skills training for the logistics sector in the local and national economy. The college, from its reserves and with support from the local enterprise partnership, has funded the new centre, but it is now struggling to fund the courses. In his March Budget, the Chancellor cut the adult skills budget, which funds 24% of this training, and on 4 June, he announced further departmental spending cuts, which might reduce this even further. In his March Budget, he also promised that the Government would work with road haulage firms on an industry-led solution to the HGV drivers' shortage, including access to, and funding support for, training, yet last week he proposed no resources to tackle these problems, which was a huge disappointment.

While the apprenticeship levy will help from 2017, the crisis is now. The Road Haulage Association has asked for funding for the "driving Britain forward" scheme, developed with Jobcentre Plus, to train new HGV drivers between now and the introduction of the industry-wide HGV apprenticeship scheme. The logistics industry and the British economy need this support, which is why I shall today be writing to the Chancellor urging him to provide the funding the RHA has requested to tackle the HGV driver crisis between now and the introduction of the industry apprenticeship scheme; to stop further cuts to the adult skills budget; and to allow colleges such as West Thames to provide the logistics training that the industry needs and that Feltham and Heston businesses have called for.

The Chancellor has failed to rebalance the economy. His march of the makers appears yet to have taken its first step. I urge him to show leadership and provide the highly skilled workers that the UK logistics sector needs—a capital investment in the British people and British businesses. Keeping people jobless while companies call out for highly skilled employees makes neither economic nor moral sense. If he really wants to get Britain back on the road to recovery, rather than stuck on the hard shoulder, I urge him to take action now.

6.32 pm

Keir Starmer (Holborn and St Pancras) (Lab): I wish to raise two points, the first being the impact on my constituency of the £40,000 household income threshold before council tenants pay market rents. This is going to hit a lot of people on very modest means. In my constituency, it is estimated that 2,000 council tenants will be hit. In Camden, with market rents as they are, a family in a two-bedroom flat would be left, after paying the rent, with about £133 to pay the rest of their bills. These are people of modest means who will be disproportionately impacted by this provision.

Secondly, the limit on the child element of tax credits and universal credit will have a hugely detrimental impact, but I wish to draw particular attention to paragraph 2.103 of the Red Book, because it is an issue of real concern to Members on both sides of the House:

"The Department for Work and Pensions and HMRC will develop protections for women who have a third child as the result of rape, or other exceptional circumstances."

That would introduce a rape test into our welfare benefits system. In the limited time I have had to look into it, that is the first test of its kind I have found, and it is an extraordinarily worrying development. I have spent many years working with victims of rape and understanding the difficulties they have in coming forward, in any context, to explain and report what has happened. The idea that women will have to introduce evidence, in some shape or form, of rape to prevent their benefits from being cut is abhorrent to any human being and will cause real concern. I do not think there is another test of its type in any system we have ever run or any European system that I can see, and I urge that real consideration be given to that provision. A rape test in a welfare benefits system is a regressive step.

6.34 pm

Jo Churchill (Bury St Edmunds) (Con): Some on the Opposition Benches crow that we have stolen some of their policies, but surely, with just a dash of intellectual honesty, they should welcome this Budget. Perhaps if they stole some Conservative policies, one could argue—as I think the right hon. and learned Member for Camberwell and Peckham (Ms Harman) did on Sunday—they might earn the trust of the British people on running the economy. Because if any of those across the Floor of the House want to know what true austerity is, they need look no further than 2008-09. This country was in recession. People found themselves without jobs, without stable incomes and without hope. That is a legacy; that is austerity.

Instead of that, last Wednesday the Chancellor told us that our economy is now the fastest-growing in the G7 and will continue to be so. We have record employment, and the deficit and debt are coming down. May 2015 marked the British people's belief that we were on the right track; 2010 marked their rejection of "Spend now, ask questions later." The Budget we heard was what our economy needed and what the election mandated: a Conservative Budget, and I welcome it. Hard-working people across the country welcome it. A gentle nudge to make it more stable—that is what we do when we balance something: we give it confidence and certainty.

Our economy is still too unbalanced; however, I want first to add a few notes of caution to what was said last week, and I would like to ask my right hon. Friend the

[Jo Churchill]

Chancellor what he is going to do to address these concerns. Our national living wage goes further than the SNP's pledge to increase the minimum wage to £8.70 by 2020 and further than the Labour party's pledge of an £8 minimum wage, but a number of my constituents have contacted me and said that such a steep rise will put a strain on their businesses. In particular, small shops and rural post offices will find it difficult. Many argue that the higher costs will not be paid for through redundancy, but through higher prices for the consumer. Many small and medium-sized enterprises are already working with minimal staff, and hope alone will not increase their turnover. My family-run local baker suggests that his wage bill will increase by 2020 by £2,000 a week. He is working—as the hon. Member for Stoke-on-Trent South (Robert Flello) put it, speaking from the back of the Chamber—that 60-hour or 70-hour week. Small business owners run this country and they work hard. [Interruption.] Let me tell the hon. Gentleman that they do pay corporation tax, if they make a profit, and we have helped them by taking it down to 19% and then 18% in 2020.

That family business has also raised concerns, as have many others, about differentials in the wage process. Things will need to be reflective in order to keep staff. It will be challenging to raise wages from £6.50 to £9, and productivity will need to increase, but—I say this to the hon. Member for York Central (Rachael Maskell)—it is those small business owners who will make highly productive, highly well-paid jobs. They do not grow on trees. Those businesses have to start as seed organisations; they have to start from small beginnings. We cannot just magic high-paid jobs out of the air.

A fairer society is a two-way street: fairness to those who have little, but also fairness to those who pay—those who make the jobs and pay the wages. There must be recognition that some SMEs may suffer. It will be challenging to keep people employed, and that leads me to the question: where do we find this extra money and who does it come from? It will be from small business and large businesses; and that is what this Budget did: it encouraged them.

My second area of concern is about the delivery of adult care. Many of my constituents are elderly; indeed, one of my wards has the highest longevity in the country, but a great number of people are required to care for them. Many of these carers are over 25 and occupy some of the lowest-paid jobs in our economy. They will receive the enhanced living wage. The care is essential—it keeps many constituents in their own homes, living independently and not putting a strain on the NHS—but adult social care is feeling the strain, as are private providers, and their ability to absorb costs is challenging. Where statutory obligations place pressure on businesses, adult care and nurseries providing childcare, to name but two—

Angela Crawley (Lanark and Hamilton East) (SNP): Will the hon. Lady give way?

Jo Churchill: No, I do not have time.

I welcome this Budget, but I also welcome the fact that its aspiration is to be fairer. We should not forget who creates our jobs and who invests. Business investment is up by 32% since 2010. About 95% of all firms are

SMEs, while 90% are micros. I need them to thrive, to take on apprentices and to invest. To encourage more entrepreneurs, we need those businesses to grow, which is just what this Budget will achieve. I ask the Government to keep giving businesses their support.

6.40 pm

Shabana Mahmood (Birmingham, Ladywood) (Lab): We have had a good debate—today and over the last few sitting days. It is a pleasure to close our Budget deliberations on behalf of the Opposition. I would like to start by congratulating the hon. Members for Kensington (Victoria Borwick), for Paisley and Renfrewshire South (Mhairi Black), for Brecon and Radnorshire (Chris Davies), for Airdrie and Shotts (Neil Gray) and for Linlithgow and East Falkirk (Martyn Day) on making their maiden speeches today. I am sure all Members will join me in wishing them well as they begin their journey of standing up for their constituents in this place.

Last week, the Chancellor delivered his first Budget of this Parliament. Although his rhetoric might have delivered him positive headlines on Thursday morning, the reality is that his Budget will deliver misery and hardship for ordinary working people because it leaves them worse off, penalised for doing the right thing in working and punished for circumstances outside their control. Not only does this Budget penalise people in low-paid work; it fails the test of building a more productive economy, because the Chancellor has either flunked or ducked the big long-term decisions that need to be made on infrastructure.

What ordinary working people in our country needed was a Budget that would make their lives easier, make work pay and help people not just on to the first rung of the work ladder but on to the next one—into better jobs with better prospects and better pay. Instead, the Chancellor focused his energies on his own bid for a better job, better prospects and better pay. Rather than help the working poor to move up, he focused on his own move next door.

The truth that Government Members have to confront is that 3 million working families will bear the brunt of the Chancellor's £4.5 billion-worth of cuts to tax credits. These cuts will hit working people on middle and lower incomes, completely undermining the Tory argument that this is a Budget for working people. They penalised the very people in work who are trying to do the right thing and who do not earn enough to make ends meet. As I said only a week ago, it is wrong and unfair to remove tax credits from working people without first creating the conditions that would allow it to be done in a way that does not pull the rug from under people on low incomes—by hitting them with what is effectively a hefty work penalty. We all want to see a higher-wage economy, in which people are less reliant on tax credits to make ends meet, but we need to embed higher wages in the economy before we consider going ahead with any changes to tax credits.

Kevin Hollinrake: Does the hon. Lady agree with her leader when she said that she should accept the changes to welfare and tax credits contained within this Budget?

Shabana Mahmood: That was hardly worth the wait. I have to say that the hon. Gentleman should have been paying attention to what my right hon. and learned Friend the Member for Camberwell and Peckham

(Ms Harman) actually said. She came out very strongly against the whole package of working tax credit changes. If he had listened to my remarks, rather than try to intervene with a Whip's question, he would have realised that that is exactly what I am doing myself.

The Government will say that they have moved on pay. Again, however, there is a big difference between rhetoric and reality. The Government's cuts to tax credits overwhelmingly outweigh their measures on pay. I welcome the proposed rises in the national minimum wage, which is still what it is. *[Interruption.]* I am pleased to see that the Chancellor has joined us. He has failed to explain why raising the minimum wage was so wrong only a few short weeks ago during the general election campaign, in view of our manifesto commitment, or how he came to agree with us so soon after the general election. Nevertheless, imitation is indeed the sincerest form of flattery. We are pleased to observe that the party that forced the last all-night sitting in the House in an attempt to block the introduction of the national minimum wage by the last Labour Government now agrees with us not only that it is important and necessary, but that it should go up. However, we should be clear about the fact that it is not a living wage.

There has always been a difference between the minimum wage and the living wage. Re-badging the new national minimum wage as a living wage will not help the Chancellor, because ordinary working people can see a political con for what it is. The Living Wage Foundation was quick off the mark on Budget day in making that very point. The inconvenient fact for the Chancellor is that the living wage—the real living wage—is calculated on the assumption of a full take-up of tax credits, the very tax credits that the Chancellor has just cut. To make up for the loss of those tax credits, a real living wage would have to be considerably higher than what the Chancellor is now promising working people in Britain.

The new national minimum wage rate of £7.20, when it is introduced next year, will be lower than the current living wage of £7.85. In effect, the Chancellor, who says that he stands with working people, will offer working people in 2016 the 2011 living wage, and we will not let him pretend otherwise. In the end, the simple truth is that the wage increases that are on their way are not enough to make up for the loss of tax credits.

Twenty-four hours after the Chancellor delivered his Budget, the Institute for Fiscal Studies dismissed his claim that increasing the minimum wage would compensate working people. The IFS said:

“the key fact is that the increase in the minimum wage simply cannot provide full compensation for the majority of losses that will be experienced by tax credit recipients. That is just arithmetically impossible.”

The IFS also said that the biggest change, which sounded very technical, was the reduction in the work allowance. It explained:

“The work allowance is the amount that a claimant can earn before benefit starts to be withdrawn. Significant allowances were an integral part of the design of UC”

—universal credit—

“intended to give claimants an incentive to move into work. This reform will cost about 3 million families an average of £1,000 a year each. It will reduce the incentive for the first earner in a family to enter work.”

A regressive Budget with a work penalty of £1,000 a year: that is what the Government have delivered to ordinary working people in our country—and while

they hit those ordinary working people, they also fail to address a central economic challenge—productivity. That is the puzzle that it is crucial for us to crack and solve, because getting it right is vital if we are to achieve higher living standards, sustained GDP growth, and effective deficit reduction, but this Budget failed the productivity test.

Helen Whately: Will the hon. Lady give way?

Shabana Mahmood: I will not give way for another Whip's question. I must make some progress.

Productivity has stagnated under this Government, and the Office for Budget Responsibility has revised its productivity forecast downwards for next year and the three years after that. It has also confirmed that the Chancellor will miss his target of increasing exports to £1 trillion by a staggering £367 billion by 2020. Productivity has been revised down and the current account deficit has widened to 5.9% of GDP, becoming the largest annual peacetime deficit since at least 1830. However, all that the Government had to offer was a damp squib of a productivity plan on the Friday after the Budget—a patchwork of existing schemes rather than a substantial reform to boost skills, business growth and wages, and, in relation to infrastructure, output that is lower than it was five years ago.

There are, of course, some measures in the Budget that we will support, not least those that started life—*[Interruption.]* I am glad that Conservative Members are cheering, because the measures that I am about to mention started life on our Benches as our manifesto commitments. I welcome the Government's new-found zeal in dealing with non-doms and with the so-called carried interest loophole involving private equity managers. Conservative Members were not so vocal on such matters just a few weeks ago, but I am glad that they have had a rethink since the general election, and have found their voices when it comes to our policies.

We will, however, stand against measures that that are wrong and unfair. Apart from the overall package of measures on tax credits, we are deeply concerned about the impact of removing student maintenance grants from the poorest undergraduates, about the lowering of the level of benefit for those who cannot currently work and are in the work-related activity group, and about the Government's strategy on child poverty, which essentially boils down to their changing the definitions because they will miss their target otherwise. Every Budget is about choices. This should have been a Budget to bring the deficit down and help people into work and into better work by creating the high-skill, high-pay jobs needed to boost productivity. Instead, it penalises those already in work. It is people on low and middle incomes, the ordinary working people of Britain, who will pay the price for this Chancellor's choices, and we will stand with the ordinary working people of Britain by voting against this Budget tonight.

6.50 pm

The Chief Secretary to the Treasury (Greg Hands): I am very pleased to be closing the debate on this historic Budget as the first Conservative Chief Secretary on behalf of the first Conservative-only Government since 1997.

[Greg Hands]

We have had a good debate. Indeed, we have had four good days of debate. For me, the most remarkable parts were the commanding speech from my right hon. Friend the Chancellor on day one and the real passion from my right hon. Friend the Work and Pensions Secretary. Almost as remarkable were the opening exchanges on Thursday; for the last five years of the Budget, day two saw set pieces between Ed Balls and Vince Cable, but not this year, as we, the Conservatives, took both of their seats on 7 May.

Today we have had five high-quality maiden speeches from the three great nations of England, Scotland and Wales. It was a particular pleasure to hear from my constituency neighbour, my hon. Friend the Member for Kensington (Victoria Borwick). She made a marvellous maiden speech, with a great tribute to her predecessor Sir Malcolm Rifkind, who is actually my predecessor as well. We have another common predecessor; she told us how she appeared in the index of Alan Clark's "Diaries" and the concern that had caused her husband.

Equally impressive was the maiden speech of the hon. Member for Paisley and Renfrewshire South (Mhairi Black), who spoke with great poise, engagement and passion, although I have to say that most of her speech seemed to be directed at the Labour party. She said that Labour had left her family, not the other way round. I congratulate her on a memorable maiden speech and on her first-class honours degree.

From Wales, we heard from my new colleague my hon. Friend the Member for Brecon and Radnorshire (Chris Davies). In what was a very entertaining speech he took us through his first day here—how he saw the mosaic of St David in the Central Lobby and his pride at being both Welsh and a Unionist, and how the Whips approached him sternly, with one Whip reminding him somewhat of his wife back home. I am wondering which member of the Whips Office that might have been. His speech was also peppered with references to all kinds of other battles and heroism.

Also from Scotland, we heard from the hon. Member for Airdrie and Shotts (Neil Gray). He made a very competent maiden speech and talked about life in Westminster and missing his family back in Scotland. I can tell him that that is not unique to those travelling from Scotland; it can happen to those of us who are MPs for London constituencies as well. He was generous about his predecessor, Pamela Nash, and talked about being the first Orcadian for 200 years to be an MP.

Again from Scotland, the hon. Member for Linlithgow and East Falkirk (Martyn Day) was generous to his predecessor, Michael Connarty, who I knew well and served under on the European Scrutiny Committee, and gave us a radical, passionate and humorous speech. I wish him well.

A number of other Members also contributed to the debate, but I will not go into their speeches in detail. I was struck, however, by the fact that, although some Labour Members raised interesting points, so many of their speeches sounded like they were cut and pasted directly from their election hustings speeches and showed no recognition of what had happened on 7 May or what happened last week.

Let me now conclude the Budget debate. This is the Budget that gives Britain a pay rise and that cuts taxes

for 29 million people. It is the Budget that protects our national security and that gives Britain the security of living within its means. To be fair, not all Labour Members ignored the results of the election or the Budget last week. The acting Leader of the Opposition, the right hon. and learned Member for Camberwell and Peckham (Ms Harman)—[HON. MEMBERS: "Where is she?"] That is a very good question. She might be in hiding. She reprimanded the shadow Health Secretary over the benefit cap, reminding him:

"You may have noticed that we lost the election".

It is remarkable that he or anyone else could possibly have missed that fact. It is equally remarkable that she now appears to be on the right of her party. I do not think that she moved; I think the party has moved to the left. We have heard from the right hon. Member for Birkenhead (Frank Field), who is so enthusiastic about our new national living wage that he wants it to be brought forward and to start sooner. It is resoundingly clear from this Budget debate that Labour has made no progress in economic policy since May.

Geraint Davies: Is not this a Sheriff of Nottingham Budget? Is not the Chief Secretary to the Treasury robbing the poor by removing their tax credits and giving to the rich by increasing the inheritance tax threshold? This Budget stinks, and his grubby hands are all over it.

Greg Hands: There you have it, Madam Deputy Speaker. The hon. Gentleman's remarks epitomise everything that we have all been suspecting about the Labour party over the past 10 weeks—namely, that it has learned nothing from its defeat right across the UK on 7 May. It looks as though it intends to start this Parliament as it started the last one: in disarray, denying the deficit and failing to apologise for its past mistakes.

The right hon. Member for Doncaster North (Edward Miliband) lost the election, and the turning point was surely that moment in the TV debate when he denied that the Labour Government had spent too much. If they had not spent too much, how come there was no money left? Labour's economic credibility was so bad that, at the election, it even lost the constituency of its own shadow Chancellor as well as those of half its Treasury team.

There was one senior Labour figure who avoided losing his seat, but he did so only by standing down voluntarily. That was the last Labour Chancellor, Alistair Darling. He is reported to have said something very interesting the day after the Budget, which was that Labour was "in disarray" and that it was

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

He hit the nail on the head. Labour's response to the Budget has been totally incoherent. Who would have thought that a Labour Opposition could attack a policy to bring the minimum wage for workers from £6.50 up to a national living wage of £9 in the course of a Parliament? I invite the other parties to consider their positions. By the way, only the Labour party could have a leadership crisis without actually having a leader. If Labour Members vote against the Budget in a few minutes' time, they will be voting against a national living wage, against dealing with the deficit and against

meeting the UK's NATO defence commitments. They will also be voting against £10 billion of extra investment in the NHS.

This is not a Government who shy from the tough decisions. It is right that higher wages, not welfare subsidies, should raise the standard of living of working families. It is right that those with the broadest shoulders should bear the biggest burden. It is right that we should help and support our businesses to bring prosperity to this nation and it is right that we should build ourselves strong, stable and secure public finances. We are doing that. This has been a landmark Budget, delivering for the entire country for a bright and prosperous future. There are still tough choices ahead, but I commend the Budget to the House.

Question put, That the amendment be made.

The House divided: Ayes 280, Noes 328.

Division No. 43]

[6.59 pm

AYES

Abbott, Ms Diane	Corbyn, Jeremy
Abrahams, Debbie	Cowan, Ronnie
Ahmed-Sheikh, Ms Tasmina	Coyle, Neil
Alexander, Heidi	Crausby, Mr David
Ali, Rushanara	Crawley, Angela
Allen, Mr Graham	Creagh, Mary
Anderson, Mr David	Creasy, Stella
Arkless, Richard	Cruddas, Jon
Ashworth, Jonathan	Cummins, Judith
Austin, Ian	Cunningham, Mr Jim
Bailey, Mr Adrian	Dakin, Nic
Bardell, Hannah	Danczuk, Simon
Barron, rh Kevin	David, Wayne
Beckett, rh Margaret	Davies, Geraint
Betts, Mr Clive	Day, Martyn
Black, Mhairi	De Piero, Gloria
Blackford, Ian	Docherty, Martin John
Blackman, Kirsty	Donaldson, Stuart
Blackman-Woods, Dr Roberta	Doughty, Stephen
Blenkinsop, Tom	Dowd, Jim
Blomfield, Paul	Dowd, Peter
Boswell, Philip	Dromey, Jack
Bradshaw, rh Mr Ben	Dugher, Michael
Brake, rh Tom	Durkan, Mark
Brennan, Kevin	Eagle, Ms Angela
Brock, Deidre	Eagle, Maria
Brown, Alan	Edwards, Jonathan
Brown, Lyn	Efford, Clive
Brown, rh Mr Nicholas	Elliott, Julie
Buck, Ms Karen	Ellman, Mrs Louise
Burden, Richard	Esterson, Bill
Burgon, Richard	Evans, Chris
Burnham, rh Andy	Farrelly, Paul
Butler, Dawn	Farron, Tim
Byrne, rh Liam	Fellows, Marion
Cadbury, Ruth	Ferrier, Margaret
Cameron, Dr Lisa	Field, rh Frank
Campbell, rh Mr Alan	Fitzpatrick, Jim
Campbell, Mr Ronnie	Fleelo, Robert
Carmichael, rh Mr Alistair	Fletcher, Colleen
Champion, Sarah	Flint, rh Caroline
Chapman, Jenny	Flynn, Paul
Cherry, Joanna	Fovargue, Yvonne
Ciwyd, rh Ann	Foxcroft, Vicky
Coaker, Vernon	Gapes, Mike
Coffey, Ann	Gethins, Stephen
Cooper, Julie	Gibson, Patricia
Cooper, Rosie	Glass, Pat
Cooper, rh Yvette	Glindon, Mary

Godsiff, Mr Roger	McCabe, Steve
Goodman, Helen	McCaig, Callum
Grady, Patrick	McCarthy, Kerry
Grant, Peter	McDonagh, Siobhain
Gray, Neil	McDonald, Andy
Green, Kate	McDonald, Stewart
Greenwood, Lillian	McDonald, Stuart C.
Greenwood, Margaret	McDonnell, Dr Alasdair
Griffith, Nia	McDonnell, John
Gwynne, Andrew	McFadden, rh Mr Pat
Haigh, Louise	McGarry, Natalie
Hanson, rh Mr David	McGinn, Conor
Harman, rh Ms Harriet	McGovern, Alison
Harpham, Harry	McInnes, Liz
Harris, Carolyn	McLaughlin, Anne
Hayes, Helen	Meacher, rh Mr Michael
Hayman, Sue	Meale, Sir Alan
Healey, rh John	Mearns, Ian
Hendrick, Mr Mark	Miliband, rh Edward
Hendry, Drew	Monaghan, Carol
Hepburn, Mr Stephen	Monaghan, Dr Paul
Hillier, Meg	Moon, Mrs Madeleine
Hodge, rh Margaret	Morden, Jessica
Hodgson, Mrs Sharon	Morris, Grahame M.
Hoey, Kate	Mulholland, Greg
Hollern, Kate	Mullin, Roger
Hopkins, Kelvin	Murray, Ian
Hosie, Stewart	Newlands, Gavin
Howarth, rh Mr George	Nicolson, John
Hunt, Tristram	O'Hara, Brendan
Huq, Dr Rupa	Onn, Melanie
Hussain, Imran	Onwurah, Chi
Irranca-Davies, Huw	Osamor, Kate
Jarvis, Dan	Oswald, Kirsten
Johnson, rh Alan	Owen, Albert
Johnson, Diana	Paterson, Steven
Jones, Gerald	Pearce, Teresa
Jones, Graham	Pennycook, Matthew
Jones, Helen	Perkins, Toby
Jones, Mr Kevan	Phillips, Jess
Jones, Susan Elan	Phillipson, Bridget
Kane, Mike	Pound, Stephen
Kaufman, rh Sir Gerald	Powell, Lucy
Keeley, Barbara	Pugh, John
Kendall, Liz	Qureshi, Yasmin
Kerevan, George	Rayner, Angela
Kerr, Calum	Reed, Mr Jamie
Khan, rh Sadiq	Reed, Mr Steve
Kinnock, Stephen	Rees, Christina
Kyle, Peter	Reynolds, Emma
Lamb, rh Norman	Reynolds, Jonathan
Lammy, rh Mr David	Rimmer, Marie
Lavery, Ian	Ritchie, Ms Margaret
Law, Chris	Robertson, Angus
Leslie, Chris	Robinson, Mr Geoffrey
Lewis, Clive	Rotheram, Steve
Lewis, Mr Ivan	Ryan, rh Joan
Long Bailey, Rebecca	Salmond, rh Alex
Lucas, Caroline	Shah, Naz
Lucas, Ian C.	Sharma, Mr Virendra
MacNeil, Mr Angus Brendan	Sheerman, Mr Barry
Mactaggart, rh Fiona	Sheppard, Tommy
Madders, Justin	Sherriff, Paula
Mahmood, Mr Khalid	Shuker, Mr Gavin
Mahmood, Shabana	Siddiq, Tulip
Malhotra, Seema	Skinner, Mr Dennis
Mann, John	Slaughter, Andy
Marris, Rob	Smeeth, Ruth
Marsden, Mr Gordon	Smith, Angela
Maskell, Rachael	Smith, Cat
Matheson, Christian	Smith, Jeff
Mc Nally, John	Smith, Nick

Smith, Owen
Smyth, Karin
Spellar, rh Mr John
Starmer, Keir
Stephens, Chris
Stevens, Jo
Streeting, Wes
Stringer, Graham
Stuart, Ms Gisela
Tami, Mark
Thewliss, Alison
Thomas, Mr Gareth
Thomas-Symonds, Nick
Thompson, Owen
Thomson, Michelle
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turley, Anna
Turner, Karl
Twigg, Derek

Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Watson, Mr Tom
Weir, Mike
West, Catherine
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Whitford, Dr Philippa
Williams, Mr Mark
Wilson, Corri
Wilson, Phil
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Wright, Mr Iain
Zeichner, Daniel

Tellers for the Ayes:
Liz Saville Roberts and
Hywel Williams

NOES

Adams, Nigel
Afrayie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Ansell, Caroline
Argar, Edward
Atkins, Victoria
Bacon, Mr Richard
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Berry, James
Bingham, Andrew
Blackman, Bob
Blackwood, Nicola
Blunt, Crispin
Boles, Nick
Bone, Mr Peter
Borwick, Victoria
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, rh James
Bruce, Fiona
Buckland, Robert
Burns, Conor
Burns, rh Sir Simon
Burrowes, Mr David
Burt, rh Alistair
Cairns, Alun
Cameron, rh Mr David
Campbell, Mr Gregory
Carmichael, Neil
Carswell, Mr Douglas
Cartlidge, James

Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Kenneth
Cleverly, James
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colville, Oliver
Costa, Alberto
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Mims
Davies, Philip
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donelan, Michelle
Dorries, Nadine
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Elliott, Tom
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evennett, rh Mr David
Fabricant, Michael
Fallon, rh Michael

Fernandes, Suella
Field, rh Mark
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fuller, Richard
Gale, Sir Roger
Garnier, rh Sir Edward
Garnier, Mark
Gauke, Mr David
Ghani, Nusrat
Gibb, Mr Nick
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matthew
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, Sir Oliver
Heapey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hermon, Lady
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howarth, Sir Gerald
Howell, John
Howlett, Ben
Huddleston, Nigel
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
Johnson, Boris
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David

Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, Seema
Kinahan, Danny
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lancaster, Mark
Latham, Pauline
Leadsom, Andrea
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Mackinlay, Craig
Mackintosh, David
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McLoughlin, rh Mr Patrick
McPartland, Stephen
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Miller, rh Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mowat, David
Mundell, rh David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Dr Matthew
Opperman, Guy
Osborne, rh Mr George
Parish, Neil
Patel, rh Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, rh Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Philp, Chris

Pickles, rh Sir Eric
Pincher, Christopher
Poulter, Dr Daniel
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pritchard, Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Mr Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Gavin
Robinson, Mary
Rosindell, Andrew
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Henry
Smith, Julian
Smith, Royston
Soames, rh Sir Nicholas
Solloway, Amanda
Soubry, rh Anna
Spelman, rh Mrs Caroline
Spencer, Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Graham
Sturdy, Julian

Sunak, Rishi
Swayne, rh Mr Desmond
Swire, rh Mr Hugo
Syms, Mr Robert
Thomas, Derek
Throup, Maggie
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Tredinnick, David
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
Turner, Mr Andrew
Tyrrie, rh Mr Andrew
Vaizey, Mr Edward
Vara, Mr Shailesh
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Warburton, David
Warman, Matt
Watkinson, Dame Angela
Wharton, James
Whately, Helen
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williams, Craig
Williamson, rh Gavin
Wilson, Mr Rob
Wilson, Sammy
Wollaston, Dr Sarah
Wood, Mike
Wragg, William
Wright, rh Jeremy
Zahawi, Nadhim

Tellers for the Noes:
Simon Kirby and
Sarah Newton

Brine, Steve
Brokenshire, rh James
Bruce, Fiona
Buckland, Robert
Burns, Conor
Burns, rh Sir Simon
Burrowes, Mr David
Burt, rh Alistair
Cairns, Alun
Cameron, rh Mr David
Carmichael, Neil
Carswell, Mr Douglas
Cartlidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Kenneth
Cleverly, James
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Costa, Alberto
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Mims
Davies, Philip
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Donelan, Michelle
Dorries, Nadine
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evennett, rh Mr David
Fabricant, Michael
Fallon, rh Michael
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Fox, rh Dr Liam
Francois, rh Mr Mark
Frazer, Lucy
Freeman, George
Freer, Mike
Fuller, Richard
Gale, Sir Roger
Garnier, rh Sir Edward

Garnier, Mark
Gauke, Mr David
Ghani, Nusrat
Gibb, Mr Nick
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matthew
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, Sir Oliver
Heapey, James
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollingbery, George
Hollinrake, Kevin
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Howarth, Sir Gerald
Howell, John
Howlett, Ben
Huddleston, Nigel
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, rh Sajid
Jayawardena, Mr Ranil
Jenkin, Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
Johnson, Boris
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, Seema
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lancaster, Mark
Latham, Pauline
Leadsom, Andrea
Lee, Dr Phillip

Question accordingly negated.

Main Question put.

The House divided: Ayes 320, Noes 290.

Division No. 44]

[7.13 pm

AYES

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

Lefroy, Jeremy
Leigh, Sir Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, rh Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Mackinlay, Craig
Mackintosh, David
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McLoughlin, rh Mr Patrick
McPartland, Stephen
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Miller, rh Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mowat, David
Mundell, rh David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Dr Matthew
Opperman, Guy
Osborne, rh Mr George
Parish, Neil
Patel, rh Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, rh Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Philp, Chris
Pickles, rh Sir Eric
Pincher, Christopher
Poulter, Dr Daniel
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pritchard, Mark
Pursglove, Tom
Quin, Jeremy

Quince, Will
Raab, Mr Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Mary
Rosindell, Andrew
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Henry
Smith, Julian
Smith, Royston
Soames, rh Sir Nicholas
Solloway, Amanda
Soubry, rh Anna
Spelman, rh Mrs Caroline
Spencer, Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Graham
Sturdy, Julian
Sunak, Rishi
Swayne, rh Mr Desmond
Swire, rh Mr Hugo
Syms, Mr Robert
Thomas, Derek
Throup, Maggie
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Tredinnick, David
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
Turner, Mr Andrew
Tyrie, rh Mr Andrew
Vaizey, Mr Edward
Vara, Mr Shailesh
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Warburton, David
Warman, Matt
Watkinson, Dame Angela
Wharton, James
Whately, Helen
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williams, Craig
Williamson, rh Gavin
Wilson, Mr Rob
Wollaston, Dr Sarah

Wood, Mike
Wragg, William
Wright, rh Jeremy
Zahawi, Nadhim

Tellers for the Ayes:
Simon Kirby and
Sarah Newton

NOES

Abbott, Ms Diane
Abrahams, Debbie
Ahmed-Sheikh, Ms Tasmina
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Arkless, Richard
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Kevin
Beckett, rh Margaret
Betts, Mr Clive
Black, Mhairi
Blackford, Ian
Blackman, Kirsty
Blackman-Woods, Dr Roberta
Blomfield, Paul
Boswell, Philip
Bradshaw, rh Mr Ben
Brake, rh Tom
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Burnham, rh Andy
Butler, Dawn
Byrne, rh Liam
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Jenny
Cherry, Joanna
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cowan, Ronnie
Coyle, Neil
Crausby, Mr David
Crawley, Angela
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cummins, Judith
Cunningham, Mr Jim
Dakin, Nic
Danczuk, Simon
David, Wayne
Davies, Geraint
Day, Martyn
De Piero, Gloria
Docherty, Martin John
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donaldson, Stuart
Doughty, Stephen
Dowd, Jim
Dowd, Peter
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Elliott, Tom
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Farron, Tim
Fellows, Marion
Ferrier, Margaret
Field, rh Frank
Flelo, Robert
Fletcher, Colleen
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Foxcroft, Vicky
Gapes, Mike
Gethins, Stephen
Gibson, Patricia
Glass, Pat
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew
Haigh, Louise
Hanson, rh Mr David
Harman, rh Ms Harriet
Harpham, Harry
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendrick, Mr Mark
Hendry, Drew
Hepburn, Mr Stephen
Hermon, Lady
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hollern, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George

Hunt, Tristram
 Huq, Dr Rupa
 Hussain, Imran
 Irranca-Davies, Huw
 Jarvis, Dan
 Johnson, rh Alan
 Johnson, Diana
 Jones, Gerald
 Jones, Graham
 Jones, Helen
 Jones, Mr Kevan
 Jones, Susan Elan
 Kane, Mike
 Kaufman, rh Sir Gerald
 Keeley, Barbara
 Kendall, Liz
 Kerevan, George
 Kerr, Calum
 Khan, rh Sadiq
 Kinahan, Danny
 Kinnock, Stephen
 Kyle, Peter
 Lamb, rh Norman
 Lammy, rh Mr David
 Lavery, Ian
 Law, Chris
 Leslie, Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lewis, Mr Ivan
 Long Bailey, Rebecca
 Lucas, Caroline
 Lucas, Ian C.
 MacNeil, Mr Angus Brendan
 Mactaggart, rh Fiona
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marris, Rob
 Marsden, Mr Gordon
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCabe, Steve
 McCaig, Callum
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stewart
 McDonald, Stuart C.
 McDonnell, Dr Alasdair
 McDonnell, John
 McFadden, rh Mr Pat
 McGarry, Natalie
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McLaughlin, Anne
 Meacher, rh Mr Michael
 Meale, Sir Alan
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 Monaghan, Dr Paul
 Moon, Mrs Madeleine
 Morden, Jessica
 Morris, Grahame M.
 Mulholland, Greg
 Mullin, Roger
 Murray, Ian

Newlands, Gavin
 Nicolson, John
 O'Hara, Brendan
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Oswald, Kirsten
 Owen, Albert
 Paisley, Ian
 Paterson, Steven
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Pound, Stephen
 Powell, Lucy
 Pugh, John
 Qureshi, Yasmin
 Rayner, Angela
 Reed, Mr Jamie
 Reed, Mr Steve
 Rees, Christina
 Reynolds, Emma
 Reynolds, Jonathan
 Rimmer, Marie
 Ritchie, Ms Margaret
 Robertson, Angus
 Robinson, Gavin
 Robinson, Mr Geoffrey
 Rotheram, Steve
 Ryan, rh Joan
 Salmond, rh Alex
 Saville Roberts, Liz
 Shah, Naz
 Shannon, Jim
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Angela
 Smith, Cat
 Smith, Jeff
 Smith, Nick
 Smith, Owen
 Smyth, Karin
 Spellar, rh Mr John
 Starmer, Keir
 Stephens, Chris
 Stevens, Jo
 Streeting, Wes
 Stringer, Graham
 Stuart, Ms Gisela
 Tami, Mark
 Thewliss, Alison
 Thomas, Mr Gareth
 Thomas-Symonds, Nick
 Thompson, Owen
 Thomson, Michelle
 Thornberry, Emily
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Umunna, Mr Chuka
 Vaz, rh Keith

Vaz, Valerie
 Watson, Mr Tom
 Weir, Mike
 West, Catherine
 Whiteford, Dr Eilidh
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Williams, Hywel
 Williams, Mr Mark
 Wilson, Corri

Wilson, Sammy
 Winterton, rh Ms Rosie
 Wishart, Pete
 Woodcock, John
 Wright, Mr Iain
 Zeichner, Daniel

Tellers for the Noes:
Phil Wilson and
Tom Blenkinsop

Question accordingly agreed to.

