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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Wednesday 18 November 2015

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

WALES

The Secretary of State was asked—

Steel Industry

1. **Wayne David** (Caerphilly) (Lab): What steps the Government are taking to support the steel industry in Wales. [902182]

The Secretary of State for Wales (Stephen Crabb): I would like to start by putting on record the enormous sense of solidarity felt by all people across Wales with the French nation. We stand with them shoulder to shoulder in these difficult and anxious days.

The steel industry in Europe is facing a perfect storm as a result of a glut of cheap imports, falling prices and high energy costs. With nearly half of the UK's primary steel industry employed in Wales, we fully recognise the impact of these global challenges on Welsh steelworkers and their families. We are working closely with the industry and with the devolved Administrations to do everything possible to support the industry at this time.

Wayne David: We on the Labour Benches associate ourselves with the Secretary of State's words about the people of Paris.

On 28 October, the Secretary of State for Business, Innovation and Skills attended an extraordinary meeting of the Competitiveness Council on the steel industry. Following that EU meeting, plenty of warm words were issued in a written statement, but can the Secretary of State tell the House what practical measures were agreed to help the steel industry in this extremely difficult time?

Stephen Crabb: I thank the hon. Gentleman for the question. Before I answer it substantively, I should make the House aware that there has been an explosion in the past hour at the Celsa Steel plant in the constituency of the hon. Member for Cardiff South and Penarth (Stephen Doughty). Our thoughts are with the workers at this time and with the emergency services who are at the plant as we speak.

On the practical response to the global challenges facing the steel industry, the hon. Member for Caerphilly (Wayne David) will be aware of the specific practical working groups that we established following the national summit. Those engage the Welsh Government as well as the Scottish Administration, and action has been taken by the Business Secretary at a European level to get our European partners to focus much more seriously and

more urgently on tackling dumping and bringing forward state aid clearance so that we can fully compensate our steel industry for the higher energy costs that it faces.

Chris Davies (Brecon and Radnorshire) (Con): What assurances can my right hon. Friend give me that procurement for large infrastructure projects, such as the electrification of the great western main line, will prioritise the use of British steel?

Stephen Crabb: I am grateful to my hon. Friend for that question, as it gives me the opportunity to talk about one practical measure that we have taken in recent weeks: we have changed the guidelines for Departments on procuring steel for major projects, allowing for Government contracts to take into consideration wider economic and social impacts, which we hope will create more opportunities for UK steel manufacturers to win those bigger contracts. With this Government making a record investment in infrastructure, that creates future growth opportunities for the British steel industry.

Mark Tami (Alyn and Deeside) (Lab): Although we clearly need measures such as help with business rates and energy costs, does the Secretary of State agree that if we do not tackle Chinese dumping, all those other measures will count for nothing and that the future of the industry in this country is bleak?

Stephen Crabb: I agree with the sentiment and the direction of the question. That is the backdrop to the global challenge, not just for the British steel industry, but for the steel industry in north America and all across Europe. With a glut of cheap Chinese steel coming on to the market, we are leading efforts at a European level to tackle dumping. We voted for the anti-dumping measures in one specific section of the steel industry and we are continuing with those discussions.

Bob Blackman (Harrow East) (Con): I thank my right hon. Friend for the answers that he has given so far, but what measures is he taking with the Wales Office to lobby other Government Departments to pre-order steel from Wales and other areas of the country for our infrastructure projects to ensure that there is a future for steel in Wales?

Stephen Crabb: My hon. Friend is right. That taps into the point that I made a few moments ago about the changes that we have made in the procurement guidelines. The Crossrail project, for example, which has used 50,000 tonnes of high-quality steel from Celsa Steel, which I mentioned a few moments ago, is a great example of the UK Government investing in infrastructure and using the power of our procurement to create growth opportunities for British steel manufacturers.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): The incident this morning at Celsa in my constituency to which the Secretary of State has referred is obviously deeply concerning news. Can he say anything more about the incident and ensure that there is full support from all in responding to and investigating it?

Stephen Crabb: As I understand it, the incident happened in the past hour. Ambulances are at the scene. I am told by officials that there are three injuries at the site. That

is all I know at this moment. As the hon. Gentleman says, our thoughts are very much with the workers, their families and the emergency services at the scene.