Resolved,

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.

The Deputy Speaker put forthwith the Questions necessary to dispose of the motions made in the name of the Chancellor of the Exchequer (Standing Order No. 51(3)).

2. FUTURE TAXATION: RATES OF INCOME TAX

Question put,

That, notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills, any Finance Bill of the present Session may contain provision setting upper limits on the basic, higher and additional rates of income tax which takes effect in a future year.

The House divided: Ayes 329, Noes 67.

Division No. 45]

[7.26 pm

AYES

Adams, Nigel	Blackwood, Nicola
Afriyie, Adam	Blunt, Crispin
Aldous, Peter	Boles, Nick
Allan, Lucy	Bone, Mr Peter
Allen, Heidi	Borwick, Victoria
Amess, Sir David	Bottomley, Sir Peter
Andrew, Stuart	Bradley, Karen
Ansell, Caroline	Brady, Mr Graham
Argar, Edward	Brazier, Mr Julian
Atkins, Victoria	Bridgen, Andrew
Bacon, Mr Richard	Bride, Steve
Baker, Mr Steve	Brokenshire, rh James
Baldwin, Harriett	Bruce, Fiona
Barclay, Stephen	Buckland, Robert
Baron, Mr John	Burns, Conor
Barwell, Gavin	Burns, rh Sir Simon
Bebb, Guto	Burrowes, Mr David
Bellingham, Mr Henry	Burt, rh Alistair
Benyon, Richard	Cairns, Alun
Beresford, Sir Paul	Cameron, rh Mr David
Berry, Jake	Campbell, Mr Gregory
Berry, James	Carmichael, Neil
Bingham, Andrew	Cartlidge, James
Blackman, Bob	Cash, Sir William

Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Mr Christopher
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Cleverly, James
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Colvile, Oliver
 Costa, Alberto
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Byron
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dinenege, Caroline
 Djanogly, Mr Jonathan
 Dodds, rh Mr Nigel
 Donaldson, rh Mr Jeffrey M.
 Donelan, Michelle
 Dorries, Nadine
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Elliott, Tom
 Ellis, Michael
 Ellison, Jane
 Ellwood, Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evans, Graham
 Evans, Mr Nigel
 Evennett, rh Mr David
 Fabricant, Michael
 Fallon, rh Michael
 Fernandes, Suella
 Field, rh Mark
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fuller, Richard
 Gale, Sir Roger
 Garnier, rh Sir Edward
 Garnier, Mark
 Gauke, Mr David
 Ghani, Nusrat
 Gibb, Mr Nick
 Glen, John
 Goldsmith, Zac
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Gray, Mr James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gummer, Ben
 Gyimah, Mr Sam
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matthew
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Hart, Simon
 Haselhurst, rh Sir Alan
 Hayes, rh Mr John
 Heald, Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hermon, Lady
 Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Mr Adam
 Hopkins, Kris
 Howarth, Sir Gerald
 Howell, John
 Howlett, Ben
 Huddleston, Nigel
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 Jackson, Mr Stewart
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, Boris
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Kennedy, Seema
 Kinahan, Danny
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lancaster, Mark
 Latham, Pauline
 Leadsom, Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Leslie, Charlotte
 Letwin, rh Mr Oliver
 Lewis, Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Lilley, rh Mr Peter
 Lopresti, Jack
 Lord, Jonathan
 Loughton, Tim
 Lumley, Karen

Mackinlay, Craig
 Mackintosh, David
 Main, Mrs Anne
 Mak, Mr Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 May, rh Mrs Theresa
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McLoughlin, rh Mr Patrick
 McPartland, Stephen
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Mordaunt, Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mowat, David
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Nokes, Caroline
 Norman, Jesse
 Nuttall, Mr David
 Offord, Dr Matthew
 Opperman, Guy
 Osborne, rh Mr George
 Paisley, Ian
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Phillips, Stephen
 Philp, Chris
 Pickles, rh Sir Eric
 Pincher, Christopher
 Poulter, Dr Daniel
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Mr Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Solloway, Amanda
 Soubry, rh Anna
 Spelman, rh Mrs Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Mr Desmond
 Swire, rh Mr Hugo
 Syms, Mr Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Turner, Mr Andrew
 Tyrie, rh Mr Andrew
 Vaizey, Mr Edward
 Vara, Mr Shailesh
 Villiers, rh Mrs Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, Mr Ben
 Warburton, David
 Warman, Matt
 Watkinson, Dame Angela
 Wharton, James
 Whately, Helen
 Wheeler, Heather
 White, Chris
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williams, Craig
 Williamson, rh Gavin
 Wilson, Mr Rob
 Wilson, Sammy
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, William
 Wright, rh Jeremy
 Zahawi, Nadhim
Tellers for the Ayes:
Simon Kirby and
Sarah Newton

NOES

Abbott, Ms Diane	Lucas, Caroline
Ahmed-Sheikh, Ms Tasmina	MacNeil, Mr Angus Brendan
Arkless, Richard	Mc Nally, John
Bardell, Hannah	McCaig, Callum
Black, Mhairi	McDonald, Stewart
Blackford, Ian	McDonald, Stuart C.
Blackman, Kirsty	McDonnell, Dr Alasdair
Boswell, Philip	McDonnell, John
Brock, Deidre	McGarry, Natalie
Brown, Alan	McLaughlin, Anne
Cameron, Dr Lisa	Monaghan, Carol
Campbell, Mr Ronnie	Monaghan, Dr Paul
Cherry, Joanna	Mullin, Roger
Corbyn, Jeremy	Newlands, Gavin
Cowan, Ronnie	Nicolson, John
Crawley, Angela	O'Hara, Brendan
Day, Martyn	Oswald, Kirsten
Docherty, Martin John	Paterson, Steven
Donaldson, Stuart	Ritchie, Ms Margaret
Durkan, Mark	Robertson, Angus
Edwards, Jonathan	Salmond, rh Alex
Fellows, Marion	Sheppard, Tommy
Ferrier, Margaret	Skinner, Mr Dennis
Gethins, Stephen	Stephens, Chris
Gibson, Patricia	Thewliss, Alison
Godsiff, Mr Roger	Thompson, Owen
Grady, Patrick	Thomson, Michelle
Grant, Peter	Weir, Mike
Gray, Neil	Whiteford, Dr Eilidh
Hendry, Drew	Whitford, Dr Philippa
Hopkins, Kelvin	Wilson, Corri
Hosie, Stewart	Wishart, Pete
Kerevan, George	Tellers for the Noes:
Kerr, Calum	Liz Saville Roberts and
Law, Chris	Hywel Williams

Question accordingly agreed to.

3. INHERITANCE TAX

Question put,

That provision (including provision having retrospective effect) may be made about inheritance tax.

The House divided: Ayes 330, Noes 280.

Division No. 46]

[7.40 pm

AYES

Adams, Nigel	Bingham, Andrew
Afriyie, Adam	Blackman, Bob
Aldous, Peter	Blackwood, Nicola
Allan, Lucy	Blunt, Crispin
Allen, Heidi	Boles, Nick
Amess, Sir David	Bone, Mr Peter
Andrew, Stuart	Borwick, Victoria
Ansell, Caroline	Bottomley, Sir Peter
Argar, Edward	Bradley, Karen
Atkins, Victoria	Brady, Mr Graham
Bacon, Mr Richard	Brazier, Mr Julian
Baker, Mr Steve	Bridgen, Andrew
Baldwin, Harriett	Brine, Steve
Barclay, Stephen	Brokenshire, rh James
Baron, Mr John	Bruce, Fiona
Barwell, Gavin	Buckland, Robert
Bebb, Guto	Burns, Conor
Bellingham, Mr Henry	Burns, rh Sir Simon
Benyon, Richard	Burrowes, Mr David
Beresford, Sir Paul	Burt, rh Alistair
Berry, Jake	Cairns, Alun
Berry, James	Cameron, rh Mr David

Campbell, Mr Gregory	Grant, Mrs Helen
Carmichael, Neil	Gray, Mr James
Cartlidge, James	Grayling, rh Chris
Cash, Sir William	Green, Chris
Caulfield, Maria	Green, rh Damian
Chalk, Alex	Grieve, rh Mr Dominic
Chishti, Rehman	Griffiths, Andrew
Chope, Mr Christopher	Gummer, Ben
Churchill, Jo	Gyimah, Mr Sam
Clark, rh Greg	Halfon, rh Robert
Clarke, rh Mr Kenneth	Hall, Luke
Cleverly, James	Hammond, Stephen
Clifton-Brown, Geoffrey	Hancock, rh Matthew
Coffey, Dr Thérèse	Hands, rh Greg
Collins, Damian	Harper, rh Mr Mark
Colvile, Oliver	Harrington, Richard
Costa, Alberto	Harris, Rebecca
Cox, Mr Geoffrey	Hart, Simon
Crabb, rh Stephen	Haselhurst, rh Sir Alan
Crouch, Tracey	Hayes, rh Mr John
Davies, Byron	Heald, Sir Oliver
Davies, Chris	Heapey, James
Davies, David T. C.	Heaton-Harris, Chris
Davies, Glyn	Heaton-Jones, Peter
Davies, Mims	Henderson, Gordon
Davies, Philip	Herbert, rh Nick
Davis, rh Mr David	Hermon, Lady
Dinenage, Caroline	Hinds, Damian
Djanogly, Mr Jonathan	Hoare, Simon
Dodds, rh Mr Nigel	Hollingbery, George
Donaldson, rh Mr Jeffrey M.	Hollinrake, Kevin
Donelan, Michelle	Hollobone, Mr Philip
Dorries, Nadine	Holloway, Mr Adam
Double, Steve	Hopkins, Kris
Dowden, Oliver	Howarth, Sir Gerald
Doyle-Price, Jackie	Howell, John
Drax, Richard	Howlett, Ben
Drummond, Mrs Flick	Huddleston, Nigel
Duncan, rh Sir Alan	Hunt, rh Mr Jeremy
Duncan Smith, rh Mr Iain	Hurd, Mr Nick
Dunne, Mr Philip	Jackson, Mr Stewart
Elliott, Tom	James, Margot
Ellis, Michael	Javid, rh Sajid
Ellison, Jane	Jayawardena, Mr Ranil
Ellwood, Mr Tobias	Jenkin, Mr Bernard
Elphicke, Charlie	Jenkyns, Andrea
Eustice, George	Jenrick, Robert
Evans, Graham	Johnson, Boris
Evans, Mr Nigel	Johnson, Gareth
Evennett, rh Mr David	Johnson, Joseph
Fabricant, Michael	Jones, Andrew
Fallon, rh Michael	Jones, rh Mr David
Fernandes, Suella	Jones, Mr Marcus
Field, rh Mark	Kawczynski, Daniel
Foster, Kevin	Kennedy, Seema
Fox, rh Dr Liam	Kinahan, Danny
Francois, rh Mr Mark	Knight, rh Sir Greg
Frazer, Lucy	Knight, Julian
Freeman, George	Kwarteng, Kwasi
Freer, Mike	Lancaster, Mark
Fuller, Richard	Latham, Pauline
Gale, Sir Roger	Leadsom, Andrea
Garnier, rh Sir Edward	Lee, Dr Phillip
Garnier, Mark	Lefroy, Jeremy
Gauke, Mr David	Leigh, Sir Edward
Ghani, Nusrat	Leslie, Charlotte
Gibb, Mr Nick	Letwin, rh Mr Oliver
Glen, John	Lewis, Brandon
Goldsmith, Zac	Lewis, rh Dr Julian
Goodwill, Mr Robert	Liddell-Grainger, Mr Ian
Gove, rh Michael	Lidington, rh Mr David
Graham, Richard	Lilley, rh Mr Peter

Lopresti, Jack
 Lord, Jonathan
 Loughton, Tim
 Lumley, Karen
 Mackinlay, Craig
 Mackintosh, David
 Main, Mrs Anne
 Mak, Mr Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 May, rh Mrs Theresa
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McLoughlin, rh Mr Patrick
 McPartland, Stephen
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Mordaunt, Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mowat, David
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Nokes, Caroline
 Norman, Jesse
 Nuttall, Mr David
 Offord, Dr Matthew
 Opperman, Guy
 Osborne, rh Mr George
 Paisley, Ian
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Phillips, Stephen
 Philp, Chris
 Pickles, rh Sir Eric
 Pincher, Christopher
 Poulter, Dr Daniel
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Mr Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Solloway, Amanda
 Soubry, rh Anna
 Spelman, rh Mrs Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Mr Desmond
 Swire, rh Mr Hugo
 Syms, Mr Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Turner, Mr Andrew
 Tyrie, rh Mr Andrew
 Vaizey, Mr Edward
 Vara, Mr Shailesh
 Villiers, rh Mrs Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, Mr Ben
 Warburton, David
 Warman, Matt
 Watkinson, Dame Angela
 Wharton, James
 Whately, Helen
 Wheeler, Heather
 White, Chris
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williams, Craig
 Williamson, rh Gavin
 Wilson, Mr Rob
 Wilson, Sammy
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Ayes:

**Simon Kirby and
 Sarah Newton**

NOES

Abbott, Ms Diane
 Abrahams, Debbie
 Ahmed-Sheikh, Ms Tasmina
 Alexander, Heidi
 Ali, Rushanara
 Allen, Mr Graham
 Anderson, Mr David
 Arkless, Richard
 Ashworth, Jonathan
 Austin, Ian
 Bailey, Mr Adrian
 Bardell, Hannah
 Barron, rh Kevin
 Beckett, rh Margaret
 Betts, Mr Clive
 Black, Mhairi
 Blackford, Ian
 Blackman, Kirsty
 Blackman-Woods, Dr Roberta
 Blomfield, Paul
 Boswell, Philip
 Bradshaw, rh Mr Ben
 Brake, rh Tom
 Brennan, Kevin
 Brock, Deidre
 Brown, Alan
 Brown, Lyn
 Brown, rh Mr Nicholas
 Buck, Ms Karen
 Burden, Richard
 Burgon, Richard
 Burnham, rh Andy
 Butler, Dawn
 Byrne, rh Liam
 Cadbury, Ruth
 Cameron, Dr Lisa
 Campbell, rh Mr Alan
 Campbell, Mr Ronnie
 Carmichael, rh Mr Alistair
 Champion, Sarah
 Chapman, Jenny
 Cherry, Joanna
 Clwyd, rh Ann
 Coaker, Vernon
 Coffey, Ann
 Cooper, Julie
 Cooper, Rosie
 Cooper, rh Yvette
 Corbyn, Jeremy
 Cowan, Ronnie
 Coyle, Neil
 Crausby, Mr David
 Crawley, Angela
 Creagh, Mary
 Creasy, Stella
 Cruddas, Jon
 Cummins, Judith
 Cunningham, Mr Jim
 Dakin, Nic
 Danczuk, Simon
 David, Wayne
 Davies, Geraint
 Day, Martyn
 De Piero, Gloria
 Docherty, Martin John
 Donaldson, Stuart
 Doughty, Stephen
 Dowd, Jim
 Dowd, Peter
 Dromey, Jack
 Dugher, Michael
 Durkan, Mark
 Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Ellman, Mrs Louise
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul
 Farron, Tim
 Fellows, Marion
 Ferrier, Margaret
 Field, rh Frank
 Ffello, Robert
 Fletcher, Colleen
 Flint, rh Caroline
 Flynn, Paul
 Fovargue, Yvonne
 Foxcroft, Vicky
 Gapes, Mike
 Gethins, Stephen
 Gibson, Patricia
 Glass, Pat
 Glindon, Mary
 Godsiff, Mr Roger
 Goodman, Helen
 Grady, Patrick
 Grant, Peter
 Gray, Neil
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia
 Gwynne, Andrew
 Haigh, Louise
 Hanson, rh Mr David
 Harman, rh Ms Harriet
 Harpham, Harry
 Harris, Carolyn
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hendrick, Mr Mark
 Hendry, Drew
 Hepburn, Mr Stephen
 Hillier, Meg
 Hodge, rh Margaret
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Hosie, Stewart
 Howarth, rh Mr George
 Hunt, Tristram
 Huq, Dr Rupa
 Hussain, Imran
 Irranca-Davies, Huw
 Jarvis, Dan
 Johnson, rh Alan
 Johnson, Diana
 Jones, Gerald
 Jones, Graham
 Jones, Helen
 Jones, Mr Kevan
 Jones, Susan Elan
 Kane, Mike
 Kaufman, rh Sir Gerald
 Keeley, Barbara
 Kendall, Liz
 Kerevan, George

Kerr, Calum
 Khan, rh Sadiq
 Kinnock, Stephen
 Kyle, Peter
 Lamb, rh Norman
 Lammy, rh Mr David
 Lavery, Ian
 Law, Chris
 Leslie, Chris
 Lewell-Buck, Mrs Emma
 Lewis, Clive
 Lewis, Mr Ivan
 Long Bailey, Rebecca
 Lucas, Caroline
 Lucas, Ian C.
 MacNeil, Mr Angus Brendan
 MacTaggart, rh Fiona
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marris, Rob
 Marsden, Mr Gordon
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCabe, Steve
 McCaig, Callum
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stewart
 McDonald, Stuart C.
 McDonnell, Dr Alasdair
 McDonnell, John
 McFadden, rh Mr Pat
 McGarry, Natalie
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McLaughlin, Anne
 Meacher, rh Mr Michael
 Meale, Sir Alan
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 Monaghan, Dr Paul
 Moon, Mrs Madeleine
 Morden, Jessica
 Morris, Grahame M.
 Mulholland, Greg
 Mullin, Roger
 Murray, Ian
 Newlands, Gavin
 Nicolson, John
 O'Hara, Brendan
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Oswald, Kirsten
 Owen, Albert
 Paterson, Steven
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Pound, Stephen
 Powell, Lucy
 Pugh, John

Qureshi, Yasmin
 Rayner, Angela
 Reed, Mr Jamie
 Reed, Mr Steve
 Rees, Christina
 Reynolds, Emma
 Reynolds, Jonathan
 Rimmer, Marie
 Ritchie, Ms Margaret
 Robertson, Angus
 Robinson, Mr Geoffrey
 Rotheram, Steve
 Ryan, rh Joan
 Salmond, rh Alex
 Saville Roberts, Liz
 Shah, Naz
 Sharma, Mr Virendra
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Angela
 Smith, Cat
 Smith, Jeff
 Smith, Nick
 Smith, Owen
 Smyth, Karin
 Spellar, rh Mr John
 Starmer, Keir
 Stephens, Chris
 Stevens, Jo
 Streeting, Wes
 Stringer, Graham
 Stuart, Ms Gisela
 Tami, Mark
 Thewliss, Alison
 Thomas, Mr Gareth
 Thomas-Symonds, Nick
 Thompson, Owen
 Thomson, Michelle
 Thornberry, Emily
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Umunna, Mr Chuka
 Vaz, rh Keith
 Vaz, Valerie
 Watson, Mr Tom
 Weir, Mike
 West, Catherine
 Whiteford, Dr Eilidh
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Williams, Hywel
 Williams, Mr Mark
 Wilson, Corri
 Winterton, rh Ms Rosie
 Wishart, Pete
 Woodcock, John
 Wright, Mr Iain
 Zeichner, Daniel

Tellers for the Noes:
 Phil Wilson and
 Tom Blenkinsop

Question accordingly agreed to.

4. BANKING COMPANIES (SURCHARGE)

Resolved,

That provision may be made for and in connection with a new charge on the profits of banks and certain other companies.

5. CONTROLLED FOREIGN COMPANIES

Resolved,

That provision may be made amending Part 9A of the Taxation (International and Other Provisions) Act 2010.

6. COMPENSATION PAYMENTS

Resolved,

That provision may be made for and in connection with restricting the deductions that may be made by companies in respect of certain expenditure incurred for purposes connected with compensation.

7. PENSIONS

Resolved,

That provision (including provision having retrospective effect) may be made in connection with the taxation of pensions.

8. ENTERPRISE INVESTMENT SCHEME

Resolved,

That provision (including provision having retrospective effect) may be made about the enterprise investment scheme.

9. VENTURE CAPITAL TRUSTS

Resolved,

That provision (including provision having retrospective effect) may be made about venture capital trusts.

10. MEANING OF "FARMING" AND RELATED EXPRESSIONS

Resolved,

That provision may be made amending section 996 of the Income Tax Act 2007 (meaning of "farming" and related expressions in the Income Tax Acts).

11. EXPENDITURE ON RESEARCH AND DEVELOPMENT

Resolved,

That provision may be made amending, or making amendments connected with, Chapter 6A of Part 3 of the Corporation Tax Act 2009.

12. LOAN RELATIONSHIPS AND DERIVATIVE CONTRACTS

Resolved,

That provision may be made amending Parts 5,6 and 7 of the Corporation Tax Act 2009 and section 151E of the Taxation of Chargeable Gains Act 1992.

13. INTANGIBLE FIXED ASSETS*Resolved,*

That provision may be made amending Part 8 of the Corporation Tax Act 2009.

14. INVESTMENT COMPANIES: CURRENCY TO BE USED IN CORPORATION TAX CALCULATIONS*Resolved,*

That provision may be made amending Chapter 4 of Part 2 of the Corporation Tax Act 2010.

15. GROUP RELIEF*Resolved,*

That—

(1) In section 133 of the Corporation Tax Act 2010 (claims for group relief: consortium conditions 2 and 3)—

(a) in subsection (1)—

- (i) at the end of paragraph (e) insert “and”, and
- (ii) omit paragraph (g) and the “and” before it,

(b) in subsection (2)—

- (i) at the end of paragraph (e) insert “and”, and
- (ii) omit paragraph (g) and the “and” before it, and

(c) omit subsections (5) to (8).

(2) Accordingly—

(a) in section 129(2) of the Corporation Tax Act 2010 for “134A” substitute “134”,

(b) in section 130(2) of that Act—

- (i) in paragraph (c), for “and (3) to (8)” substitute “, (3) and (4)”, and
- (ii) in paragraph (d), for “(8)” substitute “(4)”,

(c) omit section 134A of that Act, and

(d) in Schedule 6 to the Finance (No. 3) Act 2010, omit paragraphs 4(4) and 5.

(3) The amendments made by this Resolution have effect in relation to accounting periods beginning on or after 10 December 2014.

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

16. TAX AVOIDANCE INVOLVING CARRIED-FORWARD LOSSES*Resolved,*

That provision may be made amending Part 14B of the Corporation Tax Act 2010 for purposes relating to controlled foreign companies.

17. TRADE PROFITS*Resolved,*

That provision may be made amending Chapters 11A and 12 of Part 2 of the Income Tax (Trading and Other Income) Act 2005 and Chapters 10 and 11 of Part 3 of the Corporation Tax Act 2009.

18. CARRIED INTEREST AND DISGUISED INVESTMENT MANAGEMENT FEES*Resolved,*

That provision may be made about sums arising to individuals who perform investment management services.

19. INSURANCE PREMIUM TAX (STANDARD RATE)*Resolved,*

That—

(1) In section 51(2)(b) of the Finance Act 1994 (standard rate of insurance premium tax), for “6 per cent” substitute “9.5 per cent”.

(2) The amendment made by paragraph (1) has effect in relation to a premium falling to be regarded for the purposes of Part 3 of the Finance Act 1994 as received under a taxable insurance contract by an insurer on or after 1 November 2015.

(3) The amendment made by paragraph (1) does not have effect in relation to a premium which—

(a) is in respect of a contract made before 1 November 2015, and

(b) falls to be regarded for the purposes of Part 3 of the Finance Act 1994 as received under the contract by the insurer before 1 March 2016 by virtue of regulations under section 68 of that Act (special accounting schemes).

(4) Paragraph (3) does not apply in relation to a premium which—

(a) is an additional premium under a contract,

(b) falls to be regarded for the purposes of Part 3 of the Finance Act 1994 as received under the contract by the insurer on or after 1 November 2015 by virtue of regulations under section 68 of that Act, and

(c) is in respect of a risk which was not covered by the contract before that date.

(5) In the application of sections 67A to 67C of the Finance Act 1994 (announced increase in rate) in relation to the increase made by this Resolution—

(a) the announcement for the purposes of sections 67A(1) and 67B(1) is to be taken to have been made on 8 July 2015,

(b) the date of the change is 1 November 2015, and

(c) the concessionary date is 1 March 2016.

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

20. AGGREGATES LEVY: RESTORATION OF EXEMPTIONS*Resolved,*

That—

(1) The provisions of Part 2 of the Finance Act 2001 (aggregates levy) that were amended or repealed by section 94 of the Finance Act 2014 (removal of certain exemptions) have effect at times on or after 1 August 2015 as if the amendments and repeals made by that section had not been made.

(2) Accordingly, section 94 of the Finance Act 2014 is repealed.

(3) Part 2 of the Finance Act 2001, as amended by paragraph (1), is further amended in accordance with paragraphs (4) and (5).

(4) In section 17 (meaning of “aggregate” and “taxable aggregate”), in each of subsections (3)(f) and (4)(a)—

(a) after “lignite,” insert “or”, and

(b) omit “or shale”.

(5) In section 18(2) (meaning of “exempt process”), after paragraph (c) insert—

“(ca) in the case of aggregate consisting of shale, any process consisting of a use of the shale that—

(i) is not a use of it as material or support in the construction or improvement of any structure, and

(ii) is not mixing it with anything as part of the process of producing mortar, concrete, tarmacadam, coated roadstone or any similar construction material.”

(6) The repeal of section 94 of the Finance Act 2014, and the amendments made by paragraphs (3) to (5), come into force on 1 August 2015.

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

21. CLIMATE CHANGE LEVY: REMOVAL OF EXEMPTION FOR ELECTRICITY FROM RENEWABLE SOURCES

Question put,

That in paragraph 19 of Schedule 6 to the Finance Act 2000 (climate change levy: exemption for electricity from renewable sources), in sub-paragraph (3), before paragraph (a) insert—

“(za) it is generated before 1 August 2015;”.

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

The House divided: Ayes 325, Noes 77.

Division No. 47]

[7.53 pm

AYES

Adams, Nigel	Cameron, rh Mr David
Afriyie, Adam	Campbell, Mr Gregory
Aldous, Peter	Carmichael, Neil
Allan, Lucy	Cartledge, James
Allen, Heidi	Cash, Sir William
Amess, Sir David	Caulfield, Maria
Andrew, Stuart	Chalk, Alex
Ansell, Caroline	Chishti, Rehman
Argar, Edward	Chope, Mr Christopher
Atkins, Victoria	Churchill, Jo
Bacon, Mr Richard	Clark, rh Greg
Baker, Mr Steve	Clarke, rh Mr Kenneth
Baldwin, Harriett	Cleverly, James
Barclay, Stephen	Clifton-Brown, Geoffrey
Baron, Mr John	Coffey, Dr Thérèse
Barwell, Gavin	Collins, Damian
Bebb, Guto	Colvile, Oliver
Bellingham, Mr Henry	Costa, Alberto
Benyon, Richard	Cox, Mr Geoffrey
Beresford, Sir Paul	Crabb, rh Stephen
Berry, Jake	Crouch, Tracey
Berry, James	Davies, Byron
Bingham, Andrew	Davies, Chris
Blackman, Bob	Davies, David T. C.
Blackwood, Nicola	Davies, Glyn
Blunt, Crispin	Davies, Mims
Boles, Nick	Davies, Philip
Bone, Mr Peter	Davis, rh Mr David
Borwick, Victoria	Dinenage, Caroline
Bottomley, Sir Peter	Djanogly, Mr Jonathan
Bradley, Karen	Dodds, rh Mr Nigel
Brady, Mr Graham	Donaldson, rh Mr Jeffrey M.
Brazier, Mr Julian	Donelan, Michelle
Bridgen, Andrew	Dorries, Nadine
Brine, Steve	Double, Steve
Brokenshire, rh James	Dowden, Oliver
Bruce, Fiona	Doyle-Price, Jackie
Buckland, Robert	Drax, Richard
Burns, Conor	Drummond, Mrs Flick
Burns, rh Sir Simon	Duncan, rh Sir Alan
Burrowes, Mr David	Duncan Smith, rh Mr Iain
Burt, rh Alistair	Dunne, Mr Philip
Cairns, Alun	Ellis, Michael
	Ellison, Jane

Ellwood, Mr Tobias	Jayawardena, Mr Ranil
Elphicke, Charlie	Jenkin, Mr Bernard
Eustice, George	Jenkyins, Andrea
Evans, Graham	Jenrick, Robert
Evans, Mr Nigel	Johnson, Boris
Evennett, rh Mr David	Johnson, Gareth
Fabricant, Michael	Johnson, Joseph
Fallon, rh Michael	Jones, Andrew
Fernandes, Suella	Jones, rh Mr David
Field, rh Mark	Jones, Mr Marcus
Foster, Kevin	Kawczynski, Daniel
Fox, rh Dr Liam	Kennedy, Seema
Francois, rh Mr Mark	Knight, rh Sir Greg
Frazer, Lucy	Knight, Julian
Freeman, George	Kwarteng, Kwasi
Freer, Mike	Lancaster, Mark
Fuller, Richard	Latham, Pauline
Gale, Sir Roger	Leadsom, Andrea
Garnier, rh Sir Edward	Lee, Dr Phillip
Garnier, Mark	Lefroy, Jeremy
Gauke, Mr David	Leigh, Sir Edward
Ghani, Nusrat	Leslie, Charlotte
Gibb, Mr Nick	Letwin, rh Mr Oliver
Glen, John	Lewis, Brandon
Goldsmith, Zac	Lewis, rh Dr Julian
Goodwill, Mr Robert	Liddell-Grainger, Mr Ian
Gove, rh Michael	Lidington, rh Mr David
Graham, Richard	Lilley, rh Mr Peter
Grant, Mrs Helen	Lopresti, Jack
Gray, Mr James	Lord, Jonathan
Grayling, rh Chris	Loughton, Tim
Green, Chris	Lumley, Karen
Green, rh Damian	Mackinlay, Craig
Grieve, rh Mr Dominic	Mackintosh, David
Griffiths, Andrew	Main, Mrs Anne
Gummer, Ben	Mak, Mr Alan
Gyimah, Mr Sam	Malthouse, Kit
Halfon, rh Robert	Mann, Scott
Hall, Luke	Mathias, Dr Tania
Hammond, Stephen	May, rh Mrs Theresa
Hancock, rh Matthew	Maynard, Paul
Hands, rh Greg	McCartney, Jason
Harper, rh Mr Mark	McCartney, Karl
Harrington, Richard	McLoughlin, rh Mr Patrick
Harris, Rebecca	McPartland, Stephen
Hart, Simon	Menzies, Mark
Haselhurst, rh Sir Alan	Mercer, Johnny
Hayes, rh Mr John	Merriman, Huw
Heald, Sir Oliver	Metcalfe, Stephen
Heapey, James	Miller, rh Mrs Maria
Heaton-Harris, Chris	Milling, Amanda
Heaton-Jones, Peter	Mills, Nigel
Henderson, Gordon	Milton, rh Anne
Herbert, rh Nick	Mitchell, rh Mr Andrew
Hinds, Damian	Mordaunt, Penny
Hoare, Simon	Morris, Anne Marie
Hollingbery, George	Morris, David
Hollinrake, Kevin	Morris, James
Hollobone, Mr Philip	Morton, Wendy
Holloway, Mr Adam	Mowat, David
Hopkins, Kris	Mundell, rh David
Howarth, Sir Gerald	Murray, Mrs Sheryll
Howell, John	Murrison, Dr Andrew
Howlett, Ben	Neill, Robert
Huddleston, Nigel	Nokes, Caroline
Hunt, rh Mr Jeremy	Norman, Jesse
Hurd, Mr Nick	Nuttall, Mr David
Jackson, Mr Stewart	Offord, Dr Matthew
James, Margot	Opperman, Guy
Javid, rh Sajid	Osborne, rh Mr George
	Paisley, Ian
	Parish, Neil

Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Phillips, Stephen
 Philp, Chris
 Pickles, rh Sir Eric
 Pincher, Christopher
 Poulter, Dr Daniel
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Mr Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, Julian
 Smith, Royston
 Solloway, Amanda
 Soubry, rh Anna
 Spelman, rh Mrs Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory

Streeter, Mr Gary
 Stride, Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Mr Desmond
 Swire, rh Mr Hugo
 Syms, Mr Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Turner, Mr Andrew
 Tyrie, rh Mr Andrew
 Vaizey, Mr Edward
 Vara, Mr Shailesh
 Villiers, rh Mrs Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, Mr Ben
 Warburton, David
 Warman, Matt
 Watkinson, Dame Angela
 Wharton, James
 Whately, Helen
 Wheeler, Heather
 White, Chris
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggin, Bill
 Williams, Craig
 Williamson, rh Gavin
 Wilson, Mr Rob
 Wilson, Sammy
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Ayes:
 Simon Kirby and
 Sarah Newton

NOES

Ahmed-Sheikh, Ms Tasmina
 Arkless, Richard
 Bardell, Hannah
 Black, Mhairi
 Blackford, Ian
 Blackman, Kirsty
 Boswell, Philip
 Brake, rh Tom
 Brock, Deidre
 Brown, Alan
 Cameron, Dr Lisa
 Campbell, Mr Ronnie
 Carmichael, rh Mr Alistair
 Cherry, Joanna
 Corbyn, Jeremy
 Cowan, Ronnie
 Crawley, Angela

Day, Martyn
 Docherty, Martin John
 Donaldson, Stuart
 Durkan, Mark
 Elliott, Tom
 Farron, Tim
 Fellows, Marion
 Ferrier, Margaret
 Gethins, Stephen
 Gibson, Patricia
 Godsiff, Mr Roger
 Grady, Patrick
 Grant, Peter
 Gray, Neil
 Hendry, Drew
 Hermon, Lady
 Hopkins, Kelvin

Hosie, Stewart
 Kerevan, George
 Kerr, Calum
 Kinahan, Danny
 Lamb, rh Norman
 Law, Chris
 Lucas, Caroline
 MacNeil, Mr Angus Brendan
 Mc Nally, John
 McCaig, Callum
 McDonald, Stewart
 McDonald, Stuart C.
 McDonnell, Dr Alasdair
 McDonnell, John
 McGarry, Natalie
 McLaughlin, Anne
 Monaghan, Carol
 Monaghan, Dr Paul
 Mulholland, Greg
 Mullin, Roger
 Newlands, Gavin
 Nicolson, John
 O'Hara, Brendan

Oswald, Kirsten
 Paterson, Steven
 Pugh, John
 Ritchie, Ms Margaret
 Robertson, Angus
 Salmond, rh Alex
 Saville Roberts, Liz
 Sheppard, Tommy
 Skinner, Mr Dennis
 Stephens, Chris
 Thewliss, Alison
 Thompson, Owen
 Thomson, Michelle
 Weir, Mike
 Whiteford, Dr Eilidh
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Williams, Mr Mark
 Wilson, Corri
 Wishart, Pete

Tellers for the Noes:
 Hywel Williams and
 Jonathan Edwards

Question accordingly agreed to.

22. RELIEF FROM TAX (INCIDENTAL AND CONSEQUENTIAL CHARGES)

Resolved,

That it is expedient to authorise any incidental or consequential charges to any duty or tax (including charges having retrospective effect) that may arise from provisions designed in general to afford relief from taxation.

23. FUTURE TAXATION: OTHER

Question put,

That, notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills, any Finance Bill of the present Session may contain the following provisions taking effect in a future year—

- (a) provision about the personal allowance for the purposes of income tax,
- (b) provision about the basic rate limit for the purposes of income tax,
- (c) provision about the rate of corporation tax for the financial years 2017, 2018, 2019 and 2020,
- (d) provision about inheritance tax,
- (e) provision in connection with the taxation of pensions,
- (f) provision for the purposes of income tax about finance-related expenses in connection with property businesses,
- (g) provision about the tax treatment of travel expenses of members of local authorities and bodies with similar or related functions or purposes, and
- (h) provision about vehicle excise duty in respect of light passenger vehicles.

The House divided: Ayes 327, Noes 6.

Division No. 48]

[8.5 pm

AYES

Adams, Nigel
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Amess, Sir David

Andrew, Stuart
 Ansell, Caroline
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Baker, Mr Steve

Baldwin, Harriett
 Barclay, Stephen
 Baron, Mr John
 Barwell, Gavin
 Bebb, Guto
 Bellingham, Mr Henry
 Benyon, Richard
 Beresford, Sir Paul
 Berry, Jake
 Berry, James
 Bingham, Andrew
 Blackman, Bob
 Blackwood, Nicola
 Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Borwick, Victoria
 Bottomley, Sir Peter
 Bradley, Karen
 Brady, Mr Graham
 Brazier, Mr Julian
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burns, Conor
 Burns, rh Sir Simon
 Burrowes, Mr David
 Burt, rh Alistair
 Cairns, Alun
 Cameron, rh Mr David
 Campbell, Mr Gregory
 Carmichael, Neil
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Mr Christopher
 Churchill, Jo
 Clark, rh Greg
 Clarke, rh Mr Kenneth
 Cleverly, James
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Colvile, Oliver
 Costa, Alberto
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Byron
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Dodds, rh Mr Nigel
 Donaldson, rh Mr Jeffrey M.
 Donelan, Michelle
 Dorries, Nadine
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain

Dunne, Mr Philip
 Elliott, Tom
 Ellis, Michael
 Ellison, Jane
 Ellwood, Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evans, Graham
 Evans, Mr Nigel
 Evennett, rh Mr David
 Fabricant, Michael
 Fallon, rh Michael
 Fernandes, Suella
 Field, rh Mark
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fuller, Richard
 Gale, Sir Roger
 Garnier, rh Sir Edward
 Garnier, Mark
 Gauke, Mr David
 Ghani, Nusrat
 Gibb, Mr Nick
 Glen, John
 Goldsmith, Zac
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Gray, Mr James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gummer, Ben
 Gyimah, Mr Sam
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matthew
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Hart, Simon
 Haselhurst, rh Sir Alan
 Hayes, rh Mr John
 Heald, Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hermon, Lady
 Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Mr Adam
 Hopkins, Kris
 Howarth, Sir Gerald
 Howell, John
 Howlett, Ben
 Huddleston, Nigel
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick

Jackson, Mr Stewart
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, Boris
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kaufman, rh Sir Gerald
 Kawczynski, Daniel
 Kennedy, Seema
 Kinahan, Danny
 Kirby, Simon
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lancaster, Mark
 Latham, Pauline
 Leadsom, Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leslie, Charlotte
 Letwin, rh Mr Oliver
 Lewis, Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Lilley, rh Mr Peter
 Lopresti, Jack
 Lord, Jonathan
 Loughton, Tim
 Lumley, Karen
 Mackinlay, Craig
 Mackintosh, David
 Main, Mrs Anne
 Mak, Mr Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 May, rh Mrs Theresa
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McLoughlin, rh Mr Patrick
 McPartland, Stephen
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Mordaunt, Penny
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mowat, David
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Nokes, Caroline
 Norman, Jesse
 Nuttall, Mr David

Offord, Dr Matthew
 Opperman, Guy
 Osborne, rh Mr George
 Paisley, Ian
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Phillips, Stephen
 Philip, Chris
 Pickles, rh Sir Eric
 Pincher, Christopher
 Poulter, Dr Daniel
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Mr Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, Julian
 Smith, Royston
 Solloway, Amanda
 Soubry, rh Anna
 Spelman, rh Mrs Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Mr Desmond
 Swire, rh Mr Hugo
 Syms, Mr Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth

Tugendhat, Tom
Turner, Mr Andrew
Tyrie, rh Mr Andrew
Vaizey, Mr Edward
Vara, Mr Shailesh
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Warburton, David
Warman, Matt
Watkinson, Dame Angela
Wharton, James
Whately, Helen
Wheeler, Heather
White, Chris

Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williams, Craig
Williamson, rh Gavin
Wilson, Mr Rob
Wilson, Sammy
Wollaston, Dr Sarah
Wood, Mike
Wragg, William
Wright, rh Jeremy
Zahawi, Nadhim

Tellers for the Ayes:
Mel Stride and
Sarah Newton

NOES

Carmichael, rh Mr Alistair
Lamb, rh Norman
Lucas, Caroline
Mulholland, Greg
Pugh, John

Williams, Mr Mark

Tellers for the Noes:
Tom Brake and
Tim Farron

Question accordingly agreed to.

24. INTERNATIONAL AGREEMENTS

Resolved,

That, notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills, any Finance Bill of the present Session may make provision for the purpose of enabling effect to be given to international agreements relating to international tax compliance which are entered into by the Government of the United Kingdom.

Ordered,

That a Bill be brought in upon the foregoing Resolutions;

That the Chairman of Ways and Means, The Prime Minister, Mr Chancellor of the Exchequer, Mr Secretary Duncan Smith, Secretary Sajid Javid, Secretary Greg Clark, Greg Hands, Mr David Gauke, Damian Hinds and Harriett Baldwin bring in the Bill.

FINANCE BILL

Presentation and First Reading

Mr David Gauke accordingly present a Bill to grant certain duties, to alter other duties and to amend the law relating to the National Debt and the Public Revenue, and to make further provision in connection with finance.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 57).

ESTIMATES 2015-16

Resolved,

That, for the year ending with 31 March 2016:

(1) further resources, not exceeding £280,539,473,000 be authorised for use for current purposes as set out in HC 215, HC 219, HC 172, HC 176, HC 298 and HC 186,

(2) further resources, not exceeding £26,276,672,000 be authorised for use for capital purposes as so set out, and

(3) a further sum, not exceeding £258,225,975,000 be granted to Her Majesty to be issued by the Treasury out of the Consolidated Fund and applied for expenditure on the use of resources authorised by Parliament.—(Mr. Gauke.)

Ordered,

That a Bill be brought in upon the foregoing Resolutions:

That the Chairman of Ways and Means, Mr Chancellor of the Exchequer, Greg Hands, Mr David Gauke, Harriett Baldwin and Damian Hinds bring in the Bill.

SUPPLY AND APPROPRIATION (MAIN ESTIMATES) BILL

Presentation and First Reading

Mr David Gauke accordingly presented a Bill to authorise the use of resources for the year ending with 31 March 2016; to authorise both the issue of sums out of the Consolidated Fund and the application of income for that year; and to appropriate the supply authorised for that year by this Act and by the Supply and Appropriation (Anticipation and Adjustments) Act 2015.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 56).

Thomas Cook: Christi and Bobby Shepherd

Motion made, and Question proposed, That this House do now adjourn.—(Stephen Barclay.)

8.18 pm

Mary Creagh (Wakefield) (Lab): The subjects of tonight's debate are known to everyone in this country, their faces familiar from the iconic Horbury School photograph. Big sister Christi in plaits, with her little brother Bobby smiling at the school photographer; one of millions of school pictures treasured by parents, grandparents, family and friends. This photo is extra special. It is different because those children will have no more photos, no weddings, no 18th or 21st birthdays, no more laughter, no more tears. They have never met their four younger brothers and their little sister. Christi and Bobby are dead. That school photo has become a symbol—a symbol of their parents' long, difficult and arduous fight for justice. It has become a symbol too of the cold-hearted indifference of Thomas Cook and of this Government to ordinary people who find themselves in extraordinarily difficult circumstances.

Tonight we debate the saddest of subjects, the tragic deaths of Christianne and Robert Shepherd from Horbury near Wakefield. They were just seven and six years old when they died from carbon monoxide poisoning from a faulty boiler on a Thomas Cook holiday in Corfu in October 2006. I know, Madam Deputy Speaker, that you and the whole House will wish to join with me in putting on record our deepest condolences to their family and friends.

Sharon Wood and Neil Shepherd, the children's parents, and their partners Paul Wood and Ruth Shepherd, have shown an unwavering commitment to get to the truth. Their greatest wish is that no other family should suffer a tragedy like theirs. Theirs is a tale that will fill any thinking person with horror. The police knock on the door. At first, the mystery of how the children had died. The press speculation that Neil had somehow carried out a murder/suicide. Neil and Ruth awaking in Corfu after days in a coma to discover that the children were dead. Sharon and Paul taking their own photographs of the room where the children died. Visiting Christi and Bobby in the chapel of rest and finding them dressed in other children's clothes. Bringing the children home in their coffins, on a plane packed with holidaymakers. The press intrusion.

After the children's deaths, the family were forced to wait years before the criminal trial was held in Greece. The Foreign Office, under a Labour Government, gave them no advice and did not tell them they could get a daily attendance allowance from the Greek courts. That caused the family grave financial hardship. They had to remortgage their homes to pay for expensive out-of-season flights and accommodation. On several occasions they flew out, only to discover that the case had been suspended or postponed. They struggled to follow the court case as it was conducted in Greek.

In 2010, the court in Corfu found three hotel workers, including the hotel's general manager, guilty of manslaughter by negligence. They were sentenced to seven years in prison, but those sentences were reduced

on appeal to a three-year suspended sentence. Throughout the process, Thomas Cook refused to apologise to or meet the family.

In February 2014, eight years after Christi and Bobby's deaths, the inquest into their deaths reopened in Wakefield, yet the family faced another battle. The Government refused them legal aid, saying that their case was not in the wider public interest. The Government expected the bereaved parents to cross-examine witnesses after sitting through the harrowing details of how their children had died. Thomas Cook, of course, would have had some very good lawyers. Those lawyers made a bid to prevent the inquest from even taking place and requested that it should take place without a jury. Thankfully, David Hinchliff, the coroner, dismissed that request.

I want to put on record my thanks to the *Wakefield Express* newspaper. Its #TimeForTheTruth petition to grant the family legal aid was signed by 4,500 people in Wakefield. The then editor, Mark Bradley, Gavin Murray and the *Express* team have supported the parents' fight for justice with great passion, as have the people of Wakefield.

Research by my office revealed that at least 43 holiday-makers died of carbon monoxide poisoning in Europe in the years since Christi and Bobby died. I raised the issue at Prime Minister's questions, the Prime Minister met the parents, and legal aid was finally granted in April 2014. I am grateful to the Under-Secretary of State for Justice, the hon. Member for North West Cambridgeshire (Mr Vara), for his help in that matter, but the parents should never have been put in that position.

The inquest into the children's deaths opened in April this year. I sat with Sharon and Neil and Paul and Ruth at the start and close of the inquest. I saw how hard it was for them to hear how and why their children had died, overcome by fumes from a faulty water heater that had been botched and bodged.

Michael Tomlinson (Mid Dorset and North Poole) (Con): Six months almost to the day before Bobby and Christi Shepherd were killed, my brother Edward was killed by carbon monoxide poisoning while abroad, so I am doubly grateful to the hon. Lady that this debate has been secured. Does she agree with me that having devices such as an audible CO alarm would be a concrete way to help to ensure that Edward Tomlinson's family, the Shepherd family and other families never have to go through this again?

Mary Creagh: I begin by expressing my deepest condolences to the hon. Gentleman. I had no idea until he approached me in the Lobby that his family shared the experience of this tragedy. I believe there is a cross-party desire for change, and that is what we need to hear about from the Government this evening. We know that carbon monoxide monitors, which bought in bulk cost pennies, save lives. We also know that we need to raise awareness of the risks of carbon monoxide poisoning, because people do not understand how dangerous it is—two breaths can kill. This is incredibly important. Just as we would not go on holiday to a hotel that did not have smoke alarms, we need new industry standards for the tourism and hotels industry wherever gas is present. I hope that the hon. Gentleman will join us in

[Mary Creagh]

our campaign. He is a new Member, and I am sure that he will be committed to this cause throughout his parliamentary life.

I saw the parents hear, during the inquest, how and why their children had died. They had to sit as the former chief executive of Thomas Cook, Manny Fontenla-Novoa, declined to answer the questions from their barrister; and they gasped, along with the whole country, when the current chief executive of Thomas Cook, Peter Fankhauser, said that Thomas Cook had “no need to apologise”.

Finally, in May, the inquest jury concluded that the children had been unlawfully killed and that Thomas Cook had

“breached its duty of care”.

The Mail on Sunday then revealed that Thomas Cook had received compensation for the children’s deaths from the hotel. The compensation covered the cost of sending “media advisers” to Greece to limit reputational damage and loss of profits from cancelled bookings. To be fair, Thomas Cook announced it would donate the compensation to UNICEF, the children’s charity, yet even that gesture was a clumsy one, done as it was without consulting the parents and announced first to the media in a desperate damage limitation PR exercise.

ITV’s consumer affairs editor Chris Choi discovered that the hotel manager convicted over the children’s manslaughter was working at a different Thomas Cook hotel. Then came the news that the electrician who was also convicted over the tragedy was still employed at the same Corfu hotel where the children died.

The Mail on Sunday then reported that Harriet Green, Thomas Cook chief executive at the time when the company tried to stop the inquest taking place, was to receive a multimillion-pound pay-out. Ms Green has now chosen to donate one third of her bonus to charity, and the parents are satisfied that some of the funds can be put to good use in the new carbon monoxide initiative that they will be involved with, in memory of the children. I am grateful to Ms Green’s law firm, Withers, which sent me an email at 5 o’clock in the morning to help my “fact checking” when I tabled early-day motion 42. If Ms Green’s lawyers ever find the letter which she alleges she wrote to the parents and which they say they never received, I am sure that they and we would be very glad to see it.

I recently met Mr Fankhauser, Thomas Cook’s chief executive. I know that he has spoken privately with the family and apologised to them, and that there has been a financial gesture of goodwill to them. He has launched an internal inquiry into the company’s response to the deaths of Christi and Bobby. Thomas Cook must never again fail another family.

Next year the building where the children died will be demolished and made into a play area. Thomas Cook is underwriting a new charity to the tune of at least £1 million to raise awareness of carbon monoxide poisoning. The family are satisfied with Mr Fankhauser’s new approach and his attempt to put things right. They would like to see the Government match-fund Thomas Cook’s contribution and do their bit too to put things right. I look forward to working with the family, Thomas Cook and hon. Members across the House on a new

EU-wide carbon monoxide safety campaign. I hope we can organise a conference in this place, perhaps during carbon monoxide awareness week in November.

It is important to put these facts on the public record so that we do not forget those children. Bobby and Christi should not have died and the family should not have had to fight so long and so hard for justice. The travel industry and the Government must learn from their mistakes because tourism is responsible for around 9% of total GDP in the EU and over 9 million jobs. Consumer confidence is vital to the success of that industry.

As millions of British families get ready for their summer holidays, they want to know that they will all come home safely.

My colleague Linda McAvan, Yorkshire’s Labour MEP, has held five annual carbon monoxide round tables in the European Parliament with Victims of Carbon Monoxide, the Health Protection Agency, the Gas Safe Register, the Health and Safety Executive, energy retailers, the Association of British Travel Agents and countless others. In November last year, the European Commission launched a Green Paper on the safety of tourism accommodation services. ABTA’s submission to that Green Paper quotes Eurostat figures that 6% of European citizens experienced some form of safety issue on holiday. That equates to over 52 million tourists.

ABTA commissioned work from John Gregory, a CORGI gas safety expert. He condemns

“a lack of legislative consistency throughout Europe”,

and the fact that there is

“no Europe-wide statistical database providing data on serious incidents caused by carbon monoxide poisoning”,

which means that the extent of the problem is unknown owing to a lack of data, with each individual case presented as a tragic occurrence rather than as a systematic failure. He notes that

“the competence, training and knowledge of the operative undertaking servicing and maintenance of gas appliances across the European Union are of a lesser standard than that required in the UK.”

Contrast ABTA’s submission with that of the UK Government. Paragraph 27 of the Government’s submission says that

“a European safety standard would impose an unnecessary cost on tourism businesses in England.”

Paragraph 42 states that

“the Secretary of State for culture, media and sport”—

the reference is to the present Secretary of State for Business, Innovation and Skills, the right hon. Member for Bromsgrove (Sajid Javid)—

“has asked that we make clear in our response that...he felt it was not a good use of EU time.”

British families planning their summer holidays will be shocked to hear the former Secretary of State’s cavalier approach to their safety. British families need and deserve good safety standards across Europe and across the UK. The opposition of the Government and of other member states means progress on carbon monoxide safety has stalled. The EU Commission has decided that there is no case for introducing legislation on carbon monoxide safety in holiday accommodation after its Green Paper. That must change. The Government, too, have a duty of care to British citizens. The Prime

Minister should make the safety of British tourists a priority as he seeks to renegotiate the UK's relationship with the EU.

Carbon monoxide is a silent killer. Nothing will bring back Bobby and Christi, but their parents' dearest wish is to spare other families the heartbreak they have suffered. I hope the Minister will today commit her Government to push for better carbon monoxide safety standards across Europe and in the UK. I hope Thomas Cook will live up to its promise to improve carbon monoxide awareness. The joys and heartaches of family life are known to every Member of this House, but no parent can imagine the feeling of losing one child on a holiday, let alone two children on the same night.

There is a photo missing from Sharon and Neil's homes. It is the photo of Christi on her prom night, dressed up and having fun with her friends. She would have been 16 this year, waiting for her GCSE results and about to go to college for her A-levels. Another photo is missing. It is of Bobby. He should be studying for his GCSEs, hanging out with his friends and playing with his brothers and sisters. All that joy, all that future, all that hope and all that life have been stolen from them. Their parents have told me that they will never again have a perfect day.

The powers that be, whether in the Government and at Thomas Cook, should be in no doubt that I intend to use whatever power this place gives us to campaign for justice for Christi and Bobby and their parents. There is a cause that cries out for change, for attention and for justice. We must see that they get it.

8.35 pm

Andrew Bingham (High Peak) (Con): I congratulate the hon. Member for Wakefield (Mary Creagh) on securing the debate and offer my sympathies to the family of Christi and Bobby in this truly tragic case, and indeed to my hon. Friend the Member for Mid Dorset and North Poole (Michael Tomlinson) on losing his brother. The hon. Lady made an impassioned speech.

I have long campaigned on carbon monoxide poisoning, because before being elected to this place there was a similar tragedy in my constituency. Carbon monoxide is known as the silent killer; we cannot see, taste or smell it. Last year I had an opportunity to introduce a private Member's Bill. Rather than selecting a subject myself, I came up with three or four options and asked my constituents to choose which one they wanted me to introduce. They chose a Bill to make carbon monoxide detectors mandatory in rental and new-build properties. That showed that people are aware of the dangers of carbon monoxide, although not as aware as I would like them to be.

Nowadays people have smoke detectors without thinking about it, and carbon monoxide detectors should be just as prevalent. As many have said, including me, carbon monoxide detectors are not expensive and they save lives. Some people take them on holiday, having heard of cases such as the one the hon. Lady has talked about tonight. I did not succeed in getting my private Member's Bill through, but I am pleased that the Government acknowledged the problem and introduced legislation on carbon monoxide detectors in rental properties, because that is where many of the tragedies happen.

I am vice-chair of the all-party group on carbon monoxide, which meets regularly. The case that the hon. Lady's has raised relates to a holiday abroad, but there are also cases of carbon monoxide poisoning on holidays in this country, even on camping holidays, in caravans and in tents. I struggle to understand why, but some people have brought the embers from barbecues into their tents, presumably unaware of the dangers.

I commend the hon. Lady for securing a debate on this important subject, which is close to my heart. I will continue to campaign on it, because I want us to do everything we can, in this place or beyond, to make carbon dioxide detectors as ubiquitous as smoke detectors. As I have said, they are not expensive and they can easily be installed in rooms with appliances that could leak.

We must raise awareness of the consequences of carbon monoxide poisoning. Often people do not realise that they are affected. They could be sitting and watching television for a few nights and just think that they are feeling tired or drowsy, unaware—I am sorry for putting it so starkly—that they are slowly being poisoned. That is what carbon monoxide does; it poisons people without their knowing. We then have tragedies of the sort the hon. Lady has so eloquently set out tonight. I, for one, do not want to see any more tragedies like that, either in this country or abroad.

8.39 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Tracey Crouch): For nearly a decade now, the family of Christi and Bobby Shepherd have faced an extraordinarily difficult time, but for the past year, in particular, they have shown incredible resilience throughout the investigations into the cause of this terrible occurrence. The strength that they have exhibited over the past nine years is matchless, by any account. I know that the whole House will want to extend its deepest condolences to Mrs Sharon Wood and Mr Neil Shepherd, and to all of Christi and Bobby's loved ones. Our thoughts are very much with them at this time. I would not wish what they have gone through on anyone.

I would like to take this opportunity to pay tribute to the hon. Member for Wakefield (Mary Creagh), not only for her efforts in securing this debate but for all that she has done over the years to support the family of Christi and Bobby Shepherd. The hon. Lady and, indeed, my hon. Friend the Member for High Peak (Andrew Bingham) have become champions of greater carbon monoxide safety within the UK and across the European Union. Their ongoing efforts in this area of consumer safety should be recognised for the important work that it is, and I commend them for their dedication. My hon. Friend the Member for Mid Dorset and North Poole (Michael Tomlinson) made a really powerful intervention. I hope he will join cross-party colleagues in this incredibly important campaign. The deaths of Christi and Bobby Shepherd were a horrific tragedy. They should not have been allowed to happen and they should never happen again. UK residents enjoy foreign travel and made 60 million visits last year. Their safety must be an absolute priority.

The hon. Lady went through the sequence of events in some detail, and I want to reiterate some of the fundamental details of what happened, but I am conscious of time and of the fact that she will want some proper answers to the points that she raised. At the end of the

[Tracey Crouch]

day, we should remember that four people were found in a hotel by a chambermaid having been overcome by carbon monoxide from a faulty boiler. While Neil and Ruth were unconscious, the two children, Bobby and Christi, tragically, had died.

Investigations were conducted by the Greek authorities. A UK coronial inquest into the cause of death of the two children concluded earlier this year that Christi and Bobby Shepherd died unlawfully as a result of carbon monoxide poisoning. As the hon. Lady said, the coroner in charge of the inquiry, David Hinchcliff, found that although the holiday operator was misled by the hotel about safety, Thomas Cook's own practices for ensuring guest safety were insufficient.

The hon. Lady mentioned the compensation that Thomas Cook received and a recent donation it made, so I will not go over that again. However, it is absolutely clear that the extended and ongoing dialogue between it and the family has contributed to the family's distress. There are clearly lessons that Thomas Cook must learn from this dreadful episode. The coroner's report makes it clear that the company needs to review and improve its safety practices. Robust safety procedures are enshrined in law, and they were not followed. Thomas Cook should also reflect at length on how it has treated a grieving family. Its duty of care extends beyond the physical and the letter of the law. There is a fundamental standard of human decency that must be met in future.

Of course, the letter of the law matters too. UK holiday companies are subject to specific regulations regarding the performance of the package contract. The Package Travel, Package Holidays and Package Tours Regulations 1992 clearly state that the organisers of a package holiday sold or offered for sale in the UK are responsible for the proper performance of the contract, including for elements supplied by third parties such as hoteliers. Madam Deputy Speaker, if you were to take your family on holiday here in the UK, you would rightly expect adherence to all proper safety measures. You would also be forgiven for assuming that this would be the case when you take your family abroad. Unfortunately, as this tragic case proves, that is not always so.

In the light of this, the hon. Lady was concerned by the Government's response to the European Commission's green paper on the safety of tourism accommodation services. The purpose of this paper was to ascertain whether the current legislation, adopted by member states, adequately protects tourists travelling within the EU. In response to this publication, the previous Government determined that current UK legislation does make necessary safety provision. Subsequently the European Commission also concluded that there was no established connection between the existing regulatory framework across member states, the absence of EU regulation, and risks to consumers. It is therefore not considering European-level consumer protection in the area of tourism accommodation at present. However, the issue in this case was adherence to standards. Had the standards been adhered to, Bobby and Christi would not have lost their lives.

Mary Creagh: The European Commission has withdrawn or paused—I think that is the word—its proposals on improving the protection from carbon monoxide because there was no will from member states, including from our Government, to act in this area. However, there is a clear will among the British public and across this House, so will the Minister undertake to look afresh at the Government's position? This issue will not go away. Indeed, as Greece receives piped gas, it will become a bigger issue in the Greek holiday industry. While these tragedies are happening, we cannot say, "All is well; there's nothing to see here," and move on.

Tracey Crouch: I was just about to say that we need to keep this issue under constant review. There is no room for complacency. Although the Government do not think that there is a need to amend the primary legislation at the moment, there is a strong case for considering how effectively the laws are enforced.

As the hon. Lady pointed out, ABTA and its partners have long campaigned on this issue. I can tell her and the House that, as a direct response to this debate, I will be meeting ABTA and the industry to ensure that it fully understands its duty of care to consumers. It is imperative that the sector commits itself to upholding best practice, from industry suppliers all the way to the end user—the customer.

I hope that the appointment of Justin King, who has been tasked with the responsibility of leading an internal review of Thomas Cook's customer health, safety, welfare, relations and crisis management practices, will mark the beginning of a healing process between the family of Bobby and Christi and the holiday operator.

Now that the relevant criminal proceedings and verdicts have been considered, I urge tourism operators across the UK to reflect on the lessons learned and to be ever vigilant. The safety of tourists, both here and abroad, must come before all other concerns. I will reinforce that message to the industry in the coming months, and I hope that the hon. Lady will support the Government in this work, which will protect the safety of future tourists and honour the memory of Bobby and Christi Shepherd.

Mary Creagh: I thank the Minister for her response to the debate. I want to leave her in no doubt that people across the country—medics, campaigners and all sorts of people—have come forward to Members from across the House as a result of this case, and this is an issue that really will not go away. Just like in my long campaign for scalding valves to be fitted, in the end, I believe that the moral arc will tend towards justice for these children. As I said at the end of my speech, there are many people in the House who, having heard this story, will not rest until we see a minimum European safety standard across all EU member states to ensure that we protect—

8.48 pm

House adjourned without Question put (Standing Order No. 9(7)).

Westminster Hall

Tuesday 14 July 2015

[MR PHILIP HOLLOBONE *in the Chair*]

Rent-to-own Sector

9.30 am

Paul Maynard (Blackpool North and Cleveleys) (Con): I beg to move,

That this House has considered the rent-to-own sector.

It is a pleasure to serve under your chairmanship for the first time in this Parliament, Mr Hollobone, and to see the Minister in his place.

As is not traditional, I shall start with a string of apologies, particularly to the UK public affairs sector: it has experienced great confusion over the past week, having seen the title of the debate and been desperate to tell me all about rent-to-own home ownership. It will be fascinating to see whether the Opposition speakers have been similarly wrong-footed and have furiously to rewrite their contributions.

My second apology is to the hon. Member for Makerfield (Yvonne Fovargue), because I unwittingly gazumped the topic of the report published just before the election by the all-party parliamentary group on debt and personal finance, which she chairs. I discovered that only after I requested this debate a few weeks ago. I know that she will have plenty to say—indeed, earlier we discussed the fact that the two of us could debate this issue for an entire day. The Minister will be relieved that we have only 90 minutes, but I am sure that we can fill them. The hon. Lady will have to forgive me if I occasionally borrow from the APPG's quality report.

The real inspiration behind this debate is not the public affairs sector—thank goodness—or even the APPG: it is what I see in my constituency on a day-to-day basis. I see families having to cope with the unexpected financial shocks that occur in day-to-day life. We often see the rent-to-own sector as a key component of that unexpected shock—when these things happen, the RTO sector becomes part of an almost transformative experience in how people deal with personal debt. I have spoken to my local food bank, citizens advice bureau and credit union, and they all tell me the same things.

I get frustrated when Members simply read out a list of case studies—I could easily do that for 20 minutes; I want to read out one that encapsulates the problem. The person in question has mental health problems and physical disabilities, and he is highly vulnerable. He does not understand contracts and finds it very difficult to assert himself and say no. He made a purchase from BrightHouse, and when he goes in each week to pay off his debt he comes under pressure from the sales team to buy something else. He finds it very difficult to cope. He has bought a laptop, a TV, a DVD player and a tablet, even though he cannot do emails on a computer and just uses Google.

As soon as he paid off the laptop, he came under immediate pressure to buy something else. The sales team know that he gets mobility allowance, and seem to think that it represents acceptable funds. He struggles to

pay the rent and top up the electric meter. He defaulted on the payments for his mobile, which was repossessed. He was pressured into joining Utility Warehouse, so cancelled with BT, but because he cannot understand contracts, he did not realise that that would involve an £800 financial penalty for leaving his contract early. He is now having to pay off that as well. He still goes into BrightHouse every week to pay off his items, and finds it a stressful and fearful experience.

I could fill the rest of the 90 minutes with similar case studies. I am particularly troubled by the suggestion that those who are most vulnerable, who have the mobility allowance, are somehow fairer game than any other set of customers when it comes to extracting the extra few pounds a week that they rely on. Nevertheless, I should make it clear that I am not here just to bash BrightHouse or the wider RTO sector. There is a legitimate business; there is a case for providing short to medium-term credit to people who need it. I recognise that, with a 70% market share, BrightHouse will get more than its fair share of horror stories, but the sector employs many people across the country, fulfils a consumer need and occupies space on the high street that might otherwise go vacant. I recognise all that, but it does not change the fact that vulnerable people are being exploited in troubling ways.

The challenge for the sector is how it can adapt what it does in order to continue to perform its role without taking advantage of people. I want to consider the extent to which the private sector models are truly broken, if they are; whether they are appropriately regulated, and how that regulation can be improved; and whether alternative, socially-funded models are viable, adequate and the right way forward. It is worth pointing out that not all private providers are the same. A firm called Buy As You View already adheres to much of the findings in the APPG's report. It actually argues for better regulation, but regulation that is also proportionate and fair.

There needs to be some consistency with the principle that credit has a role to play if the object for which someone seeks credit will retain value after the credit has been paid off. In other words, credit is probably not appropriate for things such as food or electricity bills, but it may be for a consumer good. There is also a wider issue about how we ensure that markets function in the best interests of the consumer. That is a key Conservative principle, but I do not want a partisan debate because this is a cross-party issue. We all have vulnerable constituents who are at risk of being sucked into a situation that they cannot get themselves out of. I cannot possibly hope to encompass the entire debate in my short contribution, but I do want to set out a handful of areas that the Government should pay particular attention to and to encourage the Financial Conduct Authority to focus on them as well.

In the centre of Blackpool are the bus stops where people get on the buses. It is a complicated one-way system: people get on at one place but the place to get off is half a mile around the corner. Where people wait to get on the buses is a branch of BrightHouse. There will be dozens of people standing at the bus stops and admiring the scene inside BrightHouse, which has lots of cheerful, bright consumer goods. There are bright-coloured sofas, settees and beds, and enticing goods such as TVs and iPads.

[Paul Maynard]

I am sure we can all imagine the range; it is very attractive and fetching. It is bright and modern, and it entices people with what they want in their lives. We live in a world where we are almost defined by what we own. I am tempted to stray off into a spiritual discursion about whether we are measured by what we own and whether that is good for us spiritually, but that is way beyond the Minister's remit, and even that of the House. We will leave that to God himself.

People aspire to own, not to rent. I am concerned that the idea that the answer is to abolish the sector entirely, with people just renting, misunderstands people's aspirations to own consumer goods. We should not place an artificial cap on what people want to own in life. Doing so would be a "nanny knows best" approach that fails to respect individual dignity. People on low incomes deserve the opportunity of ownership, but not in an exploitative market. When I think of my constituents and look at the typical customers in the RTO sector, there are broad similarities: 78% are female, 60% have children and 94% are in rented accommodation. Only 1% have hitherto used a payday lender. It is worth reflecting on that a little: although only 1% have used a payday lender before they go to an RTO provider, how many are using a payday lender by the end of their RTO experience?

The bulk of customers have an average of only £19 a week of disposable income to pay for these purchases. That does not represent a great degree of financial resilience. The rent-to-own model is about buying more and more goods over time, and they can quickly mount up. Of course, it is an appealing way to access credit. That misleading low weekly payment does not reflect either the entire cost after three years or what will happen as new items are taken on. I retain a degree of concern about how staff in these stores are being incentivised to sell more and more to each individual. Such incentives lead to perverse outcomes for the individuals concerned—they are not necessarily a good thing.

I will probably keep saying this for the next five years, but I represent the second most deprived Conservative constituency, which contains the fourth most deprived ward in the country. Right behind the Imperial Hotel—many will have been there over their time in the House—is Imperial Street, on which is a mother and baby sheltered housing unit. I have no doubt that some in that sort of sheltered housing may be transient and have experienced family breakdown, or worse, and will often need to furnish their houses rapidly and fully. They will need the full complement of consumer household goods. They cannot just buy one thing and then wait a few months, so they are often driven towards the rent-to-own sector, which is not always the right thing for them. It is a captive market: providers have no incentive to lower prices. Competition is neither transparent nor evident to such individuals, who may not have the necessary financial literacy to understand how to navigate their way through the market. The Blackpool, Fylde & Wyre Credit Union wrote to me and said:

"Some people do not understand the full cost, others do not believe they have a choice because they are frozen out from mainstream credit and have a lack of knowledge of alternatives such as Credit Unions."

Some in the RTO sector take advantage of the lack of legal understanding of how the system works to encourage payments.

The pricing is unclear. I sent Zach from my Blackpool office on an undercover mission—it was actually rather transparent—to the BrightHouse around the corner to find out what was going on and to look at some of the prices. Zach spotted a Samsung TV on display with a product price of £1,053.13, but the total payable after three years of weekly payments of £18 was £2,808, including what they call "Five Star Service", which is neither optional nor separately priced and appears to add some £400 to the product price. Just down the road in Tesco, however, the same product was available off the shelf for £1,049 with optional insurance extras. It is worth nothing that insurance in the RTO sector also seems to attract interest payments.

The different elements, such as the goods themselves, the warranty cover and the insurance, are all lumped into one tempting weekly payment. After years of pressure, it remains hard to compare properly the products available in the RTO sector with what can be obtained by other means. The product codes remain different due to slight tweaking of the products, such as a different-coloured fascia which might add something to the end of the code meaning that it cannot be directly compared with what one might get in Tesco.

Second-hand or repossessed goods are sold as "pre-loved", often costing more than a brand new item would somewhere else. The APPG found that about one third of products on sale in the RTO sector were pre-loved. That is not necessarily a bad thing if the credit is made more affordable as a consequence or if it meets the consumer's need better and more cheaply than a hi-spec alternative, but that depends on the ethics, systems and processes in place in each individual RTO provider.

Yvonne Fovargue (Makerfield) (Lab): Will the hon. Gentleman give way?

Paul Maynard: I will indeed: the hon. Lady will give me a chance to catch my breath.

Yvonne Fovargue: Getting someone to pay for goods and then repossessing them and selling them to somebody else for twice the price is a wonderful business model. Offence was taken when I mentioned that during the inquiry, but we have not yet been able to find out the providers' break-even point, which is obviously commercially sensitive. There will be a break-even point, but providers can sell goods to someone else once they have been handed back voluntarily after, say, a year.

Paul Maynard: I thank the hon. Lady for that contribution, with which I have a degree of sympathy. Equally, an ethical provider bartering a customer down, because the pre-loved item is a better deal for that individual, can have a role to play. The hon. Lady is quite right, however, about the lack of transparency in the sector and the difficulty of assessing what different providers are actually doing. One cannot regulate in a non-transparent market, which may go to the heart of the matter.

The hon. Lady will perhaps make this point herself, but ownership requires one to make all the payments. One cannot own two thirds of a television. Some providers

may seek to make exceptions when almost all payments have been made, but someone could make half the payments and still find themselves losing the product. I am unsure whether the regulations are clear or being applied consistently across the market. There is no mandatory health warning, as I believe payday loans now have—the hon. Member for Walthamstow (Stella Creasy) will tell me if I am wrong—saying that goods are at risk if payments are not made.

Shorter loan periods are certainly not advertised, and three years is the default option. I understand that shorter periods increase the weekly payments and make the deals less attractive to consumers, but why not sell products with more modest specifications or de-bundle the warranties or insurance, as companies such as Buy As You View already do? The three-year contracts matter dreadfully because of the nature of poverty. Child poverty has been discussed a lot recently due to the Government's changes to the measurement—for the better—but behind that decision was some excellent investigative work about the ingrained nature of poverty and the churn rate. Around half of those in poverty in one year are not in poverty the following year. Around 10% are in persistent poverty, meaning three years out of four. If someone submits to a three-year contract, the probability that disaster could strike in one of those three years vastly increases. If more people could access one-year or two-year deals, the likelihood of having a problematic year might be reduced.

My local credit union said to me:

“The bigger issue we have seen is that people are not just sold one item. We have seen people with multiple debts to a weekly pay store. One customer on benefit income was paying for 8 different items at a total £120 per week (£520 per month) which would stretch the budget of the average full-time working person to breaking point, let alone the low-income people who tend to be the users of these stores. The fact that the goods may then be repossessed for non-payment introduces an element of fear that prioritises these payments in the customer's mind causing them to pay the weekly pay store and falling into arrears with other essential bills.”

That might particularly be the case when customers have multiple disadvantages, such as mental health problems or a learning disability. It is simply unclear how such companies are protecting the vulnerable people who come through their door seeking to own a consumer good. No obvious assessment of affordability is built in to the selling process in some firms. I recognise that Buy As You View does assess affordability and rejects some 70% of applications, but it is almost unique in the sector in applying that degree of toughness. Such financial vulnerability goes beyond merely an inability to understand the annual percentage rate, and the cost to the taxpayer when vulnerable individuals reach crisis point has not been assessed. How vulnerable customers best access credit for goods is perhaps a separate issue, requiring particular attention, from the wider market of roughly 13 million low-income individuals who need to access low-cost credit for consumer goods.

I welcome the fact that the Government have extended local social welfare funds. It was a matter of controversy in the previous Parliament, but I am glad that they have taken that decision. Such funds are well used and well spent in Blackpool. Many councils may not be doing such a good job, but such funds should be maintained where they are well spent. We must consider the alternatives, however. The Minister is something of an expert on

credit unions, some of which have tried to set up RTO providers. The APPG mentioned Smarterbuys in County Durham, which was set up by the Prince Bishops Community Bank.