Nia Griffith (Llanelli) (Lab): First, I echo the words of the Secretary of State in respect of the tragic events in Paris and the explosion at Celsa this morning.

The Secretary of State knows just how serious is the crisis facing the steel industry in Wales, and indeed the whole of the UK. Four years ago, the Chancellor promised a compensation package for energy-intensive industries. What reassurance can the Secretary of State now give to the thousands of workers in Wales whose jobs depend on the steel industry that his Government will deliver that package by the end of this month?

Stephen Crabb: The point I would make first up is that we are in the process of delivering that compensation. We have already paid out about £50 million in compensation to British steel companies, not least to companies based in Wales, so the money is already getting to them. What we are talking about at the moment is getting state aid clearance for the final element of the compensation package. That is really important for the steel companies, and we are pressing hard to get it.

Nia Griffith: After four years, the Secretary of State's Government have still not finished negotiating one package. That hardly bodes well for the promises the Prime Minister is making about EU reform.

The Government have made much of merely renewing existing anti-dumping measures, but with 94% of the Chinese steel that comes into the EU flooding the UK market, why is the Secretary of State's ministerial colleague in the EU Council of Ministers blocking the much-needed reform of the trade defence instruments?

Stephen Crabb: I am not sure that the hon. Lady is fully sighted on all the actions on steel that we are taking at a European level. My right hon. Friend the Secretary of State for Business, Innovation and Skills and his colleague, the Minister for Small Business, Industry and Enterprise, have been at the forefront in discussions and negotiations at a European level to get change, with real, practical, urgent action on anti-dumping and on state aid clearance for compensation for energy costs. We are leading the way in trying to get change at a European level to support and protect our British steel industry.

Justice Services

2. **Liz Saville Roberts** (Dwyfor Meirionnydd) (PC): What steps he has taken to ensure access to justice services in Welsh. [902183]

The Parliamentary Under-Secretary of State for Wales (Alun Cairns): It was of course a Conservative Government who introduced the Welsh Language Act 1993, which provided for the use of the Welsh language in the courts system. We are committed to remodelling our courts to make them more cost-effective and efficient, and these changes will give due consideration to the needs of Welsh speakers.

Liz Saville Roberts: I take this opportunity to extend our sympathies to every nation that has suffered at the hands of IS in recent days, and to express concern at the news of the explosion in south Wales.

I understand that the Ministry of Justice has closed its consultation on the court and tribunal estate in England and Wales, which proposes the closure of 11 courts in Wales, including Dolgellau in my constituency, and that is without undertaking a Welsh language impact assessment, as required by law and under the Welsh language scheme. Will the Secretary of State ensure that a Wales-wide assessment is undertaken and that its recommendations are implemented before any decisions are reached on court closures?

Mr Speaker: I thank the hon. Lady, but we are very constrained for time and must move on.

Alun Cairns: I am happy to confirm to the hon. Lady that a full Welsh language impact assessment will be included in the Government's response to the consultation. We are determined to protect the interests of Welsh language speakers, as demonstrated by the Department's Welsh language scheme.

Glyn Davies (Montgomeryshire) (Con): Over many decades, Conservative Governments have a strong record of supporting the Welsh language. Does my hon. Friend agree that every Department at Westminster, including the Ministry of Justice, should be committed to supporting the Welsh language and the modernisation of Government services, enabling us to give even more support to the language that we in Wales call the language of heaven?

Alun Cairns: My hon. Friend is absolutely right. Protecting and preserving our heritage is a core Conservative principle, and this Government, like previous Conservative Governments, have done a lot to secure that, as he rightly mentioned. The Government's digital agenda provides an opportunity to bring about innovations to enhance the opportunities to use the Welsh language in the courts system and in other Government services.

Albert Owen (Ynys Môn) (Lab): Access to justice in both Welsh and English is important to my constituents in north-west Wales, but following court closures alternatives such as audio-visual facilities and paying fines over mobiles would not be possible in such areas, in English or in Welsh, because we simply do not have the infrastructure. Can we put court closures on hold until we get that infrastructure?