Those are interesting models, which have something to offer, but I have concerns about their scalability and about the creation of a national network of different providers, all with slightly differing rules and regulations. The scalability is problematic, but I recognise that credit unions have an important role to play, in part because they often have to sweep up the consequences of an engagement with the rent-to-own sector that has not gone well.

What role might Big Society Capital play in inspiring innovation in the sector? Buy As You View is keen on a comparison website and, in the short-term credit market, the Competition Commission encouraged lenderscompared.org.uk, which is a properly regulated, independent price-comparison website in that sector. I can see no reason why we cannot have a similar website mandated by the Financial Conduct Authority or another body in the rent-to-own sector. It would be a great deal of help—in particular because many people use their mobile phones to shop—so that people can make the comparison at the same time and understand the best option.

I hope that the Minister accepts that there must be a fair regulatory playing field for the not-for-profit sector and the for-profit sector. We are not talking about bashing for-profit providers, simply because they happen to be for-profit providers—that would be a dangerous path to go down. There is already broad variety in the sector. We need well understood regulation that puts consumer needs first. I hope that the Minister, or the appropriate Treasury Minister, will meet me, perhaps the APPG members, the charities involved such as StepChange, the companies involved, and the regulator to look at how conduct can be improved across the board.

Will the Minister put on record his view that the FCA needs to focus on fair outcomes for the consumers, rather than only on inputs and what occurs before the individuals take their product away with them? We need to ensure that proper competition and choice for the consumer are the key indicators of effective regulation.

I would be grateful for some thought on how the sector can improve data sharing, not only to identify poor risk and prevent people from getting into problems, but to help the financially vulnerable, so that they can be identified and offered alternative means to access the goods that they need. I hope that the Minister agrees with me that bundling expensive warranties as a condition of the loan seems to contravene the principle that lenders ought to treat consumers fairly, which has to be at the heart of all regulation. Things should be transparent and clear for day-to-day consumer engagement in the shops, but in my view that is not occurring.

I want the Government to press the FCA to work more closely with the industry, to accelerate what it is doing and to ensure that we are as diligent on RTO as we were in the previous Parliament on issues such as payday lending. They are all part of the same financial resilience package.

Will the Minister also outline what steps the Government might take to improve people's ability to manage their debts? Does he share my concerns about the examples

[Paul Maynard]

that we have heard today of vulnerable people facing life-changing amounts of debt because of what is to all intents and purposes the mis-selling of consumer goods, credit and insurance?

Yvonne Fovargue: Will the Minister also review the advice available to people in debt? Managing one's own money involves getting out of debt in the first place, then being able to manage the money. That is really important. A recent report on fee-charging debt management showed that 60% of the fees put people in a worse position, so we need to look at the availability of the free advice sector.

Paul Maynard: I am sure that the Minister heard that question. I am now trying to reach my conclusion rapidly, because I have been going on far too long.

Lord Freud has met with the debt-management charity, StepChange, but will the Minister agree to convene a cross-departmental working group consisting of the Departments for Business, Innovation and Skills, for Work and Pensions and for Education, and sector representatives? The issues stretch across Government and are not confined to the Treasury alone.

To finish, I want to make a point of principle with which I hope the Minister will agree. About four or five months ago I remortgaged my property, but it has never taken me so long to do so. I was locked in my bank for about six hours, or that is what it felt like, going through every last iteration. I understand why that is: we have to improve safeguards for borrowing, we have to reduce risky borrowing and we have to ensure that the banks are sustainable. Yes, my mortgage payments are a substantial element of my outgoings and part of my financial arrangements, but why are we not as careful about RTO-types of credit as we are about mortgages? If someone's available disposable income is only £19 a week, even £12 a month is a sizeable payment. There ought to be a point of principle: it matters as much to those people how their consumer credit is regulated as it does to me how my mortgage is regulated.

We as a Government need to look much more closely at how we encourage financial resilience. We need multiple bulwarks for families against the unexpected—too often the unexpected leads us down a path to perdition financially. Proper and proportionate regulation, which does not seek to condemn the private sector simply for being the private sector, is the best way to allow people to fulfil their legitimate aspirations to own consumer goods.

I have asked a lot of questions and I have talked a lot today—I apologise to those present. I look forward to the Minister's reply.

Mr Philip Hollobone (in the Chair): We will also hear from Mr Maynard at the end of the debate, because he has three minutes to sum up the other contributions that he has heard.

9.56 am

Yvonne Fovargue (Makerfield) (Lab): It is a pleasure to serve under your chairmanship, Mr Hollobone. I welcome the Minister, the hon. Member for East Hampshire (Damian Hinds), to his place—it is all the better that he was a member of the all-party group on debt and personal finance in the previous Parliament. I also

congratulate the hon. Member for Blackpool North and Cleveleys (Paul Maynard) on obtaining this important debate.

The rent-to-own sector is not well understood. People think it is relatively new on the high street, but when I was a citizens advice bureau manager I had run-ins with Crazy Georges, the precursor to BrightHouse. In many ways the sector operates under the radar and I hope that the debate will raise the profile of the issue.

As the hon. Gentleman said, the all-party group undertook an inquiry into the sector towards the end of the last Parliament, producing a report in February. We did so because we were concerned about a number of the issues, not least the fact that rent-to-own customers seemed to be paying about three times more for their televisions, fridges and sofas than they cost on the high street or elsewhere.

I hesitate to say this, but the pricing structure is complex and possibly deliberately so: not only is the base price of the goods high, but customers pay a hefty interest rate on the loan taken out. BrightHouse, Buy As You View and PerfectHome charge annual interest rates ranging from about 50% from Buy As You View to a 94.7% annual percentage rate, or APR, from BrightHouse. As the hon. Gentleman said, the interest is usually charged over a period of three years—not only on the price of the item, however, but on the expensive warranty-style service agreements, insurance and the delivery charge. Everything is bundled together.

The latter items are the most troubling of the whole package, because deals are almost impossible to obtain from the leading firms without those expensive extras. The firms vary on whether such additions are compulsory or optional—in fact, BrightHouse has agreed to make them optional—but in all cases linked insurance and service cover are being sold at the point of sale: it does not matter that the customer is already covered by a statutory guarantee or might have home contents insurance. Moreover, there is little chance of a new TV or washing machine breaking down these days, but the selling is such that the emphasis is on people wanting peace of mind—"Complete peace of mind for you." Everything is bundled together.

Furthermore, the insurance policies only cover a single item against fire, theft and damage—nothing else. By contrast, a single home insurance policy might cover any number of items up to a value of £50,000. For example, in BrightHouse a £490 double bed costs £55 a year to insure against fire, theft and damage; I have not actually set fire to my bed recently, and it has not been stolen, either, but there we go. Cover for a £725 fridge-freezer would cost £80. By comparison, both those items, up to a total of £50,000, could be insured by Direct Line with a similar level of cover for £118 a year. The more items there are, the more problems there are. There are very few circumstances in which customers get better value for money from insurance than through a single home contents insurance policy. When multiple items are purchased, the value for money will obviously get worse.

As I said, the total cost is higher. In September 2014 a Samsung freezer with a five-year service plan was £644 at John Lewis—Which? found that when it shopped around—whereas at BrightHouse the total repayable over three years was £1,716, three times the price. I accept that people cannot always afford to pay up front, but we need to look at making something available that allows those customers to shop around for goods.

As the hon. Member for Blackpool North and Cleveleys said, weekly instalments are appealing because they give customers the ability to spread cost. The stress put on weekly payments is what is most attractive to customers, which is probably why BrightHouse still advertises itself on its website as “Your Weekly Payment Store”—it does not advertise its prices but the ability to pay weekly. The payments seem affordable—£5 or £10—but amount to a sizeable expense over a few years, as the hon. Gentleman said. For people on low incomes, that will often mean going without elsewhere. It also means that many rent-to-own contracts are left unfulfilled, as customers do not make their payments and goods are returned. As the hon. Gentleman said, two thirds of a TV is no TV at all. The payments are lost, and there is nothing to show for them except, perhaps, a shadow on the wall.

The irony is that the people who can least afford it end up paying the most. That is probably not surprising, as they have little choice but to go somewhere such as BrightHouse and pay those prices. The rent-to-own firms have them over a barrel. That lack of choice for consumers is why I believe that this market in particular needs to be regulated. They are often from low-income households, and many are significantly reliant on benefit income. The typical customer is young, female and has children, and almost all live in rented accommodation. When I spoke to the chief executive of BrightHouse, he said that the firm bundles everything together because it knows its customers are female, and “females like things simple.” Simple, but a little expensive, I would say.

Failure to pay rent-to-own debt means that customers face losing goods. That puts pressure on money available for food and household bills. The average rent-to-own customer is substantially worse off than the average payday loan customer, yet they probably feel they have made a better choice, because of the publicity surrounding payday loans—rent-to-own, as I said, has operated under the wire.

The all-party group was concerned that the financial promotions downplay or ignore relevant costs and risks. Full ownership has to be the target with rent-to-own, surely—owning is in the name—yet the advertising focuses on the weekly payments and does not draw attention to the risks, namely the total cost of the credit and the fact that the goods can be taken back.

At the APPG inquiry, the Financial Conduct Authority said that it shared concerns about how firms advertise the deals and the prominence of the weekly repayment. The emphasis on the low weekly cost could be why so many customers get into debt: according to the FCA, 50% of customers get into difficulty with their rent-to-own commitments. That is a really high proportion of people who cannot afford to pay. I agree with the hon. Member for Blackpool North and Cleveleys that it raises the question of what affordability checks are being done.

The all-party group owes a debt of gratitude to Damon Gibbons of the Centre for Responsible Credit, and the Stockton-based community group Thrive. Their efforts led to the three large firms promising to improve their operations and an agreement was reached for a customer charter, although that was then reneged on—another reason why the APPG undertook our inquiry. That proves that perhaps voluntary agreements do not always work in this sector. The Centre for

Responsible Credit and Thrive also gave evidence to our inquiry. Unfortunately, they said that little had changed.

We also took evidence from the three big firms in the sector: BrightHouse, PerfectHome and Buy As You View. They defended their business model on the basis that their customers had peace of mind because of the extensive service contracts. That may give some peace of mind, but what peace of mind can there really be when people cannot afford the goods, as the deals are so expensive, or when, as we heard from Thrive, two big lads turn up late at night to take away the fridge-freezer—“voluntarily”?

We also took evidence from Linda Woodall of the FCA, who said that the practices were ringing “alarm bells”—that was her actual phrase—at the regulator, which is concerned about the high level of repossessions and incomplete transactions as well as the warranties and insurance. The FCA has engaged with the issue: since the publication of the report I have had a meeting with Linda and can see that the FCA is taking the issue seriously. I thank it for that.

The FCA’s intervention has helped to elicit changes in the market, not least on price transparency. Firms are now breaking down the prices they charge for the goods, the loan and the warranty, and we welcome that. BrightHouse has also stopped requiring customers to take out its insurance product compulsorily, if they can prove they have their own household insurance. However, the extended warranty remains compulsory with both BrightHouse and PerfectHome.

Paul Maynard: Does the hon. Lady agree that that requires staff in BrightHouse to be aware of and apply the rules, and that, no matter what the centre of the firm might think, that does not necessarily always happen?

Yvonne Fovargue: I agree absolutely with the hon. Gentleman; we have seen rogue managers. For example, a manager at PerfectHome actually took a customer’s house keys before handing over the goods, so that they could go into the house. PerfectHome said that was a rogue manager, but it shows that the stores are perhaps not being operated as they should be.

The FCA should go further. I would like to see it ban expensive warranties and insurance as compulsory parts of a rent-to-own agreement. I would love to see some mystery shopping, as well, to look at the staff and staff incentives. The FCA may need to be given a wider statutory remit to do that, so perhaps giving it that remit would be a way forward. However, even within the current FCA rules, surely the current bundling offends against the idea of a credit agreement’s fairness? The FCA took action against compulsory single payment protection insurance premiums, so why does it not have the powers to prohibit credit agreements sold with compulsory service charges? I would like to see those people who were sold such products after April but who already had home insurance come forward, as I think they could reclaim.

The FCA has also said it is concerned about the high level of goods repossessed or surrendered before the agreement is completed. Twenty-two per cent. of customers have their goods repossessed or surrender them—more than one in 10 of all agreements. BrightHouse said that it never repossessed goods, but having looked at its

[Yvonne Fovargue]

practices and received some information, I have found that it has its own companies that collect debts, Caversham Finance and Sigma. One term in the contract with those firms is for repossessing goods. Caversham is a branch of BrightHouse, and Caversham Insurance is registered in Malta.

I wonder about the idea that customers would give up their goods voluntarily. That beggars belief. Let us say that someone with three children, who will need a washing machine daily, pays hundreds of pounds for one—the idea that they would then happily give it back, leaving themselves without after paying for it for two years, stretches credibility. The firms defend the high levels of surrenders by saying that customers often think of themselves as renting the goods, and happily give them up to move on to something else. Well, possibly, if it is something like an iPad, but not if it is a washing machine, a bed or the sofa. The customer expects to see something at the end. The whole point, as the hon. Member for Blackpool North and Cleveleys said, is that it is “rent to own”—they expect to own the goods at the end.

Thrive gave evidence of people who were extremely distressed when their goods were taken back—or “voluntarily” surrendered; their arms were twisted somewhat. Surely if people wanted to rent, they would go to a specialist rental outlet and pay the lower charge. I have done some comparisons with that sector. The high level of repossession shows a failure of the initial affordability checking, the forbearance procedures or both.

We should also look at whether the companies give people who get into difficulties breathing space. As has been said, over three years people at that income level are likely to get into difficulties. That is not acceptable; the FCA should look at producing sector-specific safeguards to protect people in financial difficulties against the loss of essential items. There are rules that set out that some bailiffs cannot repossess essential items, such as children’s beds, so surely there should be rules for this sector as well. We also think there should be health warnings on rent-to-own stores and websites to ensure that customers are aware of the cost of the agreement and the risks of repossession.

The FCA prefers to promote a supervision-led approach, which elicits a voluntary agreement from the firms to behave more reasonably. However, as I have said, we have tried the voluntary agreement route. The Centre for Responsible Credit and Thrive had a voluntary agreement arrangement, but it did not work. The FCA thinks rent-to-buy is a small sector compared with other, bigger sectors, but it is growing. BrightHouse’s model is to open a new store every fortnight, often in areas of the highest deprivation. Its stores are in prime locations in our towns and cities—particularly in areas of deprivation—and they prey on the poverty and desperation of many of our constituents, who are charged exorbitant prices for goods that they may never own.

We have to promote the alternatives to the rent-to-own model to allow people to obtain a more reasonable deal. We also have to ensure that people who are forced into the sector have some control over the worst aspects of the market. Those customers, as has been said, are particularly vulnerable. The FCA has a particular

responsibility to give them a higher level of protection than other customers. We look to the Government and the FCA to protect customers who are not able to go elsewhere and therefore need our protection.

Several hon. Members *rose*—

Mr Philip Hollobone (in the Chair): Order. Under the new arrangements, in which the third party can also contribute to the debate, the remaining Front-Bench time is meant to be split equally between the three Front-Bench spokesmen. I want to leave three minutes at the end for Mr Maynard to sum up the debate. Over to you, Ian Blackford.

10.13 am

Ian Blackford (Ross, Skye and Lochaber) (SNP): It is a pleasure to serve under your chairmanship, Mr Hollobone. I thank the hon. Member for Blackpool North and Cleveleys (Paul Maynard) for securing the debate. He spoke with passion about this important matter, as did the hon. Member for Makerfield (Yvonne Fovargue).

The hon. Member for Blackpool North and Cleveleys said that non-transparent markets cannot be regulated, but our discussion this morning has highlighted the need for effective regulation. The fact that so much of it is not transparent—we are talking about protecting the most vulnerable, the poorest and the most disadvantaged in our society—means that the Financial Conduct Authority has got to take proper responsibility for this growing market, for all the reasons that have been set out.

We all recognise that the FCA is in its infancy, and that it has had a number of major tasks over the past few years. In our opinion, the FCA has got to take far greater responsibility for ensuring that the sector is effectively regulated. One of the issues is what has been described as the bundling of services. As we have seen in other areas of the market, there has to be an unbundling of services. It has to be made explicitly clear why the consumer is charged for each part of the service provided in the rent-to-own sector.

The Government must look at what legislation is required to force the FCA to take effective action to protect the consumer in this important area. We all accept that there is a need for the rent-to-own sector in our society. There are people who will be tempted by the desire to pay weekly for products. The sector has existed for a long time, but it is important that it is effectively regulated. I will confine my comments to that.

10.15 am

Stella Creasy (Walthamstow) (Lab/Co-op): It is a pleasure, as always, to serve under your chairmanship, Mr Hollobone, and it is a genuine pleasure to take part in this debate. The Treasury Minister might be surprised to see a shadow Minister from the Business, Innovation and Skills team but, as he knows, I have form in this area. I am secretly delighted that he is now in the Treasury, especially on the issue of debt. I hope he will be the cuckoo in the nest of the Treasury when it comes to getting right the issue of how we help people in debt.

First, I acknowledge the work that the all-party group, the hon. Member for Blackpool North and Cleveleys (Paul Maynard), and my hon. Friend the Member for Makerfield (Yvonne Fovargue) have been doing in this area. I want to talk a little about some of the work that

was done on this issue for the Consumer Rights Act 2015, and I also want to say something about the broader context in which the firms operate. Finally, as I always like to be helpful, I would like to suggest some proposals for making progress on this issue to the Minister, and test whether he is willing to support them.

I congratulate the hon. Member for Blackpool North and Cleveleys on securing this debate. He said he is concerned that shadow Front Benchers may not be aware of these companies and may make the same mistake that others have made in thinking that the rent-to-own sector is about housing. Let me reassure him that the Opposition call a spade a spade. Legal loan sharking takes many forms. My hon. Friend the Member for Makerfield and I are as concerned about the rent-to-own sector and debt management companies as we are about payday lenders. That is why we have been campaigning for a number of years for reform of the sector.

Hon. Members will recognise concern in my part of town about what we call the “BrightHouse knock”—when we are knocking doors during campaigns, we have to be careful not to knock like the bailiffs, because people think we are BrightHouse coming to repossess their goods. I may have expressed some surprise when my hon. Friend cited BrightHouse’s statement that it does not repossess goods—it seems, then, that that is happening only in my part of town.

Rent-to-own companies are legal loan sharks. They operate in exactly the same way as the payday lending industry and a number of other consumer credit industries. They lend in a way that is designed to encourage a persistent relationship. The problem is that they lend in a way that does not ensure that people have access to fair credit, but ensures that they continue to pay something back weekly. They make sure they always get money out of people. In what other industry is there such a high default rate, yet such high profits to be made? That should surely tell us that it is not a competitive industry, and that there are problems that need to be addressed. We have all seen at first hand people in our communities who are exploited by that predatory model of lending.

Jim Shannon (Strangford) (DUP): I apologise for not being on time, Mr Hollobone. I flew in this morning. We stayed for 12 July, which, as hon. Members will know, is a special day in Northern Ireland.

I, too, have great interest in this issue. My constituents regularly come to me when they have entered into hire-purchase arrangements, and sometimes arrangements with loan sharks as well. What I see is their desperation. They have made a decision based on what is right at that moment in time, rather than what is good for them in future. Does the hon. Lady have any idea about how the Consumer Rights Act can be better utilised, or how someone can control it, to ensure that when people make such desperate decisions, we can help them at the right time?

Stella Creasy: I do not want to keep the hon. Gentleman on tenterhooks. I have some ideas, growing on the work that the all-party group and my hon. Friend the Member for Makerfield have done on the industry. The hon. Gentleman is absolutely right that we can do things to change the situation. We need to recognise that it is predatory lending. The hon. Member for Blackpool

North and Cleveleys talked about vulnerable people being exploited, and that practice is much more widespread than people realise.

The hon. Member for Strangford is right; people make what is probably the right decision for them at the time about where they could get a freezer, cooker or other basic consumer goods that their family need to live. The hon. Member for Blackpool North and Cleveleys was tempted into a discussion about consumerism and modern life, but the reason we began campaigning on legal loan-sharking in my community was that we could see that people were trying to make ends meet and needed to be able to wash their kids’ clothes so that they had school uniform. Those companies were their only option, and the method of lending increasingly prevented them from going to other companies. It affected their credit histories so they could not borrow from other parts of the industry.

Frankly, it is very expensive to be poor in this country, and the problems are compounded by the companies in question and by predatory lending. Consumers lack choice, and that distorts the market price that they pay. Some hon. Members have already talked about the method of selling, “pay weekly”. For the shadow Front Bench the issue is the mindset—lending to people in a way that means they cannot get away. We have all seen examples of what has been mentioned, when people pay double the cost of a washing machine, cooker or TV, and then some, only to have the goods repossessed like that—I do not know whether *Hansard* can record my clicking my fingers, but it is that quick. As soon as someone falls behind for a week the company comes round. There is no breathing space or recognition that something about the lending may have got people into difficulty so that they cannot make their repayments. There is no such responsibility.

The Opposition have tabled several proposals to deal with the companies in question, and other legal loan sharks, for some years. The Minister is aware of that and I know that he shares my concern about the companies. We may differ on how best to deal with them and with predatory lending, but he too is concerned about it. During the passage of the Consumer Rights Act we tried to address the issue of warranties and insurance sold with products, and how that breached people’s consumer rights. They would be sold a product with a requirement that created a lack of clarity and transparency about what they were buying. I recognise that some companies now say that those things are not compulsory, but we all know about the hard sell. I remember the Minister talking about his experience of being on the BrightHouse mailing list. I am interested to know whether he has finally managed to disentangle himself from that. He will know how hard the companies push the products, as part of the original deal that was agreed to. Even if they are not now compulsory, the arrangements are still difficult for consumers to get out of.

The Minister may take the opportunity, now he is no longer in coalition, to suggest that he was held back by his former partners in his attempts to deal with the problems, and say that he is now free to get to grips with legal loan sharks. He is among friends as far as wanting that freedom to be exercised. During the passage of the Consumer Rights Act, Jenny Willott, the then Under-Secretary, said:

[Stella Creasy]

“If a warranty provides no more than the statutory rights and there is a charge associated with it, whoever is selling the warranty may well be in breach of consumer protection regulations. When shops sell goods and the warranty is purchased at the same time, the full cost must be disclosed and consumers must be informed of their statutory rights. Consumers also have the right to cancel the extended warranty within a set period, and those rights must be made known to the consumers when they purchase the warranty.”—[*Official Report*, 13 May 2014; Vol. 580, c. 623.]

The Under-Secretary was adamant that our proposals for prohibiting such agreements were covered under the consumer rights measures that were being introduced, so one of my questions to the Minister today is what he knows about the implementation of such rights since then. After all, the Act has been passed, and the Government set up a consumer rights implementation group. Is the issue of rent-to-own companies being investigated by that group? How are we making sure that consumers can exercise the rights they now have under the Act? That would also extend to marketing methods—the Minister will know about marketing lists—and how companies tell people their rights and make sure they know that they do not have to take out insurance or an extended warranty. Often such warranties are not worth the paper they are written on and offer consumers no additional protection or benefits. Is that being made plain to people?

Why does all that matter? Why must we get to grips with those companies? It is because we know the issue is fundamentally about debt. Consumer and personal debt in this country are rising into what might be called uncharted territory. Since March, unsecured personal debt has gone up £48 billion. Personal debt is rising three times as fast as wages. The Minister and I disagree about the Budget and whether it will make things worse or better, but we know people are finding that there is too much month at the end of their money. Therefore the companies we are talking about—and their credit agreements and their predatory lending behaviour—are here to stay, unless we show the political will to tackle them and unless we recognise how they make people’s already difficult situation worse. I may disagree with the hon. Member for Blackpool North and Cleveleys about the Government’s decision to abolish the term “child poverty”, but we can all agree that making it difficult for people to make ends meet by leaving them stuck with companies that exploit them and squeeze out every last penny will do no one any favours.

The hon. Member for Blackpool North and Cleveleys talked about mortgage debt, and many people with mortgages go to the companies because they have no alternative. If interest rates go up just 2% families will have to find £1,000 extra a year in interest alone, to keep a roof over their head. If they are also trying to pay off an expensive cooker or freezer, we can see what is coming down the road for them. Some of us who fought to retain the social fund will know about the lack of alternatives. Many credit unions do wonderful work trying to come up with alternatives, but the lack of options is compelling people towards the companies in question. In the context where personal debt is rising—and that will cause a massive economic problem for us and put our recovery at risk—there is a compelling case to be much more proactive about predatory lending in the consumer credit market.

With that idea in mind perhaps I may give the Minister some suggestions for things to do, and things to raise with the Financial Conduct Authority. He will know that I have a slight sense that the Financial Conduct Authority is playing catch-up. If the banks were tyrannosaurus rex, legal loan sharks are the velociraptors of the consumer credit market. They are fast, nimble and ever-evolving, and that is evident when we compare the rent-to-own sector with the way lending is done by the lumbering beasts of banks. That is why voluntary action is not enough to deal with the companies. Will the Minister make a commitment to work with the Financial Conduct Authority and to get it to expand its remit, to look at the industries in question and how they can change? In particular, could there be a requirement on lenders to provide pre-contractual information on both the cash price of goods and the total cost of the credit agreement: the difference between the price at the start and what it could be by the end of the agreement? If consumers could have that up-front they would know exactly what the cost would be, including any additional fees and charges.

Companies could be banned from requiring consumers to take out additional products alongside the initial credit agreement—separating out the insurance and warranty to make it clear that, aside from its not being compulsory to buy them, it would be illegal to try to sell such additional products at the same time. The companies could be required to undertake affordability checks based on the possible total cost of the agreement rather than the initial up-front price of the good, so that companies would have to reflect, when doing the affordability check, on what debt people could possibly get into by borrowing in that way, and whether they could pay the money back. We clearly need to change the way affordability checks are done. [*Interruption.*] The Minister says from a sedentary position that they already do this, but clearly they do not, given the levels of debt that people are getting into. We need to recognise that it is possible for affordability checks to deal with the potential cost of the goods—the doubling of prices—rather than the minimum that someone could pay. They should deal with the maximum that someone could pay.

My hon. Friend the Member for Makerfield made a powerful point about breathing space. The companies do not give people breathing space when they get into financial difficulty. We want the Government to make a commitment to end fees for debt management. The fact that people have to pay to get out of debt compounds the issue, and I would like a time scale for that change. We recognise that the debt advice industry needs to grow. We would like the Government to use the levy—in fact, to double the levy on the companies—to pay for that. The Minister may want to take up that idea; I do not know. However, we all know that having to pay to get out of debt extends the debt. It makes it harder for people to get into a debt-management agreement. With the companies we are talking about, it would be good to stop the clock once people start the process of getting a debt-management agreement, so that no more interest would be accrued, and there would be no more pressure, visits or BrightHouse knocks on the door.

I encourage the Minister to go further and talk to his colleagues in the Department for Work and Pensions about a reinstatement of the social fund—funding for alternative ways in which people could get white goods

in particular. I am sure that the Minister will know from his constituency that people cannot go without a washing machine or cooker. We may disagree about iPads but we can certainly agree that there is a case for basic white goods to be provided.

It would be helpful to hear from the Minister about the commitment that the Government made last year to reviewing personal debt. We have not seen any further information, so will he update us on that review and the work that is being done? There is also the issue of how credit histories are affected by this form of predatory lending, because, even if customers get out of payments required for an individual credit agreement, if that affects their future ability to borrow and to go to alternative or mainstream providers, there is a problem.

Jim Shannon: I apologise again for not being here for the whole debate. I am conscious of how many good groups there are—I have them in my area—such as the citizens advice bureaux, Christians Against Poverty, the Churches and many others. They offer good advice and can often come to an agreement with the hire purchase companies or mortgage groups to reduce the fees to a payment system that is manageable. Does the hon. Lady think that it is important to recognise what such groups do to help people in poverty and debt?

Stella Creasy: The hon. Gentleman pre-empted my final point, which is that what we really want is an alternative, but for an alternative to exist, it has to be funded, because this is not a fair fight. What I have noticed, as we have exerted pressure on the Government to tackle the payday lending industry, is that it is retreating from our high streets but that it is being replaced by the rent-to-own industry. This industry and legal loan sharking have evolved because there is no reform. We need an industry that works, because we need people to be able to borrow in this way to make ends meet—because they are not earning enough—and we need to end legal loan sharking by reforming the way in which these companies operate. That requires alternatives. However, our credit unions, housing providers and alternative forms of financing are struggling in an environment in which these companies are making a great deal of money from exploiting people. That is why it is right that the Government not only step in and are much tougher about regulating—learning the lesson of capping the cost of credit by capping what these companies can charge—but look at how we support the alternatives to grow and how we can level the playing field.

My final point is about the particular case for mainstream credit providers. Will the Minister commit to talking to mainstream credit providers, particularly to our banks, to ask them to review how many of their customers have entered into these agreements? I think he would be surprised—just as we found with payday lending companies—that half a million customers from one bank alone, who could have gone to it for a personal loan, were going to payday lenders. We need to make the case that these forms of lending and problems with debt are now so mainstream in Britain and so much part of modern life that there is a case not to see this as separate, small industry but part and parcel of how we help people to make ends meet. The mainstream credit providers have a vested interest in working with credit unions and providers—the Hoot credit union, for

example—who do alternative forms of white goods provision to help their customers, because the consequences for the mainstream providers will become apparent when people default on their mortgages and personal loans.

This is not an either/or any more. We have to end legal loan sharking in Britain in its many forms. I hope that the Minister will take in good faith those examples of things that he could do now and accept what the priorities are. I look forward to a positive response from him and hope he will join the Opposition, as the cuckoo in the nest, in saying: let us end predatory lending in Britain once and for all.

Mr Philip Hollobone (in the Chair): Although the Minister can finish before 10.57 am, if he would be kind enough to finish no later than that, that will allow Mr Maynard two and a half minutes to wind up the debate.

10.33 am

The Exchequer Secretary to the Treasury (Damian Hinds): It is a great pleasure to see you in the Chair, Mr Hollobone; I think it is the first time I have served under your chairmanship in this way.

I start by congratulating my actual and honourable Friend the Member for Blackpool North and Cleveleys (Paul Maynard) on bringing this important subject to Westminster Hall. I also thank Mr Speaker for granting time for the debate. It has been good to hear from all the other contributors to the debate. There was the hon. Member for Ross, Skye and Lochaber (Ian Blackford), representing the SNP, and the hon. Member for Strangford (Jim Shannon)—the renaissance man of the 2010 generation in respect of the breadth of subjects on which he contributes in this place; he should be much congratulated on that.

It is always a joy to hear from the shadow Front Bencher, the hon. Member for Walthamstow (Stella Creasy), and I pay particular tribute to the hon. Member for Makerfield (Yvonne Fovargue), who brings a great deal of personal experience to these subjects from her time with Citizens Advice. She has been a great campaigner on fee charging, debt management companies and other aspects of the broader sector.

My hon. Friend the Member for Blackpool North and Cleveleys spoke powerfully and persuasively about the market—not only through personal stories, anecdotes and his experiences with his constituents, but far more broadly. He raised a number of very important points on disclosure, affordability, comparability, repossession, debt advice and financial management. Others have also touched on those subjects; I hope to cover most of them during my remarks and come to some others at the end.

On my hon. Friend's point about meetings, the Government are always open to hearing from him and other colleagues who have special knowledge and interest in this area, because we have a shared objective to minimise consumer detriment and generally make the market work better.

The Government are committed to supporting hard-working people to be financially independent and resilient, and to save for unexpected events and for the future. Financial matters, as we all know, can be daunting, and making a poorly informed or sometimes just bad financial

[*Damian Hinds*]

decision can have far-reaching consequences over a long period. The Government have taken a number of significant steps to improve the consumer credit market and ensure better outcomes for consumers. As well as fundamental reform of the regulatory framework, there is now, as we have heard, a cap on the cost of payday loans to help protect consumers from harm.

Crucially, the Government are also committed to ensuring that consumers are given the education that they need to make better informed financial decisions. Financial education is now on the national curriculum—something that I know a number of hon. Members campaigned for over an extended period. Pupils now learn about the importance of budgeting, sound management of money, credit and debt, as well as how to understand different financial services and products. It is really important in financial education to understand the principles behind these things and not just the products that might currently be on the market. If we had learned about the financial services products on the market when we were all at school, that would have been of absolutely zero relevance to the world we find ourselves in today: we have to learn about the principles of sound personal financial management and budgeting.

The Government are committed to providing sustainable financial services that give customers greater choice in accessing credit. With greater choice comes greater competition, and from greater competition should come—and generally comes—better outcomes for consumers. For example, the Government have already introduced several initiatives to support the credit union sector, including the credit union expansion project—up to £38 million—and the raising of the maximum interest rate from April 2014, which makes it that bit more possible for the credit union sector to compete in higher-cost, higher-customer-risk markets. That will help to allow consumers access to more alternative forms of consumer credit. For example, a consumer may now use a credit union for a loan to buy a household product, rather than go directly to a rent-to-own store.

That said, as my hon. Friend and, I think, the hon. Member for Walthamstow acknowledged, the rent-to-own sector is an important and legitimate part of the consumer credit landscape, allowing people to purchase essential items that they would otherwise have difficulty in finding the lump sum to buy. However, it is important that consumers who use rent-to-own agreements are protected appropriately from harm and adverse outcomes. There are times when unexpected, one-off expenses mean that consumers require access to credit—that happens throughout the income scale in different ways—either to fund shortfalls in income or to replace essential goods. Rent-to-own agreements allow payments to be spread over a long period, which is valuable for some customers on low incomes who do not have access to more mainstream forms of credit such as credit cards or overdrafts, and who lack the savings to be able to purchase household goods up front.

To help deliver the Government's vision for a well functioning and sustainable consumer credit market that is able to meet consumers' needs, the Government have fundamentally reformed regulation of the consumer credit market. That has created a new, more robust regulatory system and transferred regulatory responsibility

from the Office of Fair Trading to the Financial Conduct Authority on 1 April last year. The new regime has been designed to strike the right balance between proportionality and consumer protection. The Government have ensured that the FCA has the robust powers that it needs to protect consumers. It will thoroughly assess every firm's fitness to trade as part of the authorisation process and has put in place binding standards on firms. It proactively monitors the market, focusing on the areas most likely to cause consumer harm, and it has a broad enforcement toolkit to punish breaches of its rules. There is no limit on the fines that it can levy and, crucially, it can force firms to provide redress to consumers.

In the evidence session for the all-party debt and personal finance group's inquiry into the rent-to-own sector, the FCA expressed concern about firms in the market. It stated—this quote was used earlier—that practices in the sector “rang alarm bells”. For that reason, it has brought forward the authorisation period for these firms to this summer. Rent-to-own firms that wish to obtain authorisation needed to apply by 30 June. That will ensure that any firms that do not reach the rigorous standards required are not able to continue in business and that poor standards start to be driven out of the market.

With regard to the price of credit, the Government believe that consumers should be protected from unfair costs and charges in the market. The Government showed their commitment by legislating to require the FCA to introduce a cap on the cost of payday loans, which came into force on 2 January 2015. The Government were clear that an interest rate cap or a cap that covered only some of the fees and charges that payday lenders may impose would be ineffective; I remember discussing some of the finer points of that sentence at some length with the hon. Member for Walthamstow. The FCA therefore designed a cap to include all fees and charges that may be incurred in relation to a payday loan, including arrangement fees and default penalties.

The Government legislated to give the FCA the power to cap the cost of all forms of credit. They have placed a duty on the FCA to use that power to impose a cap on the cost of payday loans because of the clear evidence of consumer detriment in that sector. The objective was to target payday lenders. However, the FCA retains the power to cap the cost of all forms of credit if it thinks that that is necessary to protect consumers, and it has said that it will keep the issue of capping the cost of credit in other markets under review.

Stella Creasy: Can the Minister set out for us, then, what evidence he would look for in order to introduce a cap on the charges that the rent-to-own sector may impose? I wonder whether he has a note that will help him to explain what levels of detriment, of costs, would have to apply. Some of us may argue that the cap on the payday lending industry is a little high at the moment, but it could be brought down. The Minister makes the point about a test. What tests would he set?

Damian Hinds: The test would be to appoint a regulator that we believe in and give it the tools to be able to make the decisions—give it the enforcement powers and the analytical capability—rather than, as a Government, meddling in the individual decisions on the details of the regulation. Appointing a regulator is historically

how we have done things in this country, not just in this market but in others. It does not always please everyone all the time. Sometimes, people may feel that things should move more quickly or more slowly or be somewhat different, but in general it is a good way to protect consumers.