Alun Cairns: Estate reform of the Courts Service must continue, but that is allied to the digital transformation that the Government are bringing about. A total of £69 million has been invested in broadband services in Wales, in addition to European aid and Welsh Government money. We have also announced a consultation on a minimum service requirement for broadband distribution, and I hope that the hon. Gentleman will welcome that.

Inward Investment

3. **Andrew Griffiths** (Burton) (Con): What assessment he has made of trends in the level of inward investment in Wales. [902184]

The Secretary of State for Wales (Stephen Crabb): Almost exactly one year on from the UK investment summit in Newport, inward investment figures for Wales show the best performance for a quarter of a century.

This is no coincidence. With the support and assistance of UK Trade & Investment and the UK Government, Wales continues to provide a world-class offer for foreign investors.

Andrew Griffiths: Will the Secretary of State join me in congratulating all the workers in Wales who make it such a brilliant place in which to invest? Does he agree that this record investment shows that the Government's long-term economic plan is working?

Stephen Crabb: I completely agree with my hon. Friend. The economy in Wales is getting stronger, thanks partly to new inward investment. Just a few weeks ago, I had the pleasure of welcoming Israeli investors to south Wales, where they announced £3 million of new investment, creating almost 100 new jobs. We should all be encouraged by the fact that inward investment in Wales is back to the level of the days of the Welsh Development Agency before the Welsh Labour Government abolished it.

Nick Thomas-Symonds (Torfaen) (Lab): I am pleased to hear the Secretary of State welcome the more than 100 inward investment projects in Wales in 2014-15. Will he now congratulate the Welsh Labour Government on making it possible?

Stephen Crabb: The important thing is to welcome the more effective partnership that now exists between the UK Government and the Welsh Government to deliver the inward investment. Of the new projects coming into Wales, 87% were secured on the basis of co-operation between the Welsh Government and the UK Government, and I have no hesitation in congratulating both.

Mr David Jones (Clwyd West) (Con): High-quality transport infrastructure is crucial to attracting inward investment. I was therefore delighted to see the Under-Secretary at the rail summit in Llandudno last week. Will my right hon. Friend convey to his colleagues in the Department for Transport the clear message that came out of that summit that north Wales regards itself as part of the northern powerhouse and demands an electrified railway line?

Stephen Crabb: My right hon. Friend has been a powerful champion and advocate for investment in transport infrastructure in north Wales. The summit that happened last week was very important, and the Transport Secretary has received loud and clear the message about the importance of investing in transport in north Wales.

Mr Mark Williams (Ceredigion) (LD): Welcome though the figures are, the Secretary of State will acknowledge the important contribution of higher education to inward investment. Is he satisfied that UKTI is fully aware of what is happening in Welsh universities? That would give it more ammunition to promote the very good story of Wales.

Stephen Crabb: The hon. Gentleman raises an important point. We have some world-class higher education institutions in Wales that are at the cutting edge of innovation. It is a reminder to us to keep reminding UKTI of the importance of that, and how higher education links into business growth in Wales.

Single Market

4. Neil Carmichael (Stroud) (Con): What assessment he has made of the economic value to Wales of the single market. [902186]

The Secretary of State for Wales (Stephen Crabb): The single market offers enormous opportunities for Welsh business, accounting for 42% of Welsh exports. However, exports to non-EU countries account for 58% of our total exports and are worth more than £7 billion to the Welsh economy. That is why we are seeking EU reform to go further and faster on economic competitiveness, trade and deregulation, which will strengthen Welsh exports.

Neil Carmichael: Does the Secretary of State agree that the success of Airbus in Wales and in the south-west, which has connections to my constituency, demonstrates the value of the single market, and that reforming it further to include the digital economy and energy will give those important sectors even more capacity to expand and grow?

Stephen Crabb: My hon. Friend makes an important point, not least about the importance of investing in technology. If we are to drive up prosperity in Wales, we need more growth in higher technology. This afternoon, I am proud to be helping to launch a new compound semiconductor centre for IQE and Cardiff University. That is emblematic of the changes in the Welsh economy.

Geraint Davies (Swansea West) (Lab/Co-op): Twenty-five thousand jobs in Swansea bay city region rely on being in the single market. Swansea is, of course, in the convergence funding area. Will the Secretary of State support Swansea bay city region MPs' bid to get the new tax centre for Wales in Swansea bay city region, given that it is an area of relative deprivation, and not Cardiff?