If at some point we think that the regulatory system in toto is not working, we change the regulatory system, but I do not think that it is right for Government necessarily to have a prescriptive answer to every subsection of the market; as the hon. Member for Walthamstow rightly said, this market, in its broader form, has a remarkable ability to shape-shift. If we go very specifically after one part of it and try to change one specific practice, we will find that something else changes somewhere else that we did not know about. That is why it is important to have this broad regulatory framework that includes high-level principles of fairness to the consumer, with the regulator stepping in to license and delicense operators when it feels that that is necessary.

Stella Creasy: Obviously, the Minister will be conscious that doing nothing has consequences, too; we have seen that in relation to all the people we have been talking about today, who have been ripped off by these companies. The Minister will also be aware that, on payday lending, the Government did not accept the argument that he is putting forward—that the Government should not intervene and set a cap—and did recognise the need to set a series of tests. Opposition Members would be incredibly sympathetic if he wanted to break his vow of libertarian conservatism and say, “Actually, there is a need to intervene because we see this predatory behaviour in this industry.” I want to press him. Is he saying that he would be opposed to learning the lessons from payday lending and to the Government’s stepping in and introducing proposals for a cap on the rent-to-own sector, despite the consequences of doing nothing, which we are seeing now?

Damian Hinds: The hon. Lady, although passionate, is not right when she says, “The Government did specifically this.” The Government put a duty on the FCA with regard to that part of the market. They also, at the same time, gave a power to the FCA to do something in parallel, in other parts of the broader consumer credit market, if it deemed that necessary.

Ultimately, individual organisations make their own commercial decisions on prices, interest rates and default fees for their products. However, the Government believe that it is in the interest of lenders to consider the impact on their customers and, of course, to treat them fairly.

On the affordability of credit, rent-to-own firms must fulfil a number of requirements. When the responsibility for regulating consumer credit transferred from the OFT to the FCA, the FCA turned key elements of the OFT’s irresponsible lending guidance into binding rules. Those are enforceable with the full range of FCA enforcement powers. They set out that a firm should assess the customer’s creditworthiness, having particular regard to the potential for the commitments to impact adversely on the consumer’s financial situation and taking into account information that the firm is or ought reasonably to be aware of at the time and the consumer’s ability to make repayments as they fall due. The FCA’s rules are aimed at strengthening consumer

protection and are based on the simple principle that money should be lent only to a person who can afford to repay it. Firms are also provided with greater clarity on what is expected of them and the sanctions if they lend irresponsibly.

Rent-to-own firms, like all consumer credit businesses, are required to make affordability checks for consumers taking out an agreement. The FCA makes it clear that a firm should lend responsibly and should take reasonable steps to assess the customer’s ability to make repayments in a sustainable manner, without undue difficulties and without having to borrow further. Ultimately, credit should be extended to a consumer only if they can afford it. The extent and scope of affordability checks are determined by a number of factors, which include, as well as the financial position of the customer, their vulnerability and in particular whether the firm understands that the customer has some form of mental capacity limitation or reasonably suspects that to be so. Some of the casework examples given by my hon. Friend the Member for Blackpool North and Cleveleys throw that requirement into sharp relief. In addition to that, on 23 February 2015 the FCA published a paper on consumer vulnerability and a practitioners’ pack to assist firms in addressing the needs of customers in vulnerable circumstances.

Some concern has been expressed that rent-to-own agreements are not always adequately explained to consumers before they enter into them. That point was made from the Opposition Benches. The FCA requires firms to provide adequate pre-contractual explanations to enable consumers to assess whether the proposed credit agreement suits their needs and financial situation. Consumers can compare the cash price quoted in the pre-contractual information with the price of equivalent goods elsewhere to decide on the best deal. That ensures that consumers have the ability to make the financial decision that best suits their needs.

The Government are aware that consumers are sometimes required to take out insurance and service deals when entering into a rent-to-own agreement and that that could cause consumer detriment. Although there is concern that those deals raise the total cost of an agreement, the Government have ensured that where insurance is required as a condition of credit, the cost of the insurance must be factored into the APR, so that consumers can make a comparison on the basis of total costs and make informed decisions about the agreement that they are entering into. Furthermore, when firms sell insurance products, they must do so in line with the FCA’s requirements about assessing consumers’ eligibility to claim on a product.

The reforms made to consumer regulation by the Government and the FCA have given consumers new protections, and the regulatory framework means that consumers will continue to be protected in the future. It is important that avenues of credit remain open to those who need them, while consumers are protected from harmful practices.

Stella Creasy: I have asked the Minister about the Consumer Rights Act 2015 and the commitments given to hon. Members by BIS Ministers that these practices—the selling of warranties and insurance products—would be covered by consumer rights legislation. The things that he is saying do not quite match what those Ministers

[Stella Creasy]

said. Can he clarify whether he has spoken to the Ministers in BIS about the Consumer Rights Act and its role in tackling the bundling up and selling of insurance products and warranties, and will he commit to raising that issue with the consumer rights implementation group? If nothing else, he could get that group to look at whether being required to buy an additional product when someone simply wants to buy the original product breaches basic consumer rights.

Damian Hinds: I will have to write to the hon. Lady about the details of the regulation on bundling. In general, price bundling in markets is not illegal, but on the specifics of this market I will have to get back to her.

The Government have set up the Money Advice Service, which provides a single point of debt advice for consumers and allows those who face problems with debt to obtain free and impartial money advice. This year, MAS will spend £47 million on debt advice, delivering through its third sector partners an increase of almost £9 million on the previous year.

It is important to take a joined-up approach to the provision of free debt advice. Following the independent review of MAS, the Government welcomed the creation of a debt advice steering group, which will help to improve the effectiveness and efficiency of free debt advice provision by bringing together senior representatives of the debt advice charities, high street banks, water and energy bodies and devolved organisations.

Yvonne Fovargue: I welcome the fact that there will be a body, but is it not appropriate to get local authorities involved as well, because they quite often fund free debt advice in their areas? I also feel that the Local Government Association needs to be involved in the body.

Damian Hinds: The steering group will be an open forum to involve all relevant and interested parties, and I take on board the point that the hon. Lady makes. I wanted to come back to a point that she raised earlier, which my hon. Friend the Member for Blackpool North and Cleveleys also mentioned: where the consumer stands in relation to part-paid goods. The Consumer Credit Act 1974 states that in a hire purchase agreement, a court order is required to repossess goods if a third of the total cost has been repaid. Furthermore, where 50% of the total price has been repaid, a consumer can return a product without penalty and the agreement will finish.

Stella Creasy: One thing that we see with such companies is that they move the goalposts with consumers. First, they do not tell consumers that a court order is required to repossess goods. Secondly, the amount that constitutes 50% moves, because of some of the charges applied. Will the Minister commit to reviewing that area? As he says, consumer protection exists, but because companies change how they lend to people, consumer rights are not being upheld.

Damian Hinds: The hon. Lady raises an important point. It is one thing to have rights, but another to know what they are. That is not restricted to the rent-to-own sector or to consumer credit, and organisations such as Citizens Advice have an important role to play in making that plain. It is an important part of disclosure for firms

to make that known. The regulatory regime and enforcement are designed to provide confidence that that is happening in reality.

That brings me to my more general concluding point. We are in a new era, with a new framework. I pay tribute to Martin Wheatley and the FCA for the speed at which they have introduced a more positive framework. Many of us have taken an interest in consumer credit issues and detriments in the market over several years, and the FCA framework now contains a lot of what people have asked for. In addition, I pay tribute to hon. Members from all parts of the House who have taken a constant interest in the subject and kept it at the forefront of public policy debate.

None of the issues that we have talked about today is new. The leading home credit provider first came into being in Victorian times, catalogue lending has been with us for as long as anybody here can remember and rent-to-own shops existed long before 2010. Moreover, the market can and does change; we talked earlier about its ability to shape-shift. The Government have adopted a proportionate approach to the market. The hon. Lady suggested that I might have felt constrained by being in coalition between 2010 and 2015. I wonder what constrained her, or her colleagues in the Labour party, for the 13 years before 2010, when they did not do all the things that she is now demanding from the Government of today.

More broadly, I think that the approach has to be a judicious combination of financial education, sensible regulation and ensuring that alternatives are available. In all three of those areas during the past five years there has been a significant shift, with the inclusion of financial education on the national curriculum, the new FCA framework, Government support for the credit union sector and the accompanying regulatory change.

Rent-to-own is an important part of the consumer credit market. My hon. Friend the Member for Blackpool North and Cleveleys is absolutely right to keep our focus on it, and we will continue the dialogue.

10.55 am

Paul Maynard: Members will be glad to hear that I have only three minutes, so I cannot go on and on. I thank all hon. Members who have participated today, particularly the Front-Bench spokespeople and the hon. Member for Makerfield (Yvonne Fovargue), who was quite right to point out that the sector may be relatively small—indeed, it is—but it has a massive impact on the lives of some of the most vulnerable people if things go wrong.

I should like to focus for a few seconds on the word “vulnerable”, which we have heard so much today. It is a word that is being devalued in modern politics. Everybody, suddenly, is vulnerable in some way or another, which almost strips the word of its meaning. I would rather think of people who have poor financial resilience, but who can function effectively in the market. They are not vulnerable, by my definition. The ones who are vulnerable are those who, for whatever reason, cannot function effectively in the market. We need to recognise that quite precise distinction.

I commend the hon. Member for Walthamstow (Stella Creasy) on her undoubted vigour on these issues. I think, however, that the Minister in his concluding

remarks made an important point: the answers to the problems that we have talked about today involve the judicious application of a range of measures. The hon. Lady needs to be alive to the nuances of the debate as she seeks to shoehorn it into her wider national narrative of us all going to hell in a handcart. Occasionally, we need to focus on some of the precise issues in the rent-to-own sector. There are alternatives to the BrightHouses of this world, and consumers need to be made aware of them. That is why I put such importance on the need for a comparative website.

I welcome the Minister's offer of further engagement, and I look forward to that engagement. I join him in praising the FCA. It is at the start of a journey, and I see a role for Members from all parts of the House to urge the FCA along the journey as best we can, paying attention to the nuance of the rent-to-own sector as well as the wider debate about consumer debt. I thank all hon. Members for attending today.

Question put and agreed to.

Resolved,

That this House has considered the rent-to-own sector.

Health Provision (South Gloucestershire)

10.57 am

Jack Lopresti (Filton and Bradley Stoke) (Con): I beg to move,

That this House has considered health provision in South Gloucestershire.

It is a pleasure indeed to serve under your chairmanship, Mr Hollobone. My focus in this debate will be largely on the Frenchay hospital site and the lack of any health provision there, which affects healthcare provision across South Gloucestershire. I am pleased to see in the Chamber my neighbours and hon. Friends the Members for Kingswood (Chris Skidmore) and for Thornbury and Yate (Luke Hall). I look forward to their contributions.

I have a great sense of *déjà vu*, because this is the third time in just over five years that I have spoken in such a debate and sought to enlist help from the Government to address the question of the promised community hospital at Frenchay. The previous Labour Government made the highly controversial decision in 2005 to downgrade Frenchay hospital. As part of their overall plan, which included building a new acute hospital at Southmead, a commitment was made to provide a community hospital on the Frenchay site. Five years later, in 2010, in the “emerging themes” proposals for healthcare in the area, we were again promised a community hospital at Frenchay. We were told that acute care services would move to the new acute hospital at Southmead and that the community hospital at Frenchay would have “step down” and “step up” services.

The “step down” service would allow patients who receive surgery at the new Southmead hospital to be moved to their local community hospital before being discharged, to reduce the number of beds required at Southmead and enable family and friends to visit patients more easily during their convalescence and recovery. The “step up” patients are those who require hospitalisation but do not require the full services of an acute hospital. The bed numbers for the new Southmead hospital were planned on community hospitals such as Frenchay being available for more minor matters.

In total, 68 beds were recommended at Frenchay. There was also to be a range of out-patient services, diagnostics and an enhanced community health service for care to be provided at home. There was also to be space left on the site for a doctors' surgery, extra-care housing and possibly even a nursing home. Fine—that was not what local people wanted, but it was a clear plan with clear objectives.

Then, in July 2012, the primary care trust and the clinical commissioning group began to change their minds once again. However, they did not fully update South Gloucestershire Council's public health and health scrutiny committee until April 2013. At that point, they confirmed that there had been a “stock take” of out-patient and diagnostic capacity at Frenchay.

In September 2013, the council's health committee received confirmation that there was no longer a proposal to have out-patients and diagnostics on the Frenchay site. In August 2013, the CCG met and decided that, only for the interim, rehabilitation beds at Frenchay would be moved to Southmead for two years. My Conservative colleagues on the council's health committee came up with a plan and identified funds within the

[Jack Lopresti]

council's budget to keep the in-patient rehabilitation beds at Frenchay for two years until the new Frenchay health and social care centre opens in 2016. They proposed the plans to the health committee in September 2013. However, Liberal and Labour councillors joined to vote down the proposal. The issue was then referred to the Independent Reconfiguration Panel by the Secretary of State for Health.

The IRP made scathing comments on the way that local healthcare providers handled Frenchay community hospital, and Frenchay hospital in general. The IRP said it is understandable that residents

"should feel exasperated by the years of delay"

and by the

"amendments to plans".

The IRP concluded that the whole process had shown a "marked lack of empathy"

by local healthcare providers

"for patients and public who have the right to expect better".

My hon. Friend the Member for Kingswood secured a debate on healthcare in South Gloucester in March 2014. I sought assurance from the Minister, and she said

"I am assured that the local NHS is committed to finding a long-term solution for the provision of in-patient beds at Frenchay. Although the CCG is commissioning 68 beds at Southmead for May 2014, that is a temporary measure while the Frenchay site is being improved to accommodate them after April 2016."—[*Official Report*, 19 March 2014; Vol. 577, c. 888.]

Frenchay hospital closed in the early summer of 2014 with a commitment that it would be closed for only two years and would reopen in 2016 as a community hospital. However, that date has moved once again and is now mooted for August 2018 at the earliest and more probably November 2019. Is it any wonder that a large number of my constituents feel bitter and that many are extremely sceptical that there will ever be a community hospital at Frenchay? Will the Minister explain why there is a further delay? I should like her to address the timings to help me explain to my constituents why that continues to happen.

More than ever, there is a case for a community hospital in South Gloucestershire at the Frenchay site. There will be a large population expansion in my constituency over the next 10 years. There was nearly a 10% increase in population across South Gloucestershire between 2004 and 2014, and a big increase in housing is planned over the next 10 years. For example, in my constituency the Cribbs Patchway new neighbourhood plan will create at least an additional 5,500 new homes. As a country, we have an ever-increasing elderly population, and the number of people aged 65 and over in South Gloucestershire increased by more than 30% between 2004 and 2014, and obviously that growth is ongoing.

The Save Frenchay Community Hospital group has recently published a report highlighting that Southmead hospital is currently unable to achieve the necessary national performance targets due to a lack of intermediate care beds in the community, which has resulted in a high number of patients being discharged due to a lack of appropriate sub-acute care beds in the community. Opening Frenchay community hospital would alleviate that situation and was supposed to be part of the

overall solution and plan. I ask the Minister to insist that the CCG publishes its definitive plans for the Frenchay site. If the 68 beds are no longer required, I should like the CCG to explain how the gap in provision of intermediate care beds for patients discharged from Southmead hospital will be filled.

I am writing to ask South Gloucestershire Council's health scrutiny committee to ask the Secretary of State to refer the matter back to the IRP. It has been more than a year since the IRP criticised the CCG for the length of time it was taking to make a final decision. Finally, my constituents and I need clarity and confirmation that a community hospital at Frenchay will actually happen with a realistic, achievable timescale that is in the public domain. The uncertainty and continual moving of goalposts drives the cynicism that has gone on for far too long.

11.5 am

Chris Skidmore (Kingswood) (Con): I thank my constituency neighbour, my hon. Friend the Member for Filton and Bradley Stoke (Jack Lopresti), for securing this important debate. Many people in South Gloucestershire are listening, and I put it on record that he has been a strong local champion for his area. At every moment, he has not been afraid to speak truth to power about what we feel is going wrong with healthcare across South Gloucestershire. The Minister will be more than aware that we have put South Gloucestershire on the map in raising our concerns about local healthcare provision. We have met her twice, and the last time was on 23 June. My hon. Friend and I have also met the Health Secretary. Over the past five years, we have secured several such debates in the House, and we will continue to do so until we resolve the issues that need to be resolved on behalf of our constituents.

Today, my hon. Friend has raised the issue of Frenchay. The delay caused by the CCG, for whatever reason, is inexcusable and needs to be solved, but I also want to talk about the situation at Cossham hospital, which is also part of the feted Bristol health services plan that took accident and emergency services from Frenchay to give to Southmead on the other side of Bristol. As part of that health services plan, a minor injuries unit was promised at Cossham hospital. Do not get me wrong—Cossham hospital had a full £20 million refurbishment after it was threatened with closure under the previous Labour Government in 2004, which is fantastic. As a member of the league of friends of Cossham hospital, I have volunteered to make the tea and, before we had our new baby, we turned up for antenatal classes at the hospital. It is a superb facility, but it has an empty room that should have housed a minor injuries unit, which, alongside Frenchay, is an outstanding sore point among my constituents, who were promised a minor injuries unit at Cossham and a community hospital at Frenchay. Those promises have not been delivered.

Cossham hospital is just outside my constituency in Bristol East, but it is used by 80% of South Gloucestershire residents, so it is a critical healthcare facility. There has been a 20,000-signature petition to the House of Commons, of which I delivered 2,500 signatures. That petition led to these debates and, just the other month, a referral to the IRP was published by the Health Secretary, who signed off and agreed the IRP's recommendations. I understand that no Health Secretary has ever not agreed

with the IRP's recommendations, but the recommendations were that the CCG could go ahead as planned and not provide a minor injuries unit at Cossham. Instead, the CCG wants to pilot the introduction of minor injuries provision at general practitioner centres.

There is a problem for my constituents, and for constituents elsewhere in South Gloucestershire. There is a minor injuries unit in Yate, which I am sure my hon. Friend the Member for Thornbury and Yate (Luke Hall) will discuss. It is a fantastic resource, and only one patient at the unit has not been seen within the four-hour target, but we should have had a minor injuries unit at Cossham because people pay their taxes and it was part of the deal, which has been signed and sealed but not delivered. We have now been grinding away at this for years, and we seem to be going around in circles. The CCG has not come up with any alternative provision, so someone in Kingswood with a minor injury such as a broken leg or a broken arm has to go up to Yate. There is simply no provision in place, which is totally unacceptable. The IRP reported the exasperation that constituents feel about Frenchay, which is happening all over again and is mirrored with the minor injuries unit at Cossham hospital.

I have three points to raise with the Minister as the MP for Kingswood. I will continue to fight for a minor injuries unit at Cossham. At the moment, the CCG has not ruled out a unit. It is common sense that, while a room is empty and there is an X-ray department just down the corridor, it is far simpler for someone with a broken bone to get to the X-ray department than having to go to a GP surgery to be treated by a nurse practitioner before getting in an ambulance to go up to a minor injuries unit at Yate or Southmead. It is that lack of joined-up thinking that I and my constituents find incredibly frustrating.

One of the recommendations in the IRP report published last month—moving forward from its regrettable conclusions—was about the CCG request for external support from NHS England to help to solve its problems with delivering the community hospital at Frenchay and minor injuries unit provision across South Gloucestershire. It has asked for help, citing the problems it has with the deficit it inherited from the PCT. To reassure constituents and campaigners that the CCG will get the help it requires, can the Minister tell us what kind of support NHS England can provide and how soon that can take place? We need answers and we need a road map.

As CCGs become more embedded and more autonomous organisations, accountability becomes an issue, and I do not believe arrangements are in place. That is general point that could apply across the country. The Secretary of State for Health has rightly copied the model of the Department for Education and introduced an accountability regime into hospitals. We now have a chief inspector of hospitals and hospitals will be graded on whether they are inadequate or need improvements. We need that system for CCGs. We need to be able to turn around, as a local community, and stare at our CCG, and know that if it has failed in public engagement, as South Gloucestershire CCG patently has, it will be branded as needing improvement or even inadequate. I urge the Minister to take that policy proposal away and look at it, because the problem will only grow.

Funding in South Gloucestershire is a well worn theme. My hon. Friend the Member for Filton and Bradley Stoke has raised the fact that we have a rapidly aging population. With 30% growth in the over-65s demographic since 2004, there will be problems with co-morbidities and long-term chronic illnesses, which affect everyone once we reach a certain point in life. That is what we need to deal with in South Gloucestershire, but we can only deal with it with improved funding. When we look at South Gloucestershire and compare it with Bristol, there may as well be a Berlin wall running through the county boundary: on one side is Bristol with several thousand pounds per head more funding than South Gloucestershire. Yes, we have had an incredibly welcome health funding increase of 7% in the past year—17th largest rise in the country—but we need a fairer funding settlement. We have the f40 group for schools, and we need the same in healthcare to ensure that South Gloucestershire residents get the healthcare that they desperately deserve.

11.12 am

Luke Hall (Thornbury and Yate) (Con): I thank my hon. Friend the Member for Filton and Bradley Stoke (Jack Lopresti) for calling the debate—I know how hard he has worked to keep the issue at such high prominence—and my hon. Friend the Member for Kingswood (Chris Skidmore) for his comments on healthcare in the region.

As a local man, born in Southmead hospital just next door, I have, like other hon. Members here, relied on the NHS in South Gloucestershire and Bristol all my life. I echo their thoughts, especially those of my hon. Friend the Member for Filton and Bradley Stoke, on Frenchay and the delays in the CCG. I followed the reforms to healthcare in the previous Parliament and broadly support the CCG approach, which is fundamentally a good one. I welcome the announcement that the CCG has recently signed a 10-year contract with Sirona Care & Health to continue providing services at Yate minor injuries unit—a fantastic resource for local people in my constituency. That has been a great relief to a large number of people across Thornbury and Yate.

According to provisional Government figures, South Gloucestershire is scheduled to receive an extra £1.5 million next year, which is extremely welcome and only possible because of the Government's management of the economy. As my hon. Friend the Member for Kingswood mentioned, the difference between funding per household in South Gloucestershire and Bristol is stark. Spending will rise to £1,856 per house in South Gloucestershire, but it is more than £2,100 per house Bristol—£273 more in Bristol than South Gloucestershire. I appreciate the raise we are receiving, but it is clear that we are inadequately represented in our funding.

I am particularly keen that the Government continue to address the problems associated with an ageing population in South Gloucestershire. The CCG has identified the problems of ageing, particularly diseases such as dementia, to be a significant priority for the area. I will support those efforts where I can by holding Dementia Friends events around my constituency to raise awareness of the disease in our communities.

The healthcare provision offered at Thornbury hospital is extremely important to my constituents. The previous proposals for Thornbury involved redevelopment of

[*Luke Hall*]

combined health centre and hospital sites, to lead to NHS rehabilitation beds to replace the Henderson ward as part of improved rehabilitation, re-ablement and recovery services for South Gloucestershire; a replacement healthcare centre with space for additional ambulatory services; and new extra-care housing and nursing home capacity, which is extremely important when we consider the 28,000 homes planned over the next 11 years in South Gloucestershire. I assure the Minister and my constituents that I will work with all the relevant bodies, including the CCG, NHS England and South Gloucestershire Council, to ensure that the services are delivered to Thornbury. That emphasis will ensure that my constituents receive the care that they need to remain active members of our local community.

More broadly, I should like to mirror the comments made recently by the Prime Minister and the Secretary of State for Health regarding the aspiration for a seven-day NHS. Yate minor injuries unit, which treats relatively minor injuries such as broken bones, minor head injuries or minor eye problems, is only open until 1.30 pm on a weekend. If we are to relieve the pressure on primary care centres, we must work to ensure that our community services can perform their duties any day of the week. I know that the Minister shares that aspiration and is working hard towards it.

In summary, I am pleased to welcome the move by the CCG to continue to provide crucial services at Yate minor injuries unit. I hope that people will join me in working to provide services and increased provision at Thornbury hospital as quickly as possible.

11.16 am

The Parliamentary Under-Secretary of State for Health (Jane Ellison): As ever, Mr Hollobone, it is a pleasure to serve under your chairmanship. This is my first Westminster Hall debate of the new Parliament; I responded in the last Westminster Hall debate of the last Parliament. It is nice to be back responding to a debate. It is nice to respond to a debate from my esteemed colleagues, my hon. Friends the Member for Filton and Bradley Stoke (Jack Lopresti) and the Member for Kingswood (Chris Skidmore), and my new colleague, my hon. Friend the Member for Thornbury and Yate (Luke Hall), but I am sorry that we are revisiting themes that have been much discussed, both in private and in debates in the Chamber. My hon. Friends are, as ever, doughty champions for their local healthcare system. It is fair to say at the outset that I share some of their exasperation with regard to the timings that they expressed. I will revisit some of the history of the health service reconfiguration in the area and respond to the specific points they made.

I congratulate my hon. Friend the Member for Filton and Bradley Stoke on securing the debate and my other hon. Friends for coming to the Chamber and responding to the issues that were raised. This is a matter of long-standing importance—perhaps too long-standing, which is the thrust of what has been said today. I am sure that I speak for all my hon. Friends in saying that whatever the frustrations with the administration of healthcare in their local area, we have nothing but praise for the NHS staff who assiduously look after our constituents day in, day out.

The Bristol health services plan is the background to much of the issue. As my hon. Friends will be aware, the local NHS in Bristol, North Somerset and South Gloucestershire agreed the Bristol health services plan, which was a 10-year strategic plan to modernise and improve healthcare services across the area. It was the basis for developing a series of integrated proposals, including a new acute hospital for north Bristol and South Gloucestershire on the Southmead site, which opened in May 2014 following the transfer of acute service from Frenchay; and the new community healthcare facilities in South Gloucestershire, including the plan for a community hospital on the Frenchay site. In addition, the plans included the centralisation of some surgical specialties across the city, in a pattern now familiar to those following NHS reform, to concentrate specialisms and excellence at certain sites.

In 2010, the South Gloucestershire Primary Care Trust presented its emerging themes proposals for the development of a health and social care centre at Frenchay with community in-patient facilities, but the trust did not really deal with the affordability of those proposals in any detail. Indeed, it was noted at the time that there was no new funding available for the project and that it would require reinvestment of existing resources.

A business case was subsequently developed by North Bristol NHS Trust in 2011 for Frenchay, resulting in proposals that were considered unaffordable in the context of the financial challenges faced by the local NHS. In addition, those proposals would have limited the scope for the development of new community-based services in the long term. The commissioners made it clear that further work was required to ensure that the model for the delivery of services was in line with best practice.

One of the frustrations about a situation that has developed over such a long period is that it is overtaken by new models of care, and this whole debate is overshadowed by the fact that the Keogh review of urgent and emergency care, which aims to establish the ideal model for delivering that care, is relevant. Moreover, there are emerging best practice NHS views about how we provide community care and how different models work. As I say, one of the frustrations about a situation developing over such a long period, and which has been subject to delay, is that it tends to be reinforced because new models of care emerge all the time, which require plans to be revisited. That has been one of the sources of frustration.

It was against that backdrop that a major review of rehabilitation services was launched, in conjunction with local commissioners. The review of rehabilitation and reablement services across Bristol, North Somerset and South Gloucestershire commenced in October 2012, with involvement from both NHS and local authority providers. Significant progress was made in agreeing a clear and consistent vision for that future model, which was largely a service-focused response built on the involvement of a number of local stakeholders. South Gloucestershire clinical commissioning group developed a detailed local model of care for rehabilitation in August 2013, building on the rehabilitation and reablement review.

The implementation of that model of care began in 2013 in a phased approach, and there have been a number of developments to date in relation to the review. For example, rehabilitation community beds

were located at Elgar house on the Southmead site and at Thornbury hospital. I must stress, however, that these are interim arrangements until long-term plans for community beds at Frenchay and Thornbury are put in place. I have already mentioned the frustration about timings, and that frustration was expressed during the debate. However, it is the current position that these are interim arrangements.

Further developments include the new community rehabilitation and reablement beds that have been commissioned in local care homes, with new in-reach support services in place for individuals in these residential rehabilitation beds, and additional community reablement services have also been commissioned.

What is the current position? Over the past 10 years, many of the proposals in the Bristol health services plan have been implemented, together with a number of major additional developments. It was good to hear my hon. Friend the Member for Filton and Bradley Stoke speak about the new state-of-the-art hospital at Southmead, although there have been challenges in some areas. There is also a new community health care facility in Yate, which he also referred to, as well as a new NHS independent sector treatment centre in Emersons Green.

In addition to those developments, a £19.6 million refurbishment of Cossham hospital has been completed. The hospital reopened in 2013 with the area's first midwife-led birth centre. My hon. Friend will be aware that Cossham hospital had originally been due to close, so was not part of the proposals in the Bristol health services plan. That is, if you like, a gain on what was originally proposed, and one that I know has been welcomed.

Over the past two years, local clinicians have continued to lead the major transformation programme for rehabilitation services. I am assured that providers, patients, members of the public and other stakeholders have been extensively involved in that programme. I very much hope that other stakeholders, including MPs, are involved. I often say in debates such as this one that it is absolutely essential that local NHS commissioners, including CCGs, work closely with MPs. It is often forgotten that MPs are a first point of contact for people who are concerned about the process of reform, whether they are frustrated by the timing of the process or worried about its relative opaqueness.

South Gloucestershire CCG has confirmed that it has made significant progress towards implementing that programme, which includes providing community beds in local care homes with in-reach support from NHS teams. As part of the next major transformation of rehabilitation services, in March, the CCG began procurement for services that are expected to lead to the redevelopment of the Frenchay and Thornbury hospital sites. As my hon. Friend said, the timetable published with these plans describes a procurement process that is expected to result in the award of a contract by March 2016. This is a good opportunity to provide an integrated health and social care development on the Frenchay site.

I understand the frustrations that are felt locally, including by my hon. Friends who are here today, about some of the timings involved. The CCG has confirmed that it understands the concerns felt by some members of the community. I will follow up this debate by writing to the CCG and asking it for more detail about the timings, because I am concerned to hear talk of

2018 or 2019. At first glance, it is quite hard to get one's head round that timetable, so I will follow up by asking for more detail, and I will report back. This is a complex project, involving a lot of partner organisations that are co-ordinating multiple developments across a number of sites. Nevertheless, we need to have a bit more detail about how the timetable might slip by one year and potentially by another year.

The CCG has confirmed that it is determined to deliver transformed services that meet future health needs in line with current best practice, but any plan needs to be financially affordable. As I have already said, we need to ensure that plans are not constantly overtaken by new models, although the model based on best practice is much more settled than previous models and is in line with recent NHS England thinking and the five-year forward view, which is a very helpful road map for the health service for the next five years and which everything else relates to.

Regarding the minor injury unit plans, as my hon. Friend knows, South Gloucestershire CCG has decided to revisit those plans to take account of local evidence about their impact on accident and emergency attendances. Those plans are looking at key themes emerging from Sir Bruce Keogh's national review of urgent and emergency care. That work is ongoing, but it is reshaping the way that the NHS thinks about urgent and emergency care, and it influences all the models of care that are being considered, with patient care at its heart. I can understand why the CCG believes that enhancing primary care services would help to improve urgent care services for the whole population, but what is needed is clarity about that process and about how it will be assessed.

Last October, following a period of engagement with the public, proposals were put forward and it was agreed that they would be developed on a pilot basis with the GP practice-based injury services described by my hon. Friend. The CCG is working with local GPs and community providers to agree detailed plans, but in my follow-up letter to the CCG after this debate I will ask for more information about those plans and the process of assessment for that pilot, which will feed into any final decision that is made. That work will include further discussions with local GP practices, but I will stress in my communication to the CCG that it must involve detailed discussion with local MPs, particularly when those MPs have been so assiduous in following this process, not just through one Parliament but now into a second Parliament. It is absolutely vital that my hon. Friends are kept informed and involved.

Subject to successful completion of that work by the CCG, plans are expected to be presented for approval to the September meeting of its governing body. I stress that a formal decision in relation to the previous plans for a minor injuries unit at Cossham hospital will be made once the proposed pilot scheme has been evaluated. Subject to the details being agreed, the pilot scheme is expected to commence in late 2015 and it will run for a minimum of 12 months, with evaluation that will include consideration of feedback from patients. Again, I expect local MPs to be closely involved in that process.

A number of challenges have been made to me, and hon. Friends have asked me to follow up on them. I will look to see where I can do so. More generally, as we have discussed before in Westminster Hall and in the main Chamber, it is the responsibility of local NHS

[Jane Ellison]

organisations to determine how local services are delivered. They are best placed to understand the needs of the people they serve, but what this process has drawn out is that over time those needs can change and evolve, and our understanding of how best to respond to them must change and evolve. Nevertheless, we need to ensure that we are at all times moving forward, because local people do not really understand why things seem to be endlessly put into review and re-examined.

NHS England has rightly placed more emphasis in recent times on how it can provide support to parts of the system that are struggling to make progress at a pace that we would all recognise as ideal. Part of my follow-up to this debate will be to ask whether NHS England can provide any extra support to help to ensure that there is a clear timetable, which is well understood and which everyone can talk to their local community about. I will do that in my follow-up, and I will write to all three of my hon. Friends after this debate. As ever, I commend them for their interest in this subject, and I hope that we can see considerable progress in the early years of this Parliament.

Question put and agreed to.

Resolved,

That this House has considered health provision in South Gloucestershire.

11.30 am

Sitting suspended.

Public Sector Broadcasting (Diversity)

[MR GARY STREETER *in the Chair*]

2.30 pm

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I beg to move,

That this House has considered diversity in public sector broadcasting.

It is a pleasure to consider this matter under your excellent and expert chairmanship, Mr Streeter, and to lead this debate on an important subject. Public sector broadcasting is sometimes more broadly known as public service broadcasting, because although the BBC, Channel 4 and S4C are effectively publicly owned, ITV and Channel 5 both have public service obligations as part of their broadcast licences. Ofcom defines the purpose of public service broadcasting as

“Informing our understanding of the world; stimulating knowledge and learning; reflecting UK cultural identity; representing diversity and alternative viewpoints.”

Public service broadcasters have a duty to represent the public.

The United Kingdom is a vibrant, diverse, complex and at times eccentric country, and it is essential that our public service broadcasters should reflect that—indeed, that is why we have public service broadcasting. Left to itself, the market would not; anyone who has watched “Fox News” cannot fail to agree with that.

I will touch on all aspects of diversity, as I believe there is still much to be done. I want to concentrate on an area that has had little coverage and few initiatives: class and region.

Jesse Norman (Hereford and South Herefordshire) (Con): I am grateful to the hon. Lady for introducing, in this of all weeks, this important topic to a public debate. I share her concern about the lack of representation in public service broadcasting generally, and in the public sector.

Will she permit me to clear up one misunderstanding that has arisen in relation to the Select Committee on Culture, Media and Sport, which I chair? As matters stand, my Committee has no women or black and minority ethnic members. That is not because of any planned structure or other institutional arrangement, but because no women or black and minority ethnic candidates stood for election. That is highly regrettable, from my point of view. I wish that they had done so and that there was a bigger pool in Parliament from which such candidates could have offered themselves. We are, as matters currently stand, working within the rules of the House. I thank the hon. Lady for allowing me to put that on the public record.

Chi Onwurah: I thank the hon. Gentleman for his intervention, which illustrates something of the challenge that we face. He said eloquently that he wished there was a larger pool of women and black and minority ethnic Members in the House from which people could have put themselves forward to his Committee. It is regrettable that there is not and that no women or black and minority ethnic Members put themselves forward; having an entirely male and pale Select Committee

representing the House on such matters does not do justice to the House and does not reflect well on it or its reputation. I thank the hon. Gentleman for putting that on the record.

John Nicolson (East Dunbartonshire) (SNP): Lest it be considered that that Committee is entirely composed of majorities, we should remember that there is another minority: gay people. As a gay member of the Committee, I should like to put that on the record.

Chi Onwurah: That is something that I wish to focus on. The definition of “diversity” is broader than gender and ethnicity alone, although those are two important and very visible aspects.

Reflecting the reality of this country is important. Whether on screen or radio, writing scripts, researching programme guests, operating cameras or in the boardroom, all involved in the broadcasting value chain should strive to ensure that the content they produce, their leadership and their employees look and sound like the country of which they are part. There are two important reasons for this.

First, fairness is a value on which the British people pride themselves. A recent survey by British Social Attitudes found that 95% of people agree that “in a fair society every person should have an equal opportunity to get ahead.”

Research by YouGov found that 78% of the British public thinks

“it should be the government’s job to ensure that rich and poor children should have the same chances.”

It is not fair that every household in the country pays the licence fee, but only certain types of households are represented on the BBC. It is not fair that such an important part of our national culture and conversation should exclude important parts of our nation.

Secondly, there is an economic and business case for diversity. Organisations that do not take full advantage of the wide range of creativity and talent on offer in this country are depriving themselves of potential. This month, Tim Hincks, president of Endemol Shine Group, which produces such well-known programmes as “Big Brother”, “Masterchef” and “Broadchurch”, said that the BBC was “hideously middle class” and that “we’re hampering ourselves by not fishing in a bigger pool.”

We are losing the creativity that comes from people of different backgrounds mixing, and mixing it up.

Earlier this year, my hon. Friend the Member for Rhondda (Chris Bryant), the shadow Secretary of State for Culture, Media and Sport, had a rather public disagreement with James Blunt. I agree that

“it is really tough forging a career in the arts if you can’t afford the enormous fees for drama school, if you don’t know anybody who can give you a leg up, if your parents can’t subsidise you for a few years whilst you make your name and if you can’t afford to take on an unpaid internship.”

Like my hon. Friend, I want everyone to be able to take part in the arts—I do not want any no-go areas for young people from less privileged backgrounds. Indeed, it is often those who have had to struggle through the hardest of backgrounds who have some of the most interesting stories to share.

We are proud that this year’s Oscar for best male actor was won by the British Eddie Redmayne, who was discovered when a casting director saw him in a school

show. His school was Eton. When I asked at a broadcasting event recently how often casting directors attended performances at schools like my old school, Kenton comp, people thought I must be joking. I was not.

One thing that makes this country great is our culture; we export it around the world and punch well above our weight. Jobs in our creative industries now represent one in every 12 in the UK. According to figures published today, which I am sure the Minister is aware of, arts and culture are now worth £7.7 billion in gross value added to the British economy. That increased by more than a third between 2010 and 2013. John Kampfner, chief executive of the Creative Industries Federation, said yesterday that the creative industries

“are central to our economy, our public life and our nation’s health.”

I agree. As our public service broadcasters are at the forefront of our creative industries, I hope and expect them to be at the forefront of promoting diversity.

The people of Britain deserve equal opportunities, regardless of their socioeconomic background, postcode or accent. As Owen Jones said in his recent book, “The Establishment”:

“Where institutions rely on too narrow a range of people from too narrow a range of backgrounds with too narrow a range of experiences they risk behaving in ways and focussing on issues that are of salience only to a minority but not the majority in society...Because the media disproportionately recruits from such a privileged layer of society, there are inevitable consequences for how journalists look at news stories, or how they decide what issues are priorities.”

I want to recognise and put on the record the progress made in many areas. I have been a regular Radio 4 listener since the age of 16, thanks to “The Hitchhiker’s Guide to the Galaxy”, which first drew me to that station. In my North Kenton council estate, and even as a student in Elephant and Castle and a struggling young professional, I often thought that the station was peopled by emissaries from a different galaxy: they had no visible means of financial support and had all gone to one of the schools that call themselves public while excluding 99% of the public.

I am pleased to say that received pronunciation is no longer the sole voice of the BBC. We have more women on the air, although they tend to be younger and better looking than their male counterparts; that could be the subject of an extended debate on its own. There are more people from minority backgrounds, although, to be frank, it would be impossible for there to be fewer. Channel 4’s coverage of the Paralympics achieved record viewing levels, and for the first time put people with disabilities into a prolonged primetime viewing spot in a positive way. I pay tribute to Channel 4 for that.

Kate Green (Stretford and Urmston) (Lab): My hon. Friend is right to highlight the participation and portrayal of disabled people in public sector media. Does she also agree that it is incumbent on broadcasters to think about how they portray disabled people and people from other minorities? Much of that portrayal can be disrespectful and humiliating, leaving people with a strong sense of alienation and under-representation.

Chi Onwurah: I pay tribute to the work that my hon. Friend does in this area. She is absolutely right. I will touch on the issue in more detail, but it is about how

[Chi Onwurah]

people are portrayed as well as the airtime and minutes. Broadcasters will often portray disabled people in a way that can appear patronising if there are no people with that disability in their ranks.

Ofcom's latest review—this relates to the earlier intervention from the hon. Member for East Dunbartonshire (John Nicolson)—found that a majority of the lesbian, gay, bisexual and transgender community felt under-represented on screen. Fewer than a fifth said they were portrayed negatively to audiences. The figure is still too high, but it is improving. While we should all compliment the broadcasters on having made progress, the fact is that the country has changed, too. It is more diverse than ever, with less deference and higher expectations. Broadcasters have finally entered the 1970s in the representation of diversity. In the meantime, young viewers today are likely to live into the 22nd century, although that is perhaps less likely for you and me, Mr Streeter. Sir Lenny Henry said last year:

“The evolution of BAME involvement in British TV seems to lurch one step forward and two steps back.”

According to the House of Commons Library, people with disabilities still make up fewer than 1% of people appearing on television, despite being 20% of the audience.

One area where little progress has been made is the representation of working-class people, particularly those not in London. It was telling for me that most of the briefings I received for today's debate from many organisations—including the BBC, for example—did not even mention socioeconomic background or the regions. Perhaps those organisations took one look at me or my name and made assumptions about where my interests might lie. Tim Hincks, who I quoted earlier, said that

“no measure of diversity can be truly meaningful without measuring...social background and social mobility.”

Ofcom does look at regional background. It recently found that London and the south-east are still the most highly represented regions in daily broadcasting. Viewers from across the UK were more likely to think that too many people from London and the south-east are shown on TV, compared with other regions, and I am inclined to agree. Despite two thirds of people agreeing that it was important, only 44% of English audiences scored public service broadcasters highly when it comes to portraying their region. I was quite upset when last year's Great North Run Million—a spectacular event on the banks of the Tyne, with fireworks, Sting, Ant and Dec, Jimmy Nail and various other stars—was given no live national coverage, although I am glad to say that the recent BBC coverage of “Hadrian's Wall of Sound” was a great tribute to our region and to my city.

Touching on the point that my hon. Friend the Member for Stretford and Urmston (Kate Green) made, negative stereotypes of people and regions are more likely to find their way on to the airwaves when there is a lack of those people or residents of those regions in the cast, crew and, most importantly, leadership of those organisations. Those stereotypes apply to socioeconomic background, gender and the regions in which we are born, as well as to those with a disability, BME people and lesbian, gay, bisexual and transgender people.

Specifically on regional background, two years ago the “BBC Breakfast” business presenter, Stephanie McGovern, who is from Teesside, said that she got a

break only because of one editor taking a gamble on someone with an accent. She said that

“despite being a business journalist at the BBC for ten years, working behind the scenes on our high-profile news programmes, I was viewed by some in the organisation to be ‘too common for telly’.”

I might prefer the Geordie accent, but I still want to hear my friends and neighbours on Teesside as much as I do my friends from London, Wales and south Devon.

There are no doubt many similar stories. One example is that of Aaqil Ahmed, the head of religion and ethics at the BBC. Last year, he said that while he had no problem climbing the first few rungs of his career ladder, when it came to senior management,

“there are few people with similar cultural or socio-economic backgrounds to mine and that has in my opinion hindered me, not completely but enough for me to find it hard to navigate a way forward. There is a lack of diversity of socio-economic classes the higher up the food chain you get”.

I make it clear that I do not support diversity in broadcasting simply because I admire the Geordie accent, or the folk singing of the Unthanks, or the original writing of the Live Theatre, or the music of Hawthorn school's symphony choir, or the original productions of Northern Stage, or the artistic expression of the Wilson Twins, or the comic timing of the Theatre Royal's annual pantomime or all the great stories from young and old to be found in Elswick, Benwell and Scotswood, West Gosforth, Westgate, Wingrove, Kenton, Blakelaw or Fenham in my constituency. Nor is it simply that I want to see more northern and working-class culture on the national stage, although I do. I support diversity because there is an economic benefit associated not only with having a vibrant artistic culture, but with being known for having it.

Since becoming an MP, I have been appalled by the lack of knowledge of north-east culture among some of those tasked with selling the north-east abroad. Whether it is about retaining the talented graduates of our great universities or attracting inward investment, we need north-eastern working-class culture to be valued abroad and at home. The working-class environment in which I grew up had many stories to tell—it still does—but we seem to hear the same types of story from the same types of people. “Coronation Street” was revolutionary when it was launched and I pay tribute to ITV for it, but it is an indictment of the industry that, 50 years later, we are still talking about it as revolutionary in representing the working class.

We are not in this position because of some plot, or even because of incompetence. A great deal of effort has been made by the public service broadcasters, and others feeding into and from the same talent pool, to improve diversity. In the past 15 years, 29 initiatives have been aimed at increasing BME representation alone. The BBC has a fund for increasing BME representation and has asked to be judged on its progress in the coming years. Channel 4 has recently doubled spending, with its new Alpha Fund schemes to support new diverse writing talent from the north of England, and regional outreach programmes. It has also introduced commissioning diversity guidelines. ITV does not have figures or targets, but it says that it is committed to ensuring that commissioners

“play a full part in maximising the growth of diverse talent and increasing diversity on screen”.

The trade body for independent producers, PACT—the Producers Alliance for Cinema and Television—has a diversity programme that is now in its third year, and it takes part in the pan-industry monitoring programme known as Project Diamond.

There is not a lack of effort but a lack of results, which means a lack of will at the highest echelons. True will to change would mean more resources but also proper targets and incentives through monitoring and mainstreaming the challenge—that is, making it part of the culture of an organisation, so that a wide range of executives, commissioners and producers are accountable. The problem may manifest itself to me and my constituents through a lack of northern or working-class stories and people on air, but it actually starts far higher up. Selection or recruitment bias is a well-known phenomenon in which people tend to hire people who look or sound like themselves. That might explain why, a couple of years ago, Radio 4 had an all-male panel discussing breast cancer the day after an all-male panel discussed teenage pregnancies—truly a low point.

How can public service broadcasters fulfil their purpose of representing diversity and alternative viewpoints if they exclude certain voices, or hear from them only in benefit tourism-type orgies of disapproval? How can we be sure to discuss issues that are important to people in Newcastle as well as in London? Why is more original independent programming not commissioned in the north-east, by independent north-east companies?

The Minister takes diversity very seriously, and I pay tribute to him for that. Indeed, I should perhaps have declared a familial interest, in that my brother is an independent TV producer who has been involved in one of the Minister's review boards. I am sure that the Minister will mention the £100,000 that he recently gave to the Equality and Human Rights Commission to develop guidance on diversity in broadcasting. Nevertheless, the fact is that that guidance does not mention socioeconomic background once. Why is that?

Some 83% of new entrants to journalism do internships that are almost entirely unpaid and are predominantly based in London. No one from my council estate could have supported themselves on such an internship in London. I ensure that all my internships that last longer than a week are living-wage internships—the real living wage, not what the Chancellor announced in his Budget, which had the young as one of its principal targets and will not improve the ability of talented young people to enter broadcasting. Without action, we are unlikely see improvements to the current situation in which 54 of the top 100 media professionals and 26% of all BBC executives went to independent schools, compared with 7% of the public as a whole.

In 2013, I challenged Radio 4 "Woman's Hour" over the number of female guests on the programme from an engineering and scientific background. I was struck by the fact that not only did the programme makers not know, but they seemed to think it was rather indecent that they should be expected to keep track of the voices to which they were giving a platform. If such things are not even monitored, how can we hope to improve them? In an era of big data—a policy area that, interestingly, is also part of the Minister's brief—it is surprising that big media does not routinely collect those sorts of data across all channels and programmes. I am sure that there are many geeks who are willing to show them how to do it.

There are many schemes, but if we have little idea of the scale of the challenge, no idea of how effective the schemes are and no targets or incentives to meet them, it is little surprise that the situation is not changing very quickly. I have previously written to Ofcom on the representation of regions. Although it monitors a variety of on and off-screen diversity data, it too does not seem to look at people's regional and socioeconomic backgrounds. Why not?

I want to make it clear to the Minister that I understand and champion the independence of the BBC and all broadcasters from Government interference. Indeed, I should be clear that I do not think it is for the BBC to implement social policy. One of the characters in the excellent BBC comedy "W1A" suggested that if the BBC could not make itself more diverse, it should work to make the population at large less diverse. That was satire. However, by charging the BBC with implementing benefits for the over-75s, the Government are blurring the distinction between satire and reality.

I strongly support the BBC and broadcasters more generally being independent and having clear and transparent funding, but, as with any aspect of our society or economy, I have a duty to speak up for my constituents where public sector broadcasting might not be acting in their interests, just as I criticise the UK tech sector for its lack of diversity.

I have a few questions for the Minister. Does he share my concern that our creative industries are missing out on a huge pool of creative and managerial talent? Does he agree that, as well as gender and ethnicity, socioeconomic background and region are important? Does he further agree that much more progress must be made in those areas? Will he mandate or encourage the collection of data, so that we know the size of the challenge? Is he aware of the different initiatives that are being undertaken, and what is his assessment of them? For example, I welcome Channel 4's commitment to increase from 3% to 9% its investment in productions from outside England by 2020, but neither Ofcom nor the BBC Trust publishes figures on the proportion of funding that goes to independent producers. Will he rectify that? What steps will he take to ensure that working-class kids have a voice in broadcasting? What steps will he take to ensure that film and radio are produced independently in the north-east? Finally, does he think that it would be possible to get a casting agent to go to a show at a northern state school?

2.59 pm

Hywel Williams (Arfon) (PC): I congratulate the hon. Member for Newcastle upon Tyne Central (Chi Onwurah) on securing this important debate. I speak for Plaid Cymru, which values diversity in all aspects of broadcasting, including gender, race and locality. For my party, broadcasting means not only the visual medium, but audio too, because our concern is about English-language and Welsh-language broadcasting in Wales, which is a significant aspect of diversity. TV and radio should sound, as well as look, like the community that they serve.

My concern is about the particular situation in Wales, which largely involves BBC Cymru Wales, ITV Cymru Wales, BBC Radio Cymru, which broadcasts Welsh language radio, and S4C, all of which contribute to the diversity of voices and images that we hear on the radio

[Hywel Williams]

and see on our TV screens. It is of concern that English-language broadcasting in Wales is weak and does not really reflect the strength of local communities or the diversity of the English-language community in Wales when compared with the rest of the UK. Indeed, the Audience Council Wales, which works with the BBC, reported today that the 2014-15 budget has decreased and that the number of people tuning into BBC Wales has fallen, a pattern which is probably reflected in other parts of the UK's local and regional broadcasting.

Given the ubiquity of Anglo-American broadcasting on television, I sometimes think that my constituents in Arfon know more of the workings of the LAPD than of the NWP—North Wales Police. I am sure that they could quote the procedures of the LAPD much more effectively. Print journalism in Wales is also weak, leading to a deficit of democratic debates. People in Wales tend to read newspapers from England—from London—and the coverage of Welsh life in general, and Welsh politics in particular, is small and vanishing. In fact, it was said that in one particular year the only coverage of Welsh agriculture on network news was the famous case of Shambo the Hindu bull, which was facing slaughter. That was the only thing reported about Welsh agriculture in an entire year—an “and finally” story if there was ever was one.

The main way for Welsh people to hear of events in Wales is through “Wales Today”, the BBC's flagship Welsh news programme. It attracts an audience of nearly 300,000, which is good news—certainly for politicians—for TV diversity. Even given that success, and the BBC's success in producing Welsh-language programmes for S4C, the Audience Council Wales has characterised broadcasts in English in Wales as being “closer to the cliff edge”, which must be a concern for Opposition Members and for the Minister.

I must inevitably turn to the most obvious example of diversity in UK broadcasting: a UK channel that does not even broadcast in English, namely S4C or Sianel Pedwar Cymru. I hardly need to remind the Minister of the cuts to S4C's funding, not least the 93% cut in direct Government funding when they dumped most of the funding burden on the BBC. There is a measure of the 15-minute weekly reach of BBC programmes on S4C. In 2014-15, 131,000 people in Wales were watching such programmes. In 2013-14, however, the figure was higher at 155,000. I do not know whether that decline is permanent or perhaps just a feature of one year, but a drop of 24,000 must be of concern. All broadcasters face the challenge of declining audiences as people choose alternative ways of viewing programmes, such as online and, as it were, “out of time”, but S4C is the only Welsh TV broadcaster. It is the only place in the world—the universe—where Welsh-language TV programmes are available. In that respect, its decline is particularly serious and dangerous for the diversity of UK broadcasting in general.

That decline is countered somewhat by an increase in the accessing of BBC material online. I must be personally responsible for a large chunk of that, given that I watch BBC Cymru's online output many times a day. Weekly hits have increased from 40,000 in 2013-14 to 89,000 in 2014-15, so growth has been rapid. I am also glad to say that young people are very much responsible for that growth, which is a hopeful sign for our future.

Broadcasters need continuity of proper funding. It is a long-term business, and its base of expertise could be lost in a fairly short period of time. It needs that continuity in order to develop the world-class Welsh-language broadcasting that we need. The Minister will be aware of the campaign started by Cymdeithas yr Iaith Gymraeg—the Welsh Language Society—calling for statutory funding for S4C through a levy on larger broadcasters. I do not know how realistic that is—the Minister may like to comment in his response—but I am certain that we will hear a good deal more of that campaign over the coming months. This is just friendly advice and not in any way a warning, but the Welsh Language Society is very determined.

I might be knocking at a closed door, but I will end by saying that my party's policy is for the devolution of broadcasting to the Welsh Government. The crucial matter—I think Labour colleagues share this view—is that broadcasting must have security of funding before that devolution can happen.

3.7 pm

Liz McInnes (Heywood and Middleton) (Lab): I thank my hon. Friend the Member for Newcastle upon Tyne Central (Chi Onwurah) for securing this debate, which is timely and worthwhile and particularly relevant to my constituents, given that the BBC, since its move to MediaCity in the north-west, has become an important potential employer.

The BBC is quite rightly held in high regard in this country and around the world, but we must focus on areas where its service needs to be improved. Lord Reith summarised the BBC's purpose in three words: inform, educate, entertain. That remains part of the organisation's mission statement to this day, but public sector broadcasting needs to address other matters: inclusivity, diversity, equality, fairness and representation. My hon. Friend has rightly highlighted the lack of people from regional and working-class backgrounds on our screens and in management roles, but I will talk specifically about the representation of disabled people and about gender.

Quite simply, there are not enough disabled people on television. The BBC has announced plans to quadruple the number of people with disabilities that it puts on television by 2017, but those plans sound more impressive than they are. Just 1.2% of the people on BBC television are disabled. Quadrupling that figure will take it to only 5%. Disabled people make up about 18% of the population, so even 5% is 13 percentage points too few. For BBC television to fairly represent the disabled community and accurately reflect British society, the proportion of disabled people it shows needs to be multiplied not by four but by 15.

The disabled community is a cross-section of society. There are disabled people of every age, ethnicity, religion, gender, sexual orientation and political inclination. People with disabilities are frequently robbed of self-representation. In film, disabled characters are all too often portrayed by able-bodied people. I am glad that the BBC created the position of disability correspondent, but for disabled people to be properly integrated into television they need to appear constantly in programming that is not wholly about disability. It would be good if the BBC met its targets for increasing the number of people with disabilities in scripted entertainment by ensuring that

more disabled characters are created and more disabled actors are employed to play them. An equally excellent and important strategy would be to ensure that more disabled actors are cast in roles for which it is immaterial whether the character is disabled or not.

Although great strides have been made on the portrayal of women by our public service broadcasters—there are many more women on our screens than there used to be—there is still a long way to go. Women make up 51% of the population, yet they are still under-represented on television and in management roles. In 2013, less than 18% of TV presenters over 50—not just in the news—were women. The BBC has a special duty, through the universality of the licence fee, to lead the way. It has identified gender equality as a priority. Tony Hall announced that, by 2015, 50% of breakfast presenters on local radio should be women. That is a good first step, but targets are needed in the news room, too. At present, there are not even publicly available gender statistics on the BBC broadcast reporters. What we see matters to all of us, and equality cannot be left to chance.

Watching or listening to a news broadcast might give the impression that there are plenty of women involved in news and current affairs broadcasting. On the surface, women appear to be well-represented. However, a closer look at the statistics shows that, despite making up more than half the population and a larger proportion of the TV and radio audience, women are severely under-represented on and off air in news and current affairs broadcasting.

A landmark House of Lords Select Committee on Communications report on women in news and current affairs broadcasting, published in 2015, highlighted concerns about the representation of women in news and current affairs broadcasting because of the genre's wide reach and role in shaping public perceptions about society. It is well-documented that although women make up a significant share of broadcasters' work forces, they are under-represented in flagship news. One study showed that there are three male reporters in flagship news programmes for every female reporter.

The House of Lords Committee also argued that women are poorly represented as experts in news and current affairs coverage. It underlined the expert women campaign run by *Broadcast* magazine in partnership with City University. It heard evidence that women make up only 26% of the people interviewed as experts or commentators and 26% of those interviewed as spokespersons.

In a typical month, about 72% of the BBC's "Question Time" contributors and 84% of reporters and guests on Radio 4's "Today" programme are men. The situation for older women is particularly bad. The Lords Committee heard from a number of journalists, including Miriam O'Reilly, who won an age discrimination case against the BBC. It concluded:

"The number of older women in news and current affairs broadcasting is too low. Evidence we have received suggests there is an informal culture of discrimination against older women within the BBC and other broadcasting organisations."

John Nicolson: I am always interested in the Miriam O'Reilly case. She won the case, as we know, but has anyone seen her subsequently on screen?

Liz McInnes: That is a very good question. I do not believe she has been able to find gainful employment in

the media since the case. I have seen her, because she stood for the seat for which I was selected to be the Labour party's candidate.

John Nicolson: So she has been doubly robbed.

Liz McInnes: I thank the hon. Gentleman for that intervention. It is a very good point. From talking to Miriam O'Reilly, I feel that by taking the case against the BBC she destroyed her career in broadcasting. It is extremely unfortunate, but it highlights the problems still facing women in the media.

It is extremely important that older women are represented on television as role models for younger women, for today's older women and, indeed, for everyone. They have much to contribute. Gone are the days when women were seldom heard or seen in news and current affairs broadcasts. Nevertheless, our public sector broadcasters, Ofcom and the Government have a long way to go to achieve genuine gender balance, for older women in particular.

Mr Gary Streeter (in the Chair): The winding-up speeches now begin. I call Mr John Nicolson.

3.16 pm

John Nicolson (East Dunbartonshire) (SNP): I am grateful for the opportunity to speak. I congratulate the hon. Member for Newcastle upon Tyne Central (Chi Onwurah) on securing this debate on diversity in public sector broadcasting.

I find myself in agreement with all the Opposition Members' speeches. I cannot pretend there is an anti-Scottish bias as far as screen accents are concerned, in stark contrast to the bias against the English regions. From first-hand experience—I was a broadcaster myself—I can tell hon. Members that the BBC is comfortable with Scottish accents, and there are plenty of them, fortunately.

I did not know that the hon. Lady would raise the issue of the under-representation of other minorities—not least lesbian, gay, bisexual, and transgender people. Again, I can speak from personal experience. When I came out as gay when I was presenting "BBC Breakfast" on BBC 1, which I did for a number of years, I found that I was the first mainstream TV news presenter to do so. When I told the press office staff that I had given an interview to the *Daily Mail*, and that when asked about my home life I had been honest, they were aghast and told me that no BBC presenter had ever been openly gay before. I said: "Perhaps in news nobody has been openly gay before, but what about other fields?" They said that no one in any field had ever been openly gay. Larry Grayson and John Inman were, according to their BBC biographical notes, apparently just waiting for the right woman to come along.

That was in the year 2000, and I am not sure that much has changed. Why does it matter? As the hon. Lady rightly said, the faces and voices on TV, especially in news, should reflect the society in which we live. It is all about trust. I am the Scottish National party's spokesman on culture, media and sport, and inevitably Scotland is my specialist field and interest. The BBC Trust in Scotland reports that less than half of the people in Scotland believe that the corporation represents their life. That is the lowest level of trust in the BBC of any of the nations in the United Kingdom, but it is no coincidence, given the number of TV programmes that are commissioned in Scotland and the jobs in Scotland.

[John Nicolson]

Comparisons are worth while, so hon. Members must forgive me for providing some figures. Programmes originating in Scotland from BBC Scotland account for 2,321 hours, whereas in Ireland Raidió Teilifís Éireann commissions 4,700 hours, and in Finland, Yle commissions 4,900 hours. There is a terrible dearth of commissioning in Scotland. What about jobs? BBC Scotland employs 1,200 people, RTÉ 1,800 and the Finnish Yle 3,500. Money? BBC Scotland receives £201 million, RTÉ £286 million and Yle £386 million. Of course there is the added absurdity that Scotland is perhaps the only country in the world where the main 6 o'clock news programme runs no foreign news of any kind. There could be Armageddon in Carlisle and it would run an air show in Carlisle as the main news story. It is a most peculiar position and it is one reason why the SNP is keen on having a Scottish 6 o'clock news with proper news values—local, national, UK and international news chosen on the basis of merit, as happens on the radio.

Chi Onwurah: I am surprised to hear what the hon. Gentleman says. Is he saying that if for example something happened in Newcastle, less than 100 miles down the road, it would not be reported in the Scottish news?

John Nicolson: No, it would not. "Reporting Scotland" does not report anything outside Scotland. It is a peculiar situation and very different from Radio Scotland, which makes decisions based entirely on news merit.

Hywel Williams: The hon. Gentleman will be interested to know that BBC Wales in English tends to be about Wales—some might say parochially about Wales—but that Radio Cymru and the BBC news in Welsh have amazing agility and an ability to identify Welsh speakers at the far ends of the globe. They can report in Welsh on earthquakes in Peru, or wherever it might be, almost immediately. That shows the value of broadcasters that are very close to the people they serve. Like the mafia, they know where they live. They know who they are.

John Nicolson: That is a charming comparison of BBC Welsh bosses with the mafia; I am sure they would welcome it.

There is enshrined, entrenched provincialism in much of the output of BBC Scotland. There have been some improvements, but in 2006, BBC commissioning accounted for only 3.5% of content from Scotland. That went up to 9% in 2011. The Channel 4 figure went up from 2.6% in 2006 to 4.1% in 2010. There were significant improvements in Gaelic broadcasting under the SNP Government. In 2007 when they took charge, there was limited Gaelic broadcasting, but the SNP has found £12 million per annum to fund BBC Alba, which now reaches 500,000 people a month. To put that in context, there are only 100,000 Gaelic speakers, so 400,000 people are watching it hoping to understand it. I should of course mention that it is subtitled, so they will understand it.

We are calling for the Scottish Government to be involved closely in all aspects of charter renewal, because Lord Smith was vague when he talked about SNP Government involvement. He said that the Government in Scotland should be involved, but did not specify how. It was our intention during consideration of the Scotland

Bill to delete completely the reservation of broadcasting from the Scotland Act 1998, and we offered an amendment to that effect. Unfortunately, it was rejected by Scotland's single Tory Member of Parliament, who is of course the Secretary of State for Scotland in the peculiar constitutional arrangement that we have.

We believe that responsibility for broadcasting should be transferred from Westminster to Holyrood. We believe in the retention of the TV licence. We believe in a fairer share of BBC income to reflect the licence fee revenue raised in Scotland, which would provide a boost of some £100 million, stimulating the creative sector and production in Scotland. We think the Scottish Government and Parliament should have a substantial role at all stages of charter renewal, leading to legislative responsibility for the BBC in Scotland. Just as Scotland already has devolved responsibility for press regulation, so too should it have devolved responsibility for broadcasting. Indeed, given the climate of hostility towards the BBC and public service broadcasting from the Government, there is a good argument for saying that the BBC would be safer in Scottish hands. It will be remembered that the Secretary of State's appointment was greeted thus by various newspapers. *The Sun* said, "it's payback time" and *The Daily Telegraph* declared that there was to be "war on the BBC". Well, by their friends shall ye know them.

It is no secret that many in Scotland were deeply disappointed by the BBC's behaviour during the referendum, which fell far short of high journalistic standards, because of a perceived lack of objectivity, but there is a difference between the way we responded to that, and the way that the Government see the BBC. We felt a bit like disappointed lovers discovering the infidelity of someone we rather cared for. The Government, of course, feel very differently. We do not share the post-divorce visceral hatred for the BBC felt by so many on the Tory Front Bench—assuming, of course, that a marriage ever took place.

I thank the hon. Member for Newcastle upon Tyne Central for securing the debate, in which there is strong Scottish interest. Beyond that, her general points about the vital need for diversity are well made. I hope that all hon. Members on both sides of the House share that view.

3.26 pm

Susan Elan Jones (Clwyd South) (Lab): It is a pleasure to serve under your chairmanship, Mr Streeter. I thank my hon. Friend the Member for Newcastle upon Tyne Central (Chi Onwurah) for a thoughtful, insightful and passionate debate on a subject of great importance. Her speech was fascinating for the range—indeed, the diversity—of the material it covered. The issue is about fairness, and there is also a strong economic argument. There was a range of other issues too, including how various regions and nations of the UK are portrayed, as well as accents. It was an important speech.

I thank hon. Members who took part in the debate. The hon. Member for Arfon (Hywel Williams) raised important issues to do with English and Welsh language broadcasting, including S4C in Wales. Perhaps I may cheekily tag on to what he said an issue that I do not think he mentioned directly, but which is related and important. That is to do with BBC broadcasting in

Wales, and making sure that all the regions in Wales are represented. For instance, I am thinking of the sad loss of BBC Radio Clwyd, when colleagues across the border have BBC Radio Shropshire. My hon. Friend the Member for Heywood and Middleton (Liz McInnes) made a powerful speech, especially as it related to disabled people's representation, or lack of it, and to that majority that is often a minority—namely us women.

There are three public sector broadcasters: the BBC, Channel 4 and S4C. Wider public service broadcasting includes the main channels of ITV, STV, UTV and Channel 5. Key among those, of course, is the BBC. As we all know, we are about to start the process of BBC charter review. The sections of the Green Paper that have not already been leaked will be published on Thursday and the Culture Secretary will deliver an oral statement. I hope that all hon. Members who are present will be able to attend. We will then finally be able to get on with charter review, with less than a year and a half to go before it runs out; although one might be forgiven for thinking that we have already started, with the Conservatives briefing against the BBC, forcing it to accept back-room deals, and seeming already to have decided what they want. In the words of the Secretary of State:

“My private view has always been that you have a much smaller BBC doing a much more targeted output of clear public-service content.”

So a shrunken, weakened BBC, which does not try to provide something for everything, left doing worthy posh programmes, as America's Public Broadcasting Service does. Most of us do not want a BBC like PBS, which has to interrupt its shows to beg for donations. Most of us want diversity. Think of the irony, if we had a BBC that showed not “The Voice”, but instead endless speeches by the Secretary of State for Culture, Media and Sport on BBC Parliament—that makes no sense.

We will campaign with the public for a big, bold BBC at the heart of our national life, showing popular programmes and providing something for everyone, a BBC that carries out the mission of its first director-general, John Reith, to “inform, educate and entertain”. The public will have their say, and we will see what kind of BBC they want, the kind of country they want. An extraordinary statistic in this digital age is the 97% of the UK population who use a BBC service every week and, if the Government pick a fight with the public over the BBC, it is not too difficult to guess who might come out worse.

The BBC is not perfect. That is why an open and consultative charter review is important. We can gather the views of the public and examine where the BBC is doing well and where it can improve. One area to improve on is clearly diversity, today's topic, although we need to distinguish between perceived and actual diversity. Perceived diversity is what audiences perceive—do the faces on their television and computer screens, or the accents on their radios, look and sound like the United Kingdom? Actual diversity is more about the workforce—are all people from all the many parts of the United Kingdom, and all its walks of life, able to compete for and win BBC jobs?

“Diversity” covers a great deal. People have many different identities, and it covers characteristics such as race, gender, sexuality, disability, faith and age, and different backgrounds such as nations, regions, communities

and socioeconomic classes. Our country is, thankfully, a varied, colourful, boisterous place, and the nation's broadcaster needs to represent such diversity. That is so important that it is one of the BBC's six public purposes:

“Representing the UK, its nations, regions and communities”.

Why should we care about diversity, whether perceived or actual? The golden thread running through the BBC is that it provides something for everyone. That is not only a matter of simple British fairness and niceness; the BBC is paid for by everyone through the licence fee. The BBC provides something for everyone on TV, on the radio, online and in many other ways. It is the nation's broadcaster, at the heart of our national life. That means that it should reflect the nation back to itself, and be open to talent, no matter what its source.

First, the national broadcaster should reflect the nation back to itself because people want to see stories and information about their lives and areas. They want to see people like them on the screens and to hear voices like theirs on the radio. That is not only about feeling that people like us are represented; it is about ensuring that all our lives are represented and that all our stories are told. Secondly, the BBC should be open to all the talents. The cultural and creative industries now account for about one in 11 jobs, and the proportion is growing. The sector is the fastest growing one in our entire economy. It has been improving its productivity, sucking in investment and selling British creativity, and Britain itself, to the world. Jobs are generally well paid and meaningful. Put simply, they are the jobs of the future, and we need routes into such jobs for all. It is about equal opportunity—people should not be held back by one of their characteristics or the fact of their background.

That is why diversity is important, and everyone in the cultural and creative industries gets that. So what is the problem? It seems to be that the BBC is still not in the right place on perceived or actual diversity. Unfortunately, people from historically marginalised groups still feel under-represented and negatively portrayed by public service broadcasting. That came out clearly in Ofcom research for its third review of PSB: 55% of people from black and minority ethnic groups felt under-represented and a similar proportion felt that they were negatively portrayed; half of LGBT people and half of disabled people felt under-represented; in the north of England, 20% of people said that they felt negatively portrayed; and the figure in Northern Ireland, I believe, was 26%.

The workforce is still unrepresentative. As Lenny Henry made clear, the creative industries—the BBC is no exception—still do not represent ethnic minorities. A Creative Skillset census showed that between 2006 and 2012, black, Asian and minority ethnic representation in the creative industries had declined by 30.9%, to 5.4%, the lowest figure since the body started taking the census. Much more therefore needs to be done to improve. Positive steps have been taken. The industry has established a measurement system for workforce and on-screen diversity. Thanks should go to the Creative Diversity Network, which will help to get accurate, up-to-date information on diversity, so that we can see exactly where we need to improve.

Honesty is the first step towards improvement. In 2003, 91% of BBC network spend was in London. Today, 53% of network spend is outside London. For

[Susan Elan Jones]

the first time, the majority of BBC staff are based outside London, in the nations and regions of the United Kingdom.

Chi Onwurah: I thank my hon. Friend for her excellent speech, which is a comprehensive overview of many aspects of diversity, including some that I could not touch on. On her last point, with regard to the BBC having so much of its spend and workforce outside London, which I applaud, there is also the difficulty of getting from Newcastle to Manchester, which is greater than getting from Newcastle to London. The move to Salford has to some extent pulled commissioning and opportunities away from the north-east.

Susan Elan Jones: I certainly empathise, and other regions might have other issues as well. I, too, would speak up about that as a Member from Wales, were I not speaking impartially.

Positive steps point the way to further improvement, but more remains to be done. During charter review, we will be calling on the BBC to live up to its role as the nation's broadcaster and properly to represent our United Kingdom, which is a diverse country. People should be able to see their communities reflected back to them, and they should be able to compete for the jobs of the future. A big, bold BBC should be here to make that happen.

3.37 pm

The Minister for Culture and the Digital Economy (Mr Edward Vaizey): It is a great pleasure to appear under your chairmanship Mr Streeter, as always. I thank the hon. Member for Newcastle upon Tyne Central (Chi Onwurah) for calling this important debate, which has ranged far and wide. It started on the important topic of diversity and ended with the perhaps equally important topic of the future of the BBC.

I hope that hon. Members do not mind if I single out some of the chutzpah displayed in speeches this afternoon. I was amused, for example, by the hon. Member for East Dunbartonshire (John Nicolson), who talked, as though butter would not melt in his mouth, about the security that the BBC would feel were it transferred en bloc to the Scottish Government. The same Scottish National party made the political editor of the BBC feel so welcome during the referendum campaign that the BBC appointed a bouncer to look after him. In a recent interview, Nick Robinson described the attacks on him as

“an utterly calculated attempt to put pressure”
on him in

“the week before the referendum... a deliberate attempt to wrongfoot and unnerve, if not me, then my bosses in order to alter the coverage.”

John Nicolson: I remind the Minister that the BBC felt so proud of its political editor that, immediately after his rather embarrassing performance with the former First Minister, he was sent to Northern Ireland. That is not normally where the BBC sends people during a referendum campaign if it thinks that they have covered it with glory. Furthermore, the Minister might recall that the political editor subsequently said that it was not his finest hour.

Mr Vaizey: I recall. Nick Robinson has now obviously been brought back from the cold; I gather that he is to be a presenter on the “Today” programme, taking over from Jim Naughtie, another fine Scottish voice represented on the nation's flagship programme. Mr Naughtie will be a sad loss, although he will carry on as a special correspondent.

If people had not been listening carefully to the hon. Member for Arfon (Hywel Williams) they might have been under the impression that S4C funding had been cut by 93%. Of course, S4C remains one of the most generously funded broadcasters—not just in this country, but anywhere in the world. It does an outstanding job of promoting Welsh programming and the Welsh language. It is, of course, a great Conservative achievement: it was set up under Margaret Thatcher's Government.