Stephen Crabb: Exciting things are happening in Swansea and the Swansea bay city region. I am delighted that Swansea MPs are working together. If they have a proposal about future changes to the delivery of Government services, with opportunities for Swansea, I ask them please to send them through and we will consider them.

Mr David Nuttall (Bury North) (Con): Does the Secretary of State agree that no one who believes we should leave the European Union is suggesting that we stop trading with our European neighbours, and the fact that they sell more to us than we do to them means that there is no chance of their wanting to stop trading with us?

Stephen Crabb: The truth is that Wales's future prosperity depends on whether we can transform the economy, improve productivity, invest in transport infrastructure and improve our skills and education. That is where Wales's future prosperity and success lie, and the question of whether or not we remain in the European Union is therefore a secondary one.

Susan Elan Jones (Clwyd South) (Lab): The Secretary of State is just a little bit shy today. Why cannot he just recognise that 191,000 Welsh jobs are totally dependent on EU trade and that Wales is a net beneficiary of EU

aid? Cannot he just say—we will protect him from the Tory “Little Britain” sketch on the Benches behind him—that Wales is better off in?

Stephen Crabb: I am not often described as shy; I am interested that I have come across in that way to the hon. Lady this morning. I do not recognise the figure that she cites. The important point is that the single market creates a really strategic opportunity for Welsh business. That is what we need to defend and extend.

International Sporting Events

5. **Tom Pursglove** (Corby) (Con): What effect the hosting of international sporting events has had on the Welsh economy in 2015 to date. [902187]

The Parliamentary Under-Secretary of State for Wales (Alun Cairns): The rugby world cup demonstrated yet again how Wales punches well above its weight in the global sporting arena. It was the most successful rugby world cup in history, generating £316 million for the Welsh economy. There should be no limit to our ambition to build on these successes and to attract more tourism and inward investment to Wales.

Tom Pursglove: What steps is the Minister taking to attract even more high-quality sporting events to Wales, such as the Commonwealth games, which would make my hon. Friend the Member for Cardiff North (Craig Williams) very happy, as well as people across our great country?

Alun Cairns: I am grateful to my hon. Friend for making such a suggestion. It was on a Conservative motion back in 2006 that the Assembly voted unanimously to attract the Commonwealth games to Wales. The next opportunity is in 2026, and I know that my hon. Friend the Member for Cardiff North (Craig Williams) is keen on that date and keen to ensure that Cardiff makes a leading bid. The Wales Office is standing ready and waiting to support any bid that comes forward from any part of Wales.

Christina Rees (Neath) (Lab): We were all pleased to see the rugby world cup come to Cardiff. I know that the Secretary of State shares my concern about the delays on the great western railway. What will he do to ensure that such delays do not happen again?

Alun Cairns: The hon. Lady raises an important point. Immediately after those disruptions occurred, my right hon. Friend the Secretary of State spoke with the train operators, who have apologised to him and to the public. Of course, we are upgrading the great western main line, which will make a significant difference in the long term. We also call on the Welsh Government to bring forward their proposals for the M4 in order to improve the infrastructure for those coming to Wales by road as well as by rail.

Rebalancing the Economy

6. **Andrew Bridgen** (North West Leicestershire) (Con): What assessment he has made of the effectiveness of steps taken to rebalance the economy in Wales. [902188]

The Secretary of State for Wales (Stephen Crabb): Our long-term plan is turning around the Welsh economy: since 2010, unemployment has fallen, manufacturing industry has created 12,000 jobs and the Welsh economy has grown faster than any other part of the United Kingdom.

Andrew Bridgen: Does the Secretary of State agree that key to rebalancing the economy is getting a proper grip of the public finances? Does he share my shock and horror at the recent TaxPayers Alliance report that exposes the enormous amount of waste in the public sector in Wales?