Finally on my theme of chutzpah, before a raft of interventions comes my way, I should mention the Opposition spokesperson, the hon. Member for Clwyd South (Susan Elan Jones), who talked about how her party wants a big, bold BBC. She failed to remind us of how the last Labour Government drove from office not only the chairman of the BBC but its director-general, because of their objections to some BBC coverage. I am not sure I am going to take lessons from any of the parties on the Opposition Benches about the future of the BBC. No doubt when the Green Paper is published on Thursday, they will take the opportunity to make their points to the Secretary of State during his statement.

I return to the main theme of the debate, put forward so ably by the hon. Member for Newcastle upon Tyne Central: diversity in broadcasting and, in particular, class and regional representation. The BBC is an important player in that. It goes without saying that its increased representation in Salford in the north-west, for example, has made a material difference to regional representation. Its representation in Glasgow in Scotland is also important. Just three weeks ago we had an important debate in this Chamber in which lots of MPs from the west and east midlands called for greater BBC representation in the midlands—Birmingham, in particular. I hope our Green Paper will reflect those calls and provoke a debate.

On the issue of representation of people from different socioeconomic classes and regions, as well as black and minority ethnic people, people with disabilities and women—the hon. Member for Heywood and Middleton (Liz McInnes) ably raised the need for both disabled and female representation in broadcasting—I echo the words of the hon. Member for East Dunbartonshire: I wholeheartedly agree with the sentiments put forward by all those who have spoken.

To pick up again on the themes put forward by the hon. Member for Newcastle upon Tyne Central, the question is about fairness—that goes without saying—but there is also an economic and business case, which she was right to mention. For example, Sheryl Sandberg, the chief executive of Facebook, points out in her book that there is a need to pursue gender equality not just because it is fair but because the economic and business case for it is overwhelming. That case stacks up on whatever kind of representation one wishes to talk about.

To the points that the hon. Lady made so ably I would add that such representation is particularly pertinent to the media. The media reflect—or should reflect—the society in which we live, so it is important for all of us

living in the UK that, when we turn on our television or listen to whatever media we choose, we feel that the media reflect the kind of society that we live in. The power of the media is not simply in reflecting our society; whenever we see significant under-representation in any profession, the media can be a powerful advocate. If someone sees themselves represented on screen not just as themselves but as a lawyer or teacher, or any other profession that springs to mind, that is incredibly important. That is why it is so important to focus on this issue.

I hope that in those remarks I have demonstrated my answer to the hon. Lady's first question, about whether I shared her concern. I certainly do. Her second question was about whether I thought that socioeconomic and regional background were important factors to take into account—again, the answer is yes, I do. She asked me whether we can make more progress, so I will concentrate on some progress that we have made, albeit in perhaps a slightly narrower field than she covered in her speech.

We know that the position is not good whichever way we look at it. The proportion of people from BAME backgrounds working in film, television, radio, video and photography has not increased in recent years. People with disabilities are significantly under-represented. Women make up only a third of employees in the film and TV industry despite making up more than half the population. As the hon. Member for Heywood and Middleton made clear, in flagship news programmes there are three male reporters for every female one. Employment in television and film has traditionally been low in the north of the UK, Wales and Northern Ireland.

Over the past couple of years, I have concentrated on BAME diversity in particular. I am happy to say that I was spurred into action by campaigns such as those in which Lenny Henry—Sir Lenny Henry, now—was being significantly vocal. In that respect, we have made some progress. All the main broadcasters are now committed to significant and stretching targets to increase diversity in broadcasting.

For example, the BBC has said that at least 15% of people on air will be from BAME backgrounds within three years, and that it will double BAME representation at senior level. The hon. Member for Newcastle upon Tyne Central mentioned the other difficulty that we must not lose sight of: that although we might be good at recruiting talented people at the start of their careers, there is a massive falling off when people reach mid-management level. ITV published its proposals at the end of last year. Sky has announced what is probably the most ambitious target—to see one in five significant on-screen roles going to people from BAME backgrounds. Channel 4 set out its new diversity charter in January.

The British Film Institute has put in place a system to ensure diversity in all films it funds in future. I was pleased that we were able to work with the Equality and Human Rights Commission and Ofcom to look at specific guidelines on the Equality Act 2010. Broadcasters are understandably nervous and do not want inadvertently to breach the Act; we need to make absolutely clear the progress they can make without doing so.

The most significant development, which addresses the wider point about socioeconomic diversity, is the new work being undertaken by the Creative Diversity

Network, an organisation funded by the broadcasters—Channel Five has recently rejoined it following its change in ownership. Previously it had a rotating chair and non-permanent staff. It now has a permanent chief executive, a permanent chair, in John McVay from the trade body Pact. It is launching a monitoring scheme called Project Diamond, which will be uniform across all the broadcasters. Although this might sound a long way away, it is a difficult and complex project to put in place and so we are hoping to see the first data from it early next year. At that point I hope we will have got to the stage where broadcasters have nowhere to hide. The figures may be bad or shocking, but my hope is that people will not see that as an excuse to turn on each other but as an opportunity to learn what the baseline is against which they need to make progress.

We should not stop at broadcasting. We also need to look at theatre, and indeed at the arts in a much wider sense. I hope that in all those areas we will get to a position of no longer having to think about these issues and seeing people in roles and jobs, on and off screen, regardless of their background. That is very important.

There are other issues. As the hon. Member for Newcastle upon Tyne Central made clear in her speech, these are difficult professions to break into. Doing so is often based on networking or on whether someone can finance their early career by effectively working for free. I am pleased that, with Creative Skillset, an employer-led agency that works with Government, we have put together a programme involving some 400 different creative industries to put in place needs-blind apprenticeships that will support people, whatever their background. I think we are up to about 8,500 apprentices, 1,800 paid interns and 1,200 trainees. In terms of supporting the creative industries outside London and regional and socioeconomic diversity, the work of Creative England, which is effectively the screen agency outside London, is very important. It works in film, television and the video games industry.

Due to the success of the tax credit, much more extensive media clusters are developing, which I think will address some gaping holes. For example, in Northern Ireland, I think it is fair to say that “Game of Thrones”, which is now supported by the tax credit, has, in effect, created a very high-quality television cluster within Belfast and beyond. Screen Yorkshire is doing a fantastic job in attracting inward investment into Yorkshire. I have mentioned Salford, and we know that many Members of Parliament are also keen to see greater representation in Birmingham.

Finally, I take up the challenge that the hon. Member for Newcastle upon Tyne Central put to me: to get a casting director from London—I assume she means from London; if they were from Newcastle, it might be slightly pointless—to go to a northern state school. My challenge to her is to nominate the state school and the show. Touch wood, I will be free—and I will still be in this job—to go with the casting director and take them from the cosy metropolitan world they inhabit in central London to see some real acting talent, hopefully, in the hon. Lady's constituency.

Mr Gary Streeter (in the Chair): You can't say fairer than that. Chi Onwurah has a few moments to wind up if she wishes to take them.

3.51 pm

Chi Onwurah: Thank you very much, Mr Streeter, for chairing what has been, as I think we can all agree, a very well informed and reasonable debate with a good deal of consensus—apart from when the question of the BBC's charter renewal was touched on, which was not necessarily within the original remit of my debate.

I thank everybody for their contributions, including my hon. Friends, the Front Benchers and the hon. Member for Arfon (Hywel Williams). In this wide-ranging debate, there was a great deal of agreement on the importance of diversity, including, as my hon. Friend the Member for Clwyd South (Susan Elan Jones) set out, to both sides of the House, as well as economically and in terms of fairness for a big, bold BBC.

I am pleased with the Minister's response about the casting director, and I look forward to choosing the show. In general, I agree with much of what he said; I agree that there are many initiatives and that he has a focus on them. I would like, however, to see more of a focus on socioeconomic background; perhaps that can be his next area. Whereas I talked about fairness and the business need for diversity, he made a very good point in saying that the issue is about showing role models to all of us. All of us need role models, which can be significant in changing the opportunities and ambitions of people more generally.

I shall nevertheless send the Minister all my questions in a letter, because the questions about data and their collection were perhaps not covered fully. I also say to the broadcasting industry that the data can effectively be collected automatically, because there is voice and facial recognition, and in future there will be nowhere to hide. I suggest to the broadcasters that they share the data now, while they can have some control over how it is understood, before they are exposed by big data in relation to all the gaps within their diversity representation.

Question put and agreed to.

Resolved,

That this House has considered diversity in public sector broadcasting.

Domestic Renewables Industry

[MR NIGEL EVANS *in the Chair*]

3.56 pm

Mike Weir (Angus) (SNP): I beg to move,

That this House has considered regulation of the domestic renewables industry.

I am pleased to appear under your chairmanship this afternoon, Mr Evans—however, perhaps the motion should read “failures in regulation of the domestic renewables industry”. At the outset, I say that this is not an attack on Government policy, but it is about raising consumer issues that have arisen in my constituency with two constituents who have had difficulty with installations and have found, frankly, that the regulation of the industry gives them little, if any, protection.

The first case I refer to involves Mrs Leslie, who comes from a small village near Forfar. She had photovoltaic installation in her home and, after a while, discovered a leak in the roof below the installation. It was not immediately obvious because it leaked into the attic and not into her living quarters. She had a loan from the Energy Saving Trust Scotland to fund the work, which had to be conducted by a microgeneration certification scheme—MCS—member. She sought advice from them about what she should do.

In the correspondence that took place before Mrs Leslie contacted my office, she was advised that the accreditation body for her installer, which had since entered administration, was NICEIC—which sounds like something from “Spamalot”, but apparently means the National Inspection Council for Electrical Installation Contracting. I duly contacted this organisation to explain what had happened in her case. I understood from her that an eligibility condition of the Energy Saving Trust loan was a borrower obligation that the works be conducted by a MCS-certified installer. As I said, the leak had not been immediately apparent after installation because the water penetration was in the attic and had not reached the ceiling of her domestic accommodation. However, it transpired that the installer had ceased to trade, and because of the terms of the loan that she had received from the Energy Saving Trust, she was unable to find builders certified and competent to conduct the necessary work.

I asked whether NICEIC would confirm what warranties were in place in respect of the work conducted by the members of its organisation and provide leads to suitably qualified builders who could conduct the necessary remedial works. Four days later, NICEIC wrote to advise that, although the installer had been registered with it in 2012-13, the installer had not been registered with it at the time of the installation. It therefore referred us to a rival registration body going by the name of NAPIT—the National Association of Professional Inspectors and Testers—with which the installer was registered at the time and which should have, we were told, assessed the installer for competence in the technology used.

I duly wrote to NAPIT, again asking what warranties were in place in respect of the work. It responded in a letter received on 26 February, confirming that it had held a registration for the installer until one month after the installation of the panels, so cover should have

applied. Anybody with any sense would think that, if there was registration with a reputable body, they should be covered. It turned out, however, that the installer had failed to process a work notification on the NAPIT database that the work had been carried out. As there was no record of the work, there could be no warranty. I have to say to the Minister that I was as baffled as my constituent that an installer could deprive a consumer of applicable warranties by the simple expedient of failing to report that the work had been carried out. Although this installer was apparently registered, there was no warranty because of some failure on the part of the installer. That gives no protection to the consumer who was relying on that accreditation when they took the work on.

I established, via Glasgow City Council trading standards—the company was based in Glasgow—the identity of the liquidator, and my constituent has now submitted a claim, but as we all know from other liquidations, it is unlikely that she will get much out of that. We continued to engage in correspondence with Scottish Renewables and the Energy Saving Trust with a view to having the loan condition that all works must be conducted by an MCS-certified contractor waived, as the constituent was having problems getting a certified installer to perform the repairs. Just after the election, we were advised that, in the circumstances, they were content for her to engage a contractor of her choice to fix the roof and that they would not hold that to be a breach of the borrower obligation. Fair and well—it was good that that happened. At least, she might have some help, but she still had to pay for that herself because of the lack of any help through the registration process.

Throughout the process, my constituent was left asking, “What does approval by the Energy Saving Trust, the microgeneration certification scheme and the various accreditation schemes mean and what is it actually worth when you find yourself in this situation?” When that was put directly to the Energy Saving Trust, it explained, on 12 May, that

“whilst recommending that householders use MCS-certified installers”, it

“is not involved in the certification, approval or monitoring of such installers”.

However, the home renewables loan scheme makes it a borrower obligation that loan recipients use such an installer. That appears to be a restriction of trade and distortion of the market that should clearly signal to consumers that this is an accreditation of real value, but as Mrs Leslie found, it had no real value at the end of the day. I share her concern that public money is being channelled to companies that are basically being allowed a competitive advantage on the basis of assumed competence without their being subject to proper scrutiny.

Three months before my constituent’s installation, the Department of Energy and Climate Change published its “Microgeneration Strategy”, in which it was asserted:

“In many cases, the non-financial barriers to microgeneration uptake are best tackled by the industry itself, with Government support where required. This is the basis of the action plan in the Strategy, which set out key deliverables, milestones, and responsibilities in the following areas... The Microgeneration Certification Scheme... will be made more effective, through simplified processes, improved governance and better alignment with existing certification schemes and testing requirements at the European and international level”.

From that, I would suggest that a consumer is entitled to assume that the MCS has real value to them, but that is not what my constituent has found. The document says:

“On insurance and warranties, actions will be taken to help policy makers and the industry better understand the consumer protection structure, so that this is accurately reflected in regulation and the industry’s everyday processes. This should lead to consumers making better informed choices.”

But again I would say, if the choice is looking at the installer and the regulator, that my constituent did go through the MCS, did go through two regulators and was no better off at the end of the day.

The document goes on to say:

“The MCS is making good progress in improving its governance. The scheme will be re-established as a free-standing, not-for-profit company, limited by guarantee.”

In the same month as that was published, the chief executive of the Energy Saving Trust had an article on the Which? Conversation part of the Which? website in which he said:

“As the supply chain scrambles to keep up, it’s fallen to two industry-backed and government-approved schemes to help regulate the market. The Microgeneration Certification Scheme... sets industry standards for installers of small-scale renewables and the REAL Assurance Scheme covers all non-technical aspects of an installation, from pre-sale contact to post-installation services.

Our concern is that the rapid expansion of the small-scale renewable market has stretched the capabilities of both these schemes to safeguard the consumer against poor installation and customer service.”

To back that up, I asked the Library for some figures on complaints dealt with by the Renewable Energy Consumer Code. It appears that the number went from 607 in 2011 to 1,892 in 2014. That is a very substantial number, even allowing for the fact that there are liable to be more installations now than in 2011.

In its document for the trade, the microgeneration certification scheme boasted:

“Being a part of this energy revolution will develop green skills and wider business opportunities, which the MCS brand will support by providing a mark of confidence. MCS will also enable you to access markets and reduce costs to your customers by assuring quality, knowledge and understanding are built into all aspects of the pre-sale and installation activities.

We believe that, by having the MCS Logo you will be able to distinguish yourselves as an installer company of merit.”

That is what consumers would expect when seeing that accreditation on an installer’s brochures, invoice or whatever. My constituent not unreasonably believed that, as a recipient of an advance of public money in the form of loan funds, she was being invited to select a contractor from a list approved by Government agencies. She trusted that their selection was a form of approval that was contingent on demonstrable competence. She has been let down twice, first by an installer that was neither technically competent nor financially solvent and secondly by an approved accreditation scheme that produces warranties that fail to materialise if the contractor fails to report the job. Is the Minister satisfied that the microgeneration certification scheme, which apparently fails to monitor the administration of guarantees and warranties, is fit for purpose? It appears that in this case it certainly was not.

The second case is also from the Forfar area. I do not know whether Forfar has been particularly unfortunate in this regard, but my constituent Mrs Hosie had a

[Mike Weir]

similarly unhappy experience. In June 2010, she had an air source heat pump installed by an MCS-approved installer, E. Scallan Ltd, certified by BRE Global. It soon became apparent that the air source heat pump was using a lot of electricity and that the installer was unable to remedy the situation. Mrs Hosie contacted BRE, which said that the installer had moved on to another accreditation body—NICEIC. When contact was made with that body, it emerged that the installer had moved on yet again, to the aforesaid NAPIT, but under the name Scallan Renewables.

Mrs Hosie then contacted the Renewable Energy Consumer Code and, after a conciliation stage, applied to go to arbitration in February 2014, during which it became apparent that when the installer applied on 25 January 2012 to change the name of the registered code member from E. Scallan Ltd, it had failed to disclose that Scallan Renewables, as a partnership, was a separate and distinct legal entity from E. Scallan Ltd. In its submission, Scallan Renewables argued that Mrs Hosie's contract was with E. Scallan Ltd, not Scallan Renewables, which had no liability. Mrs Hosie, not unreasonably, argued that Scallan Renewables was registered under RECC with the same membership number as E. Scallan Ltd and that the businesses were significantly intertwined. The arbitrator, however, dismissed Mrs Hosie's claim, on the basis that transfer of the membership number from ESL to Scallan Renewables did not constitute a transfer of legal liabilities, while acknowledging that the contractor had not made the position clear.

The RECC executive asserts that the contractor is in breach of the code because it did not advise the executive that the change of name was allied to a change of legal personality; and that, had it done so, RECC would have thoroughly scrutinised the request and sought undertakings that the new body would be asked to confirm that it would assume responsibility for contracts and warranties in the name of the former entity. In other words, as far as RECC was concerned all that happened was a change of name, but the effect for Mrs Hosie was to remove all her legal protection. The fact that such rigorous scrutiny is triggered only if the contractor seeking a name change flags up the simultaneous change of legal personality calls into question the effectiveness of the code as a consumer protection measure. As in this case, the installer can simply fail to mention that fact to RECC and all protection disappears.

As things stand, RECC has a prima facie finding that the contractor is in breach of the code and has brought it into disrepute, and documentation relating to that is published on the RECC website. None of that, however, has produced a solution for my constituent, who remains considerably out of pocket and disadvantaged, while trying to sell her house. She feels, not unreasonably, that a plethora of accreditation bodies have failed to secure proper consumer protection and that she is left with a system that is not fit for purpose but has been part-funded by the taxpayer.

My constituents feel that the Government need to be much more hands-on in securing proper regulation of the sector, particularly when substantial sums of public money in loans and grants are at stake. Of course, under the Government's green deal schemes, many people have been persuaded to look at renewable

energy schemes as a way of reducing their own energy consumption and helping to meet our green energy targets and climate change targets. Considerable amounts of money have gone into those schemes, but unless robust regulation is in place to protect the consumer and give them confidence that, should anything go wrong, there is a way of making a complaint and getting restitution, the schemes will be seriously imperilled. I urge the Minister to consider whether the schemes need to be looked at and stronger regulation implemented to ensure that consumers who are trying to do the right thing are properly protected.

4.12 pm

The Minister of State, Department of Energy and Climate Change (Andrea Leadsom): It is a great pleasure to serve under your chairmanship, Mr Evans. I am extremely sorry to hear about the experiences of Mrs Leslie and Mrs Hosie, and I hope that the hon. Member for Angus (Mike Weir) will pass on to them an assurance that we will look into their cases with the regulatory bodies that he has mentioned. I will write to him about that. He is absolutely right to raise those cases; it is incumbent on us as MPs to raise specific cases whenever things go wrong. I hope that in talking about the subject and how the system works, I will be able to give him some reassurance that such cases are not the norm and that we will look into them. To have any problems is not good enough, but I believe that we have a robust system that is working.

I am grateful for the opportunity to take part in this debate with the hon. Gentleman. He has raised some interesting points about domestic renewable energy in the UK, particularly about the importance of ensuring that the right measures are in place to strengthen consumer protection. I hope that as I set out the steps that industry and other key stakeholders are taking to strengthen consumer protection, I will be able to reassure him, Mrs Leslie and Mrs Hosie.

We want to see more consumers choosing to heat their homes and generate their own electricity through renewable sources of energy. The development of a sustainable market for those technologies is possible only if consumers are confident that the market can deliver high-performing installations and provide for redress when things, unfortunately, go wrong.

We have demonstrated our commitment to small-scale renewable energy through the feed-in tariff and the renewable heat incentive scheme. The feed-in tariff has been a success since its introduction in April 2010. Some 700,000 installations, totalling 3.5 GW, registered for the scheme during its first five years up to April 2015. The domestic renewable heat incentive has had 37,000 installations register since April 2014.

The Government's financial incentive schemes require installations of up to 45 kW for heat and 50 kW for electricity to be carried out by certified installers, as the hon. Gentleman points out, under the microgeneration certification scheme or an equivalent scheme. The Government do not regulate the market but rely on self-regulation through the MCS and compliance with building regulations, which is similar to the approach in the oil and gas industry.

The MCS is an industry-led scheme that covers product and installation company certification. The scheme works

within the parameters of third-party certification according to established European and international requirements. The certification bodies that operate in the scheme are assessed and accredited by the United Kingdom Accreditation Service, or by equivalent national bodies if based in other countries. The scheme covers the whole United Kingdom. I am informed that 327 MCS installation companies are registered in Scotland, but many of those that are based in other parts of the UK offer services in Scotland.

MCS installers must also be members of a consumer code that is approved under the Chartered Trading Standards Institute consumer codes approval scheme. The only such approved code at present for the small-scale renewable energy sector is the Renewable Energy Consumer Code, which the hon. Gentleman mentioned. I am told that RECC carries out strenuous due diligence on all businesses that apply to join the code. In particular, it is designed to ensure that bogus companies and other businesses with directors or senior staff who have a questionable trading history are not admitted to the sector. An independent applications panel reviews the evidence and takes those important decisions.

In 2014, of more than 1,184 membership applications, 30 businesses were referred to the applications panel and 20 were refused membership on the grounds of the risk that they posed to the sector. RECC monitors all members closely, and any that appear to be breaching the code are subject to a disciplinary procedure. If a complaint cannot be resolved within a reasonable timeframe, the consumer may refer it to the independent arbitration service. An arbitration award is binding and enforceable. In 2014, 50 cases were referred to the independent arbitration service for resolution.

The Department of Energy and Climate Change takes any mis-selling, fraud or poor-performing systems in our support schemes extremely seriously. For example, last year, we introduced a service to enable consumers to obtain reliable estimates of potential renewable heat incentive payments to help them to verify quotes from installers.

We must recognise that, considering the hundreds of thousands of systems installed under the financial incentive schemes, the number of complaints that have been raised is relatively small. By way of example, RECC has estimated that 0.7% of all domestic solar PV installations in 2014 resulted in a complaint being registered with them. In other words, there were 754 complaints out of 110,120 installations. I am absolutely not complacent, because that is 754 complaints too many, and the hon. Gentleman has raised two such cases that we will look into. Nevertheless, the system appears to be working to a reasonable standard.

In addition to RECC's internal complaints handling and independent arbitration service, there are other established dispute resolution processes for domestic

heat and electricity generation. Those processes are regularly reviewed by a range of key stakeholders from industry, consumer organisations and the administrators for the financial support schemes. The MCS reports that the total number of installations across the full range of technologies since August 2012 was approximately 395,596. MCS received 1,348 complaints during the same period, which represents 0.34% of the installations registered since August 2012. The majority of consumers are content with their installation, although we recognise that the statistics do not cover complaints that may have been registered with other organisations such as a citizens advice bureau or trading standards.

As a result of its desire to reduce the complaint rate still further, MCS will introduce an alternative dispute resolution scheme in September. The scheme will be mandatory for certified installers should a consumer wish to go down that route, and it will give consumers an additional mechanism for resolving disputes that builds on the current RECC provision. Additionally, MCS is looking to strengthen the insurance-backed warranty schemes, building on what is currently required by the RECC code, which will give consumers further protection where companies leave the scheme and are no longer trading. Mrs Leslie's case, which the hon. Gentleman mentioned, will potentially be covered by that new provision.

The issue of installation companies flitting between certification bodies to avoid discharging their responsibilities to consumers has been raised with my office. Both MCS and RECC enforce the safeguards that are in place to prevent that practice. However, MCS is considering tightening those safeguards through the introduction of additional requirements for certification bodies. Those changes aim to ensure consistency in the operation and enforcement of the certification requirements while improving the visibility of companies that may be acting unscrupulously.

I make it clear that we are absolutely not complacent, but it is important to recognise the many companies that are doing the right thing in meeting their obligations under the MCS and RECC schemes. The additional measures that are being developed, together with better co-operation across the sector, should help to weed out companies that are not interested in meeting industry standards.

I am grateful to the hon. Gentleman for securing this debate. I will write back to him specifically on the cases that he raises, and I hope to see the domestic renewables sector fulfilling its potential across the UK, with consumers having the confidence to play their part.

Question put and agreed to.

4.22 pm

Sitting suspended.

Shared Ownership Housing

4.30 pm

Iain Stewart (Milton Keynes South) (Con): I beg to move,

That this House has considered shared ownership housing.

It is a pleasure to open the debate under your chairmanship, Mr Evans. I wish to advance some thoughts that I have had for some time, and which were debated in my constituency at the general election, about how the shared ownership model could be expanded and improved to become a larger and more successful sector of the UK housing market.

Housing issues are rightly high on the political agenda. I do not propose to analyse some of the broader issues about housing supply or schemes such as Help to Buy, rent to own, the right to buy for housing association tenants and so on, although I will refer to them as I explain my proposals for shared ownership. My proposals would assist with the size of the overall housing supply and operate alongside other policies, not replace them. They fit neatly into other recent and planned developments, such as the liberation of pension funds, which the Chancellor of the Exchequer is introducing. I will turn to those later in my speech, but first I shall explore why I and many others believe that the shared ownership housing model has not fulfilled its potential.

At its heart, shared ownership is a simple concept that helps people who aspire to own their own home to get on the housing ladder. Rising house prices increasingly make the goal of raising a deposit and taking out a mortgage beyond the reach of many, even those earning decent incomes in some parts of the country. In addition, for young people, the cost of repaying student loans post-graduation plus the need to begin building pension funds limit the affordability of a home buying. I know from the experiences of many people in my constituency that policies such as Help to Buy are popular and effective, and that will be the same for other welcome initiatives from the Government such as the proposed discount for first-time buyers purchasing a new brownfield property.

Without help from the bank of mum and dad, or if someone is not already in a council or housing association property—for those people the right to buy is, or will be, an option—getting on the housing ladder will remain elusive, and for many people the private rented sector will be their only option. As we all know, rents can be at a level that makes saving for a deposit and mortgage difficult. Shared ownership offers people the chance to gain some equity and move towards full ownership. It also offers greater security of tenure than renting. I do not wish to do down the private rented sector; far from it. It fulfils a valuable role, particularly in areas where there is a highly mobile population, such as in university towns and cities, or in places, including parts of my own constituency, where dynamic economic activity requires shorter-term tenure housing stock. There will always be people who want to rent privately for short or long periods for a wide range of reasons, and the buy-to-let market helps fulfil that goal. As the Chancellor rightly identified in the Budget, the buy-to-let sector cannot become too dominant. The Governor of the Bank of England pointed out that that could pose a risk to the country's economic stability. In addition, if it is too

large, it will continue, through simple supply and demand forces, to push the affordability bar higher still for people who aspire to own their own home.

There is considerable evidence to show that home ownership remains the tenure of choice for most of the population. I see it in my own constituency, where we have considerable new housing development, and large numbers of the new houses are not bought by aspirant owners but by buy-to-let landlords. As well as restricting the supply of new housing to would-be owners, there is also some evidence to suggest that too high a concentration of buy-to-let properties is not as conducive as a broader housing mix to developing community stability. I have noted comments from the National Housing Federation, Orbit Group and the Chartered Institute of Housing that having a stake in their own home makes people more likely to invest in their neighbourhoods. For those reasons, I see a greater role for shared ownership.

Shared ownership is not a new concept. Many residents already use it successfully. Its main advantage is that it allows a route into home ownership for low and middle-income families who could not otherwise afford a full equity mortgage straightaway. There is not one shared ownership scheme; there are various schemes, but they share the common feature of allowing an individual to take out a mortgage on an initial share of a property. They then pay rent on the proportion owned by the housing association and mortgage repayments on their share, with the option to buy more shares in the property later—a concept known as staircasing. The National Housing Federation has shown that, by and large, the combined rent and mortgage payments under shared ownership are considerably lower than equivalent full mortgage repayments or full private sector rental payments for equivalent properties—so far so good, but I believe that there is huge untapped potential in the sector.

The Government's affordable homes programme will run until 2018. It commits £1.7 billion in capital grant funding for affordable homes outside London, and includes provision for shared ownership. I am also aware, from the autumn statement and the spring Budget, that the Government have been looking at rule changes, which should reduce bureaucracy in the system and remove some of the barriers. Those are all very welcome, but I believe that we can go further still. My motivation in securing the debate is to make some suggestions as to how that might be achieved.

Jim Shannon (Strangford) (DUP): I am grateful to the hon. Gentleman for bringing the issue to Westminster Hall for consideration. In my constituency of Strangford, a great many people are involved in the co-ownership scheme. It has enabled those on low incomes to get on the housing ladder. The only thing that concerns me is this: for someone who is paying 50%, perhaps they should seek financial advice at the beginning about what happens when it comes to buying the other half, moving the other half through, or even legal problems if they cannot make their mortgage payments. Does the hon. Gentleman think that there should be more help to look at the long-term financial implications for those who want to go into co-ownership?

Iain Stewart: I will touch on that point a little later, because one problem with expanding shared ownership is that tenants can find it difficult to take a big additional

equity share. I will touch on a proposal in a little while that helps to address the problem the hon. Gentleman rightly identifies.

Mr Stewart Jackson (Peterborough) (Con): I draw the House's attention to my entry in the Register of Members' Financial Interests. I congratulate my hon. Friend on his excellent debate. Does he agree that, with respect to the Landlord and Tenant Act 1985, because housing associations are considered to be private entities, the reasonableness or otherwise of service charges concerns people who wish to staircase in terms of shared equity and shared ownership?

Iain Stewart: That is indeed a problem, and I am grateful to my hon. Friend for raising it. A linked issue, which I shall come on to, is that tenants can be liable for 100% of the maintenance costs of the property, but do not own 100% of the equity. That is an unfairness in the system that I hope will be addressed.

The Minister for Housing and Planning can relax; I do not expect an immediate answer to my suggestions today. In fact, some of them go beyond his bailiwick and are rightfully matters for his colleagues in the Treasury, but I hope to make them constructively and he can put them into his thinking box; they are proposals for the long term.

Organisations such as Shelter, the Cambridge Centre for Housing & Planning Research, Orbit, and the Chartered Institute of Housing have, at different times in recent years, conducted reviews of the shared ownership sector and produced some useful recommendations as to how it could be expanded and reformed. I will draw on those recommendations, and indeed the earlier intervention touched on them, too. However, I will also introduce some fresh ideas that are linked to the Government's reforms of the pension system and also, possibly, to the neighbourhood planning process.

One problem that has been identified with the shared ownership concept is a lack of general information and understanding among the public about what it entails. Schemes such as Help to Buy have very quickly gained popular resonance—Help to Buy is widely understood and widely advertised—but the same cannot always be said of shared ownership. Shared ownership is a complex brand, and it can be hampered by a lack of understanding of what it is, how it works, who might be eligible and what journey a person would take if they started off down the path of shared ownership, which can include knowing what exposure they might have if they wanted to increase their equity share; that was the point made by the hon. Member for Strangford (Jim Shannon).

My first proposal therefore echoes the call that others have made to develop a more effective common marketing branding for shared ownership houses, and perhaps a one-stop shop to advise people who think that shared ownership might be for them. Clear Government backing, simplicity and a standard model would also help.

Another disincentive with the current system is the liability for maintenance costs, which I have already mentioned. In many cases, the tenant bears 100% of the liability for maintenance costs despite not owning 100% of the property. That cannot be right or fair. Surely it would be fairer to have such liabilities in the same proportion as the equity share.

Issues have also been identified with the bureaucracy of the eligibility criteria. One person quoted in one of the studies I have referred to said that the system can seem more like an allocation process than being able to select one's own home. The system can also be too rigid, and many users find it expensive and complicated to staircase—that is, increase their share of the equity—not least because revaluation costs are incurred at each stage. Hurdles are often encountered if a family wishes to move while keeping a share in a shared ownership property, either because they are moving to another town or city, or simply because they want to change the size of their property because their family circumstances have changed. Such difficulties contribute to a view in the financial world that shared ownership is a complex and risky proposition, which can diminish the appetite to lend and develop new products.

Some solutions to these problems have been suggested, and I am sure that the Government are considering which of them can make the current shared ownership schemes work better. One solution is micro-staircasing, although I hope that it is possible to come up with a slightly better name; it sounds like a flight of steps for very little people, and one of those horrible new words that will encroach into our language. However, it is a good idea. What it means is that, rather than someone having to take large steps up in the share of equity that is owned, smaller and incremental steps of perhaps 1% or 2% at a time can be taken, which would smooth out the path for both sides of the ownership. That would help to address some of the concerns that the hon. Member for Strangford raised.

These suggestions will help and I urge Ministers to look at them, but I am not sure that in themselves they will realise the full potential of shared ownership. So I will outline my principal suggestion about seriously expanding the sector and injecting new capital into it.

The Chancellor has rightly liberalised the pension annuity rules, and many people relish the opportunity of being free not to buy an annuity. Once the temptation to buy Maseratis, yachts or fancy foreign holidays has passed, many people will look for a solid investment home for their capital that will generate a decent income for their retirement. For an increasing number of people, investing in buy-to-let property is the answer, and I do not want to diminish the importance of that option. However, as I touched on earlier, buy-to-let is not without risk, and if too many people choose it, that can lead indirectly to problems.

Why should we not explore ways in which such investment capital could be used to fund an expansion of shared ownership? I believe this could be done on both a large scale and, perhaps more importantly, at a very local and individual level. I do not want to remove the important role that the public sector and housing associations play in funding shared ownership developments; what I am suggesting would sit alongside that model rather than replace it. However, at the large scale I would like the Government to explore ways in which developers and financial institutions could work together to develop investment vehicles so that the capital from pension funds could be used to part-fund the development of shared ownership properties on new housing estates. This is not a new concept. In essence, it goes back to the first principles of building societies before they morphed into something else, with all the associated problems.

[Iain Stewart]

However, my suggestion could also apply on a much smaller scale. Let me give a hypothetical example. Imagine I was somewhat older and had recently retired, and that I wished to invest some of my retirement funds in property rather than in buying an annuity. I could choose the buy-to-let option and run the risk of an uneven income stream if it was not always possible to find tenants, and I would have to pay letting agencies to find and vet tenants. There is also the risk of having antisocial tenants, and I would still be liable for the general maintenance and upkeep of the property.

Alternatively, I could invest in a shared ownership property with another individual. I would still have a capital investment and would gain an income from a mix of rent and releasing further stakes of equity over time. I would have greater security of tenant, and a tenant who would have a keen interest in maintaining and even enhancing the value of the property. Again, I would like the Government to explore the viability of a legal structure through which such a small-scale shared ownership arrangement could work. Such a structure may require some financial incentives, but in the Budget last week the Chancellor gave one in the rent-a-room scheme, improving the tax incentive for that scheme. Once again, I accept that that goes beyond the powers of my hon. Friend the Minister for Housing and Planning, but the Government may wish to consider it.

Finally, this model could be applied at a community level, whereby a consortium of local residents could invest in new shared ownership developments for their particular area. We often hear complaints that young families are priced out of their home villages because of soaring property prices. This model could be a way round that. It could also link into the neighbourhood planning process, helping communities to plan for the extra housing that they want to see rather than the enormous and out-of-character developments that they often fear.

I freely admit that I am no expert in housing finance or planning. I am sure that there will be many experts and professionals who can shoot holes in what I have just proposed. However, Parliament is a place for debating ideas and presenting new concepts, and I give these ideas freely to the Minister, and indeed to anyone else who cares to listen to them and take them forward in a way that I genuinely hope will help more people to realise the noble aspiration of owning their own home. Let us not try to find a myriad of reasons why we should not do something; let us try to find lots of ways in which we can make it happen.

4.48 pm

James Cartlidge (South Suffolk) (Con): It is a pleasure to serve under your chairmanship, Mr Evans. I congratulate my hon. Friend the Member for Milton Keynes South (Iain Stewart) on securing this debate. I declare my interest: I am a director of a shared ownership property portal, so I have a very direct interest in—and, obviously, experience of—this subject.

Before making my points, I will make one comment about my hon. Friend's proposal. It is very interesting and ingenious, and focuses on an important issue for me—the growing intergenerational issue that we are starting to face as a country and about which we need

to think creatively. However, the historic problem with private shared ownership or shared equity schemes, shall we say, is the horrible issue of mortgagee and repossession. In other words, what happens if someone fails to pay? The reason why shared ownership has been very successful historically is that shared ownership leases contain a mortgagee protection clause. The housing association is a regulated social landlord; it will not go bust. Mortgage lenders trust that system and therefore, in effect, in the event of repossession there is a structure to operate.

There is much potential in my hon. Friend's suggestion, but it would probably still be necessary to involve a regulated social landlord. For example, a property could be purchased and the applicant would take out a shared ownership mortgage in the usual way, but perhaps the investment would be used to part-fund the regulated social landlord simply because of the issue of landlord and tenant. If people simply go into partnership, there would be the horrible issue of what happens in the event of repossession, which always complicates matters.

I have had significant involvement in shared ownership, which is underestimated. One of my hon. Friend's best points was that share ownership is perhaps not as well known now as Help to Buy, even though it has been running since the early 1980s. Help to Buy is a strong brand, but there is a key difference: it generally refers to equity loans, or shared equity schemes, which in essence mean that people buy 100% of a property but take out a loan for 20% of the deposit, normally paying no interest in the first five years, but legally owning the whole property.

With shared ownership, uniquely, a tenant owns part of a property, and just that part. They pay rent on the remainder, but are tenants of a social landlord and able to buy more shares through staircasing, as my hon. Friend mentioned, until they own the whole property. It is the best product for supporting home ownership, because it is the most sustainable. Say, for example, that I can afford 35% of a property and pay rent on the remainder: I staircase only when my circumstances allow me to. If I can afford only to remain on 35%, I can remain.

Another great strength of the shared ownership product is resale—a secondary market, important in towns such as Milton Keynes. People who type “£100,000 in Milton Keynes” into Rightmove would not expect to see any properties, but lots will come up, and I guarantee that nearly all of them will be shared ownership properties. People who have bought a shared ownership share of a new property can resell their share on the second-hand market. It is incredibly popular and the only system available in which people can buy a low-cost home ownership product relating to a second-hand home. That allows properties to come on to market if people cannot do any more staircasing. It is one of the great strengths of the property market.

London in particular is incredibly dependent on the product. In my property portal, resale properties go quickly when they come on to the market in London. Some critics of shared ownership have mentioned the difficulty of reselling, but, as with any property, it depends on location and other factors. In London, I believe that 97% of properties resell quickly. That has certainly been our experience.

There are weaknesses with the product. It can be complicated, but that is partly because it is restricted to those on lower incomes. The Help to Buy equity loan scheme has no income restrictions at all: there are good and bad reasons for that, but it is a different type of product. Shared ownership is targeted at those on lower incomes so it is not surprising that it has stricter rules. In London, local authorities will often overlay their own priorities and it can become quite a complicated product. There is an argument that, when the public purse assists people on to the property ladder, rules and restrictions should apply.

For me, the most important point is that shared ownership has less of an impact on the broader market. My worry about the equity loan product and Help to Buy is that there is a danger that it underwrites higher prices than there would otherwise be. With shared ownership, housing associations will take any profit and recycle it in building rental social rented properties and so on, for those on low incomes. Obviously, the same does not necessarily happen with equity loan properties. I am concerned that buying with a Help to Buy equity loan is simply maintaining prices at a higher rate than would otherwise be the case.

This is such a huge issue for our country, as I hope to say in the Treasury debate quite soon. I apologise to the Minister if I am not around to hear his speech. A long-running issue with Britain's economy is boom and bust related to the housing market. It is a fundamental weakness of our economic history—I hope it will not be one of our economic future—so we have to be ultra-prudent with products that intervene in the housing market.

Shared ownership's record is sustainable: it does not stimulate prices to the same degree as equity loan; it encourages sustainable home ownership, because people buy what they can afford; and it is more affordable for people starting off in the market. If I wanted to buy a £250,000 property with an equity loan, I would have to get a mortgage of 75%, but if I bought it on shared ownership I could buy a share of as little as 25%. There is a danger that people who buy shares that are too small may never staircase—that is a risk with shared ownership—but of course they can sell that share to others on the second-hand market, which has a balancing effect.

Overall, the proposal is interesting. Something has to be done about the inter-generational gulf: people are retiring with significant capital and young people are working hard but do not have the capital to access the property market. There is a kernel within what my hon. Friend is proposing, although, as he admits, it will need a lot of detail and thrashing out. I think he has hit the nail on the head. This could be the way to take shared ownership forward to the next generation. Shared ownership certainly needs more support, because it is the best product available to support sustainable home ownership.

4.55 pm

Mr Stewart Jackson (Peterborough) (Con): It is a pleasure to serve under your chairmanship, Mr Evans, and to follow my hon. Friend the Member for South Suffolk (James Cartlidge). I congratulate my hon. Friend the Member for Milton Keynes South (Iain Stewart) on his thoughtful contribution to a debate that is in some ways provocative. I have taken a great interest in this

subject for many years, having been a local authority councillor for eight years and having had the privilege—many moons ago—of serving, in opposition, on the Department for Communities and Local Government Front Bench.

This debate is important because it leads us to some fundamentals. It cannot get any more fundamental: the debate about housing is the debate about who owns capital. If one is broadly supportive of owner-occupation, and of fairness and social equity, shared ownership is one of the best engines and catalysts to apply.

There is a crisis. Although I would, as a Conservative Back Bencher, say that the Government have done a pretty good job and have a strong track record in many areas—not least Help to Buy, the new policy on housing association right to buy, and other areas—in some respects there is a crisis of affordability, which is a function of a successful economy. I ask the Minister to bear in mind an important caveat: the London property market is not the national property market. London is, in a sense, a city state or economic microclimate and what applies to London would not necessarily apply to Milton Keynes, Stevenage, Peterborough or other parts of the country.

There are still significant issues around the need to drive up owner-occupation, which has fallen to about 64% of housing tenure now; it was hitting 70% 10 years ago. As Conservatives, and as a Conservative Government, we need to show strong support for home ownership and to make a value judgment about whether we can support the social rented model any longer. I understand that there is not really any ring-fence funding for social rent, other than specialist social rent such as extra care facilities for older or disabled people, where social rent will always be needed. There is now a different paradigm in play and a question about whether it has become too easy for housing associations, which are registered providers, effectively to warehouse social welfare dependency using social rent. We should not be nonchalant about that.

We need to ensure that housing associations really step up to the plate and do what they can to provide an all-round service for their tenants. Shared equity is part of that. In my local area in Peterborough, there is a good registered provider, Cross Keys Homes, which, among other things, goes into elderly people's homes to check their wellbeing. It has an apprenticeship school to help young people and does a good job on antisocial behaviour and crime. Not all registered providers are like that.

Like everyone else in receipt of public money, registered providers make rational choices. If the rational choices are to carry on with a limited model of social rent, rather than developing their own products with market sale and particularly shared ownership, then they will continue to do that, because they have a vested interest in so doing. Other factors make that probable, too. It is a fact that since the downturn in the economy, there has been a consolidation with large developers. These behemoths—I will not name these massive companies, but they are aware of who they are—are limited in their strategic plans. They want a certain number of houses to be built; they do not like innovation, particularly; they want a very simple contractual relationship with a registered provider; and—let us be honest—they do not really buy into shared ownership as much as they should.

[Mr Stewart Jackson]

One of our institutional problems, which arises from the financial crisis, is a paucity of understanding, across the whole sector—not least from homebuyers—about intermediate mortgage products. People often do not like them because they do not understand them. The very helpful Library briefing that accompanies the debate makes the point strongly that it can be extremely difficult for people to sell on properties. My hon. Friends the Members for Milton Keynes South and for South Suffolk made that point, too, and we need to look at it. We need to find a way to give a fiscal incentive through the tax system for people to develop better intermediate mortgage products to support shared equity and shared ownership. That is extremely important.

A lot of these marginal housing developments that might support more shared ownership are on brownfield sites. We all support development on brownfield sites. The Government in the Budget and the previous Government have done a lot to flag that up as an important area. It is important to encourage people to build on previously developed land. We always have problems with joint ventures, such as with European Union procurement rules, so we have to look at the matter holistically.

Another area related to shared ownership that the Government still have not got a grip on is real estate investment trusts—in fact, no Government have tackled the area properly in the past 20 or 30 years. Although shared equity and shared ownership are important, so is good quality housing. We have not yet been able to tackle the long-standing legal and financial difficulties that have been overcome in other places—in Europe, Canada and the United States. As my hon. Friend the Member for Milton Keynes South mentioned, REITs mean serious money going into the housing market to provide for pension funds and other institutional investments. We still have not got them right in this country, and I do not quite know why that is.

We can make things a lot simpler. It seems strange to me that the basic model lease contract that the Homes and Communities Agency has published for shared ownership properties precludes sub-letting. In a housing crisis, the simple question is: why? Is it an issue around ownership and the difficulties with dispute where the mortgage or rent is not paid? The Minister would be wise to look at that in the context of the Landlord and Tenant Act 1985, which I mentioned earlier. There is no evidence that expanding the shared ownership market would have any cumulative macroeconomic impact on the housing market. There is no empirical or academic evidence that it would drive up inflation. I stand to be corrected by any Members here or by any erudite and intelligent academics who are spending their afternoon watching this Westminster Hall debate, but I do not think I have seen the evidence. The Public Accounts Committee looked at the issue not that long ago.

We cannot necessarily rely on owner-occupation to drive up home ownership; I do not think it is possible, not least because of the issues I raised about London. I bought my house in London many moons ago, and it strikes me as astonishing—I will not give too much away, because Mrs Jackson will not be pleased if I do—that I could not buy that house now on my and my wife's salaries, and I am a Member of Parliament.

What is it like to try to buy a property in any of the 32 boroughs of Greater London for a probation officer, a police officer, a student nurse or a teacher? It is nigh on impossible. While we are at it, call me a little Englander but I do not think it is edifying to read of offsite flats overlooking Canary Wharf flying off the shelf in a matter of hours, with half of them bought by foreign investors. It is a skewed housing market where that happens while there are large numbers of homeless people in Greater London and many people on housing waiting lists.

We need to look at service charges and the HCA guidance. The HCA needs to give stronger guidance, as well as use money from the allocations of the affordable homes programme to encourage registered providers and housing associations to push forward with shared ownership. That is extremely important.

My final point is slightly tangential to the substantive debate; it is about housing allocations. We have to do something to boost shared ownership. We rely on home ownership at one extreme and social rent at the other. The parents of the young people who live on the Dogsthorpe estate in my constituency come to me and say, "My daughter or son is working. They are good, decent, law-abiding people, but they only earn £18,000 a year. They are band 3 or band 4, and they will never have a home of their own." I have to look them in the eye and say, "There is nothing I can do about that", but I do not want to be in that position. The Government and housing associations can contribute practically, and there is political will from the Treasury.

My hon. Friend has started an extremely important debate. The Minister has been experienced and thoughtful as both a local council leader and a Minister, and I am sure he will take the points on board and pass them on to the Secretary of State and the Treasury.

5.7 pm

Hannah Bardell (Livingston) (SNP): It is a pleasure to speak under your chairpersonship, Mr Evans. I thank the hon. Member for Milton Keynes South (Iain Stewart) for securing this debate, which has been interesting and informative and has heartened me in the wake of a Conservative Budget that has much in it that worries and saddens me. There seems to be consensus around the Chamber on shared ownership. As Members will be aware, housing is a devolved matter for Scotland, and that has allowed the Scottish Government to create a different story from that in the rest of the UK.

I will draw briefly on some of the interesting points that have been raised. The point on students being hindered by student debt is important. We heard in the Budget that student grants will be ended, so we need to look at the gulf that will develop between those on much higher incomes who have owned homes for a long time and the next generation of homeowners, many of whom are being locked out because of the disparity in house prices and other challenges.

Let me give some information about how we have dealt with the issue in Scotland. The latest figures show that the total of new build completions was up 4% to the end of 2014, and that was driven by a 16% increase for private-led sites. We had 15,541 homes completed in 2014, which was 657 more than in 2013. Total new build starts were up 15% in the past year. The Scottish

Government outperform other parts of the UK. In Scotland, we have 63 new build social sector completions per 100,000 of population, compared with 46 in England and 25 in Wales. In the year ending December 2014, the rate per 100,000 of population for private sector completions was higher in Scotland, at 228, compared with 173 in England and 175 in Wales. In the latest year, an additional 30,000 or so private sector homes would have had to be built in England to match the Scottish completion rate. We have put that very much at the heart of what we want to do to provide affordable housing throughout Scotland.

A point was made about rural areas, which are particularly challenging. In some areas, people come from elsewhere in the country to what are considered beautiful parts of Scotland, such as Arisaig, where I have spent a number of summers over many years. I know stories of local people who have either returned to live in the area or tried to get out of social housing and into private housing but cannot because they are priced out by people coming from other parts of the UK and the world.

On shared ownership in Scotland, the SNP and Scottish Government have shown their commitment to supporting home ownership in a balanced, sustainable way by helping people on low and moderate incomes to become homeowners, if it is affordable for them. The low-cost initiative for first-time buyers—LIFT—programme brings together several ways of helping households to access home ownership. The new supply shared equity scheme allows first-time buyers to buy new build properties from housing associations, and the Scottish Government give grants to registered social landlords—normally a housing association or housing co-operative—to help them to build or buy new homes for sale.

In March this year, the SNP Government announced £70 million of funding for the open market shared equity scheme, allowing first-time buyers to buy properties on the open market. Priority access will be given to social renters, disabled people, members of the armed forces, veterans who have left the armed forces in the past two years, and widows and other partners of service personnel for up to two years after their partner was killed while serving in the armed forces. There is a marked difference in Scotland from the UK Government's approach to housing. We are looking at investment, not austerity. Nevertheless, the £107 million cut from Scotland's budget, on top of an overall 9% budget cut since 2010 and a 25% cut to the capital budget, is unacceptable and prevents the investment in housing projects that create jobs, forcing austerity on Scotland.

We have shown in Scotland that investment in affordable housing can keep costs down, create jobs and, importantly, help to give people better lives. Commenting on the Budget measure that will remove automatic housing benefit for those aged 18 to 21, Shelter Scotland called it "shameful... unjustified and cruel". If we are going to invest in the next generation of homeowners and people, we have to have good housing and good education, and the best start in life is imperative. This Budget is not going to do that.

5.12 pm

Dr Roberta Blackman-Woods (City of Durham) (Lab): It is a pleasure to serve under your chairmanship again, Mr Evans, and to participate in this important debate. I

congratulate the hon. Member for Milton Keynes South (Iain Stewart) on securing it. It is interesting that there has been pretty much consensus across the Chamber on the importance of investing in shared ownership.

We know that there is a housing crisis. Low to middle-income households earning between £20,000 and £40,000 were once able to afford a decent-quality home for their families. That is no longer the case. We are seeing a steady decrease in the number of homeowners as prices rise out of reach for increasing numbers of people. In fact, home ownership fell to a 30-year low of 65.2% in the last Parliament. Coupled with that decline, the crisis in housing supply and affordability is contributing to a whole range of social and economic problems—a point outlined well by the hon. Member for Livingston (Hannah Bardell).

Shared ownership is a clear route to solving the housing problems of those on low and middle incomes, yet it remains on the margins, and as a number of Members said so eloquently, very few people who badly want to get on the property ladder are even aware that it exists. The hon. Members for Peterborough (Mr Jackson), for South Suffolk (James Cartledge) and for Milton Keynes South made that point really well. It has been noted that the Government's Help to Buy scheme offers help to those who might be able to get into the housing market anyway, and it is of most benefit to families on middle incomes and above who struggle to save for larger deposits but can meet the demands of a mortgage. The same could be said of the starter homes policy.

Deposits are only one barrier to home ownership, and many low to medium-income households cannot afford deposits or mortgage repayments. For them, shared ownership is really important. They could also do with some financial advice to help them to secure shared ownership—the hon. Member for Strangford (Jim Shannon) made that point well.

In its 2012 report on shared ownership, the Resolution Foundation made comparisons with the private rented sector and cited the case of a couple with one child and a net income of £23,000. Under shared ownership, that couple could afford a 25% share of a two-bedroom home in 87% of local authorities throughout the country, but they could afford only the equivalent of private rented accommodation in 60% of local authorities, which shows how much more affordable shared ownership would be.

Why are user numbers not higher? In answer to a question I asked about shared ownership, the Secretary of State said that it accounts for only 0.76% of the total dwelling stock in England. A 2012 study by the Cambridge Centre for Housing and Planning Research showed only modest increases in the purchase of shared ownership units over the past 10 years. Clearly, a lot could be done.

It would be helpful if the Minister touched on a number of issues relating to shared ownership. Ownership status has not been designed to meet the needs of those who would benefit most. That must change. Mortgage availability is perhaps too limited, and the Government should review the capital weightings. Maintenance charges can be a serious problem for people, as can sector mobility—the low number of dwellings in the sector makes it hard for people to move. The Government should work with sector leaders to realise the sector's potential and encourage the development of a voluntary code of practice.

[*Dr Roberta Blackman-Woods*]

I welcomed the Government's consultation on shared ownership earlier this year. I call on them to set out a clear longer-term housing strategy, with a pivotal role for shared ownership, rather than the many piecemeal schemes that they have pursued to date, and that should be put alongside a serious strategy for increasing housing supply.

5.17 pm

The Minister for Housing and Planning (Brandon Lewis):

It is a pleasure to serve under your chairmanship, Mr Evans, for, I think, the first time. I congratulate the hon. Member for Milton Keynes South (Iain Stewart) on securing this debate on shared ownership. Towards the end of his speech, he rightly made the point that Parliament is a place for debating these ideas and putting them out there; he has taken great advantage of the opportunity to do so and given a good example of how our debates play through.

It is just over two months since the general election, and we are well on the way to planting the roots that will enable us to meet our manifesto commitment to helping people to meet their aspirations to own their own home. Shared ownership is an important part of that. Let us remember that when the Conservative-led coalition first came to power in 2010, we inherited a situation in which the banks were not lending, the builders were not building and people were denied the opportunity of home ownership. We had a long way to go from what Labour left us with: the lowest level of house building since the 1920s. There was also a top-down planning system, the regional spatial strategies, which produced not houses but that lowest rate of building.

We are now working to ensure that we can meet people's aspirations to own their own homes by building on improvements in house building and support. Since 2010, more than 260,000 affordable homes have been delivered in England, including 41,000 for shared ownership. Our affordable homes programme has exceeded expectations by delivering nearly 186,000 affordable homes since April 2011—more than originally planned. In the first quarter of this year, house building completions were up by 21% on the same quarter last year. We will deliver 275,000 affordable homes over this Parliament to achieve the fastest build rate in some 20 years.

I turn now specifically to shared ownership. As hon. Member have rightly outlined, full home ownership can be a challenge for first-time buyers. Shared ownership offers a route through that via the part-buy, part-rent model. Purchasers buy a minimum 25% share in a new build property at market value, generally provided by a housing association, and pay a controlled rent on the remainder. Further shares may be bought until the property is owned outright. Shared ownership has proven over recent decades to be popular and it is clearly effective. Households that are otherwise priced out of the housing market get a chance to get a foot on the property ladder at a lower initial cost. For many people, shared ownership is a stepping stone to full home ownership, which is why it is such an integral part of the affordable homes programme. Some 41,000 shared ownership homes have been delivered since 2010.

We need to look for more ways to help identify and lift the other barriers to extending shared ownership.

Following the autumn statement, the Government took a number of steps. We consulted on a range of proposals to streamline the process for selling on shared ownership properties and to increase mobility. We also held discussions with housing associations and lenders. The Homes and Communities Agency now has amended guidance and model leases to remove the pre-emption right for shared ownership properties that have staircased to outright ownership, making it easier for those who have met their aspiration for full home ownership through shared ownership to move on. I am happy to take up the challenge of my hon. Friend the Member for Peterborough (Mr Jackson) to ensure that the Government and the HCA look at the guidance to see what more can be done. We can always try to be better.

Hannah Bardell: Will the Minister give way?

Brandon Lewis: I will not because of the time.

The change came in to effect across England at the end of April and the Greater London Authority confirmed that it would mirror the changes in May.

I thank my hon. Friend the Member for Milton Keynes South for his ideas, and I am keen to finish in time to allow him to say a few more words. Some of the issues that he raised were mentioned in discussions earlier this year with providers and in the good work done by a range of people looking at extending shared ownership. His speech today included some interesting and new, but challenging, ideas that we will take away and consider. I hope that he will accept my invitation to come and talk to us in the Department for Communities and Local Government. We remain committed to considering suggestions that can enhance the contribution that shared ownership can make to extending home ownership.

My hon. Friend the Member for South Suffolk (James Cartlidge) rightly outlined the benefits of shared ownership. I have seen it for myself on tours around the country, during which I have seen shared ownership properties, not least here in London, with the great examples at the Olympic park that show how it allows people to get into home ownership in a place where they want to be. We have a complicated housing market, and it is absolutely right that the Government ensure that there is a framework that offers a menu of options, so that someone on the demand side looking to get into a home of their own can look across the menu to find the product that is right for them. It could be shared ownership, Help to Buy, right to buy, starter homes or one of the other products out there.

My hon. Friend the Member for Peterborough is right that we must remember that there is a market outside London. We might talk of a housing bubble, but some people around the country will be living in negative equity and will wonder what we are talking about. We must be conscious of that, and my hon. Friend was correct to mention right to buy.

My hon. Friend the Member for Milton Keynes South noted that it is right to do all that we can to support those who want to own a home of their own. We believe in helping people's aspirations, which is why we will offer more than a million housing association tenants the option to buy their home in the same way that generations of local authority tenants have. Until now, those housing association tenants have received

little or no assistance. That is unfair. Aspiration should not be determined or limited by the organisation that manages someone's home, especially if it was ultimately funded by the taxpayer. That is why we will ensure that housing association tenants have the same rights to buy a home. Housing associations can play a key part in that, and I hope to see them build on the fantastic work that others have already done to develop the shared ownership model further and to help their tenants staircase to home ownership.

The Government are also committed to building 200,000 starter homes during this Parliament to be offered to young first-time buyers at a 20% discount on their open market value. The productivity plan published last Friday announced that we will introduce an ambitious package of planning reforms and proposals to help deliver starter homes and to show commitment through national planning policy changes, and with the housing Bill later this year, we will deliver the homes that we want to see built across our country.

Hon. Members were right to refer to large and small developers. Many large developers started off as small developers, but I would argue that the planning restrictions and the regional spatial strategies and regulations that were brought in under the previous Labour Government actually made it more difficult for small builders to become the larger builders of tomorrow. I suspect that even the larger builders would admit that they would like to see more competition coming through. That is why we want to create a simplified, faster and more efficient planning system that still reflects the loud voice of local people having their say. It is absolutely right that more small and medium-sized businesses come in and that we create an environment where they might be attracted to the shared equity or ownership model. My hon. Friend the Member for Milton Keynes South made an interesting proposal that could lead us that way and we can consider it.

I am proud to have been a part of the previous Government, the Conservative-led coalition, because we were the first since the 1980s to end a term with a larger stock of affordable housing, and we are committed

to go much further. We will deliver an additional 275,000 affordable homes by 2020, with billions of pounds of public and private investment. We will support the housing association tenant who aspires to buy their home, which was not possible before. We want to support and help the young family who sign up for a starter home—tens of thousands of people have already expressed an interest—and the couple who have always dreamed of owning their own home. Help to Buy can make the difference in their ability to move up the ladder. We will support their aspirations. We will build more homes in every part of the country, while ensuring that we build the homes that we need for the people who need them in the places where they are needed. Importantly, they must also be of the quality that we all want to see. Shared ownership has a hugely important part to play in that. I support my hon. Friend the Member for Milton Keynes South in his desire to make that point loud and clear.

5.26 pm

Iain Stewart: It has been a useful debate and I hope that my contribution and those of the Minister and of other hon. Members have been helpful in sparking some wider interest in the expansion of a concept of housing that is fundamentally sound and enjoys support across the political spectrum. The Minister rightly said that housing should be a menu of options for people. I very much hope that we may have further discussions about how to increase the visibility and effectiveness of shared ownership. I will certainly take up his invitation to discuss ideas further and to sample whatever hospitality the Department for Communities and Local Government has to offer. For now, I thank all Members who contributed to the debate and you, Mr Evans, for chairing our proceedings with such aplomb.

Question put and agreed to.

Resolved,

That this House has considered shared ownership housing.

5.27 pm

Sitting adjourned.

Written Statements

Tuesday 14 July 2015

TREASURY

ECOFIN

The First Secretary of State and Chancellor of the Exchequer (Mr George Osborne): A meeting of the Economic and Financial Affairs Council will be held in Brussels on 14 July 2015. Ministers are due to discuss the following items:

Current Legislative Proposals

The presidency will inform delegations about the state of play of current legislative proposals in the field of financial services.

Presentation of the work programme of the Luxembourg presidency

The Luxembourg presidency will present its six-month work programme in the ECOFIN area and invite an exchange of views.

Five Presidents' report: Completing Europe's Economic and Monetary Union

The Commission and the Eurogroup president will present the Five Presidents' report on the plan for completing Europe's Economic and Monetary Union.

[HCWS98]

Financial Ombudsman Service

The Economic Secretary to the Treasury (Harriett Baldwin): The annual report and accounts 2014-15 of the Financial Ombudsman Service has today been laid before Parliament.

The report forms an important part of the accountability mechanisms for the Financial Ombudsman Service under the Financial Services and Markets Act 2000 (FSMA), and assesses the performance of the Financial Ombudsman Service over the past 12 months in discharging its functions.

[HCWS105]

DEFENCE

Royal Military Police

The Parliamentary Under-Secretary of State for Defence (Mark Lancaster): I wish to inform the House that I am laying today, on behalf of the Secretary of State for Defence, the first report from Her Majesty's inspectorate of constabulary inspection of the Royal Military Police.

This is the first report as directed within the Armed Forces Act 2011, which requires Her Majesty's inspectors of constabulary to inspect, and report to the Secretary

of State, on the independence and effectiveness of investigations carried out by each service police force. The Royal Military Police were the first to be inspected in October 2014.

I consider this report to be very positive and it provides assurance from an independent civilian authority that, on the whole, the leadership of the Royal Military Police is good. Ten recommendations have been made for improvement, in particular concerning crime recording and monitoring the effectiveness of investigations. The Army are implementing an action plan to address the recommendations.

Copies of the report will be available in the Vote Office and Printed Paper Office.

[HCWS102]

LYNX ZF540

The Parliamentary Under-Secretary of State for Defence (Mark Lancaster): I wish to inform the House of the findings of the service inquiry into the accident involving an Army Lynx helicopter (Mark 9A variant) on 26 April 2014, in which Captain Thomas Clarke, Flight Lieutenant Rakesh Chauhan, Warrant Officer Class 2 Spencer Faulkner, Corporal James Walters and Lance Corporal Oliver Thomas tragically died. On the day of the accident, the aircraft was conducting a training sortie when it crashed approximately 20 km south of Kandahar Airfield in the Chaghayr Ghar Valley, Afghanistan.

A service inquiry was convened by the director general of the Military Aviation Authority (now the director general of the Defence Safety Authority as of 1 April 2015) to establish the cause and examine those factors which contributed to the accident, and in order to make recommendations to prevent a recurrence and enhance air safety. The service inquiry panel has conducted an independent, thorough and objective inquiry and their report is now complete. Copies have already been provided to the next of kin, HM Coroner for Oxfordshire and relevant personnel and units in Defence to ensure the timely dissemination of the air safety lessons contained within it.

A copy of the service inquiry report, redacted in accordance with the provisions of the Freedom of Information Act 2000, is also being placed in the Library of the House today and on the www.gov.uk website. Our deepest sympathies remain with the families of those who lost their lives in this tragic accident.

[HCWS97]

HOME DEPARTMENT

Gangmasters Licensing Authority

The Parliamentary Under-Secretary of State for the Home Department (Karen Bradley): The 2014-15 annual report and accounts for the Gangmasters Licensing Authority are being laid before the House today and published on www.gov.uk. Copies will be available in the Vote Office.

[HCWS99]

Security Industry Authority

The Minister for Policing, Crime and Criminal Justice (Mike Penning): I am today announcing the first triennial review of the Security Industry Authority, part of the Government's commitment to ensuring that public bodies continue to have regular independent challenge. The review will focus on examining whether the SIA is operating efficiently and whether its control and governance arrangements continue to meet the recognised principles of good corporate governance. I will inform the House of the outcome of the review when it is completed.

[HCWS100]

INTERNATIONAL DEVELOPMENT

African Development Bank

The Minister of State, Department for International Development (Grant Shapps): It is normal practice, when a Government Department proposes to undertake a contingent liability in excess of £300,000 for which there is no specific statutory authority, for the Minister concerned to present a departmental minute to Parliament giving particulars of the liability created and explaining the circumstances; and to refrain from incurring the liability until 14 parliamentary sitting days after the issue of the statement, except in cases of special urgency.

The UK has purchased shares in the multilateral development banks through special or general capital increases before. The African Development Bank is reissuing additional shares that were originally issued for the AfDB's sixth general capital increase (GCI VI), but were either forfeited or not taken up by other non-regional shareholders. The UK is currently half the way through making payments for its subscription under this share issue that was approved by Parliament in May 2011. Further shares have also become available as a special capital increase (SCI) to non-regional shareholders, following the ratification of South Sudan as a member of the bank. This is required to maintain the approximate shareholding balance between regional and non-regional members of the bank to 60:40 respectively.

The UK currently holds 1.684% of the shares in the bank and the Government wish to increase its shareholding. The UK currently has the smallest shareholding of all G7 countries. The UK joined the bank in 1983, and at the time elected not to take up the full allocation of shares on offer. This small shareholding means that the UK's vote on all AfDB issues carries less weight than many other shareholders, as it represents a smaller percentage of the total vote. Subscription to the additional shares available will increase the UK's shareholding to approximately 1.72%. If we are able to subscribe to the total GCI VI shares available, this would increase our shareholding to 1.87%. Failure to participate in this share issue would decrease the UK's shareholding to 1.65%.

The UK has been allocated 3,157 shares from the SCI issue and 1,453 additional shares from GCI VI. Combined, this equates to an additional 4,610 shares. Under the

terms of this share issue, of the allocated shares, 6% must be "paid-in" at a cost of £2,755,377 and the remainder (£43,267,406) will be callable—that is, a contingent liability.

The SCI share issue has a long deadline, as the first payment is not required until 4 October 2016. However, under the terms of the GCI VI share issue, the first payment should be deposited with the bank by 2 October 2015; otherwise the UK will forfeit the shares. If it is not possible to secure parliamentary approval for the statutory instrument in the short amount of parliamentary time available before the end of October, we would still plan to proceed with seeking the House's approval of the instrument. This would enable the UK to purchase any further shares that are transferred due to these and other forfeited shares.

We also expect other shareholders may not be able to meet this tight deadline, and shares will be reissued again to shareholders. DFID is therefore seeking approval of a payment up to £7,946,866.67. This figure equates to the total amount of GCI VI shares available to all shareholders plus the UK's allocation of the SCI. This will allow the Government to react quickly to any further reallocation of this share issue (GCI and SCI) and increase the likelihood of the UK being able to meet the short deadlines that are part of the bank's rules for share reallocations.

DFID's total contingent liability is currently £10.7 billion if the total approved funds were fully utilised it would increase by £124,570,794 or 1.17%. I have today laid a departmental minute outlining details of the liability.

A draft statutory instrument, seeking approval for the Department for International Development (DFID) to pay up to the capital amount of £7,946,866.67 is being laid before Parliament in accordance with section 11 of the International Development Act 2002. This will be considered by the Select Committee on Statutory Instruments. The final value of the callable shares will appear in DFID's financial accounts as a contingent liability.

The main risk associated with this share issue is that the UK will be asked to pay for the additional capital of £43,267,406 of the currently available shares or up to £124,570,794 if the UK is issued further shares from this allocation. Although the AfDB has the right to call for payment for these shares if there is a crisis affecting the bank's assets or loans, this has not occurred in relation to existing callable shares and, given that the bank has an AAA credit rating, it is very unlikely to occur in practice. If the liability is called, provision for any payment will be sought through the normal supply procedure.

The Treasury has approved the proposal in principle. If, during the period of 14 parliamentary sitting days beginning on the date on which this minute was laid before Parliament—that is, 14 to 21 July and 7 to 17 September—a Member signifies an objection by giving notice of a parliamentary question or by otherwise raising the matter in Parliament, final approval to proceed with incurring the liability will be withheld pending an examination of the objection.

[HCWS103]

JUSTICE**Civil Justice Council and Family Justice Council****The Parliamentary Under-Secretary of State for Women and Equalities and Family Justice (Caroline Dinenage):**

On 4 November 2013 the triennial review of the Civil Justice Council (CJC) and Family Justice Council (FJC) was announced in Parliament. I am pleased to announce the conclusion of the review and publication of the report today.

Stage one of the review concluded that both the CJC and FJC should continue to exist as an NDPB and that there is a continuing need for the functions of both councils.

Stage two reviewed the control and governance arrangements of the CJC and FJC in order to consider whether both bodies are complying with recognised principles of good corporate governance. This review has resulted in a small number of recommendations to drive greater transparency and encourage diversity in membership of the councils, particularly of the CJC.

The review was publicised on my Department's website and stakeholders were invited to contribute through a call for evidence. A critical friends group ensured a robust approach to the review and provided comment and challenge on the conclusions. I am grateful to all who contributed to the triennial review. The final report has been placed in the Libraries of both Houses.

[HCWS104]

ORAL ANSWERS

Tuesday 14 July 2015

	<i>Col. No.</i>		<i>Col. No.</i>
FOREIGN AND COMMONWEALTH OFFICE	709	FOREIGN AND COMMONWEALTH OFFICE—	
Burma	713	<i>continued</i>	
Colombia	714	Raif Badawi	720
EU Membership	711	Russian Federation: EU Sanctions.....	710
EU Negotiations	717	Syrian Refugees.....	723
EU Reform	715	Topical Questions	724
Greece.....	719	Tunisia	721
Maldives	709		

WRITTEN STATEMENTS

Tuesday 14 July 2015

	<i>Col. No.</i>		<i>Col. No.</i>
DEFENCE	15WS	INTERNATIONAL DEVELOPMENT	17WS
LYNX ZF540.....	16WS	African Development Bank	17WS
Royal Military Police	15WS		
		JUSTICE	19WS
		Civil Justice Council and Family Justice Council ...	19WS
HOME DEPARTMENT	16WS		
Gangmasters Licensing Authority.....	16WS	TREASURY	15WS
Security Industry Authority	17WS	ECOFIN	15WS
		Financial Ombudsman Service.....	15WS

Members who wish to have the Daily Report of the Debates forwarded to them should give notice at the Vote Office.

No proofs of the Daily Reports can be supplied. Corrections which Members suggest for the Bound Volume should be clearly marked in the Daily Report, but not telephoned, and *the copy containing the Corrections must be received at the Editor's Room, House of Commons,*

**not later than
Tuesday 21 July 2015**

STRICT ADHERENCE TO THIS ARRANGEMENT GREATLY FACILITATES THE
PROMPT PUBLICATION OF THE VOLUMES

Members may obtain excerpts of their Speeches from the Official Report (within one month from the date of publication), on application to the Stationery Office, c/o the Editor of the Official Report, House of Commons, from whom the terms and conditions of reprinting may be ascertained. Application forms are available at the Vote Office.

PRICES AND SUBSCRIPTION RATES

DAILY PARTS

Single copies:

Commons, £5; Lords, £4.

Annual subscriptions:

Commons, £865; Lords, £600.

LORDS VOLUME INDEX obtainable on standing order only. Details available on request.

BOUND VOLUMES OF DEBATES are issued periodically during the session.

Single copies:

Commons, £65 (£105 for a two-volume edition); Lords, £60 (£100 for a two-volume edition).

Standing orders will be accepted.

THE INDEX to each Bound Volume of House of Commons Debates is published separately at £9.00 and can be supplied to standing order.

All prices are inclusive of postage

CONTENTS

Tuesday 14 July 2015

Oral Answers to Questions [Col. 709] [see index inside back page]

Secretary of State for Foreign and Commonwealth Affairs

Calais [Col. 731]

Statement—(Mrs May)

Business of the House [Col. 745]

Statement—(Chris Grayling)

National Insurance Contributions (Rate Ceilings) [Col. 750]

Bill presented, and read the First time

Civil Enforcement Officers and Traffic Wardens (Integration of Duties and Powers) (England) [Col. 751]

*Motion for leave to bring in Bill—(Mr Hollobone)—agreed to
Bill presented, and read the First time*

Budget Resolutions and Economic Situation [Col. 754]

Debate (Fourth Day)

Resolutions agreed to, some on Divisions

Finance [Col. 864]

Bill presented, and read the First time

Estimates [Col. 864]

Estimates agreed to

Supply and Appropriation (Main Estimates) [Col. 864]

Bill presented, and read the First time

Thomas Cook: Christi and Bobby Shepherd [Col. 865]

Debate on motion for Adjournment

Westminster Hall

Rent-to-own Sector [Col. 215WH]

Health Provision (South Gloucestershire) [Col. 240WH]

Public Sector Broadcasting (Diversity) [Col. 250WH]

Domestic Renewables Industry [Col. 270WH]

Shared Ownership Housing [Col. 277WH]

General Debates

Written Statements [Col. 15WS]

Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]