Stephen Crabb: With his eagle and sharp eye on the care of the public finances, my hon. Friend makes a really important point. I was actually shocked by some of the examples from the TaxPayers Alliance that we have read. Clearly, the Welsh Government and the entire public sector in Wales need to get a much stronger grip on the disciplines of cost control and to get on top of managing the national finances.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Provisional results from the annual survey of hours and earnings by the Office for National Statistics show that Wales is at the bottom of the pay table and is the only part of the British state where earnings have gone down. Does that not indicate that the Welsh Government need to be empowered with a wide portfolio of fiscal powers—the Secretary of State has supported that for Scotland—as direct control from Westminster is clearly failing?

Stephen Crabb: I agree with the hon. Gentleman that the Welsh Government need more fiscal tools. They need the responsibility of income tax devolution to encourage them to be a more financially responsible Administration. The point that he makes about earnings is also important. That is why he should be giving full-throated support to the steps that we are taking to drive up wage levels and end the curse of low pay in Wales.

Draft Wales Bill

7. **Hywel Williams** (Arfon) (PC): What progress he has made on consulting civic society in Wales on the likely effects of the provisions of the draft Wales Bill; and if he will make a statement. [902189]

The Secretary of State for Wales (Stephen Crabb): Last month, I published the draft Wales Bill for pre-legislative scrutiny and I continue to meet members of civil society, the judiciary and leading business organisations across Wales to take soundings and hear their views.

Hywel Williams: I thank the Secretary of State for that answer. There was a substantial deliberation on our country's constitutional future, led by a distinguished former Officer of the House, Sir Paul Silk. However, the Secretary of State has so far chosen to include very few of the recommendations of the Silk commission in the draft Wales Bill. Will the final version of the Wales Bill give his final vision of our country's constitutional future? Is this it for the foreseeable future?

Stephen Crabb: A lot of the Silk recommendations do not require primary legislation and we have already delivered them. We are committed to delivering the Silk recommendations that we have agreed on, which we set out in the St David's day announcement earlier this year.

Hywel Williams: There is general, substantial and growing dissatisfaction with the draft Wales Bill, not least among legal colleagues. Would the Secretary of State not be better advised to withdraw the Bill and start again?

Stephen Crabb: I fear that if we were to withdraw the Bill, we would see no progress whatsoever on strengthening and clarifying Welsh devolution, which I understood Plaid Cymru and the Labour party supported.

Michael Fabricant (Lichfield) (Con): When I raised this issue before the general election, a previous Secretary of State for Wales said that I was wrong. Will the present Welsh Secretary say that if the Welsh people would like a Welsh Parliament, rather than a Welsh Assembly, they will be able to have one?

Stephen Crabb: To paraphrase the famous old man of Pencader, it will be the Welsh people ultimately who determine the direction and pace of Welsh devolution. The draft Wales Bill will give powers to the Welsh Assembly to call itself a Parliament and take on more law-making responsibilities.

Tax Credits

8. **Mr David Hanson (Delyn) (Lab):** What assessment he has made of the effect of changes to tax credits on families in Wales. [902190]

The Parliamentary Under-Secretary of State for Wales (Alun Cairns): Low pay has been a scourge on the Welsh economy for too long. Reforming tax credits is an important part of our plan to transform the whole of the UK to a low tax, low welfare, higher wage economy. The Chancellor will set out details of these reforms in his autumn statement.

Mr Hanson: What representations have the Minister and the Department made to the Chancellor about the impact on 44,600 people in north Wales and 200,000 people across Wales of the loss of £1,300 per year as a result of his changes? What has he said to the person who is sitting next to him?

Alun Cairns: The Wales Office is in regular dialogue with my right hon. Friend the Chancellor and the Treasury. The Chancellor will set out how we plan to achieve the goal of a lower tax, low welfare, higher wage economy in next week's comprehensive spending review. The right hon. Gentleman needs to recognise that the tax credit changes are part of a wider reform that includes increases to the national living wage, changes to universal credit and help with childcare, on which we hope the Welsh Government will follow suit.

Mr Speaker: Order. There is still too much noise in the Chamber. The Chair of the Welsh Affairs Committee must be heard.

12. [902196] **David T. C. Davies (Monmouth) (Con):** Will the Minister confirm that while the Government are, of course, listening carefully to any concerns about tax credits, the people of Wales stand to benefit enormously from the increase in the tax threshold, the increase in the minimum wage and the Government's determination to stick to the long-term economic plan?

Alun Cairns: I am grateful to my hon. Friend for that question. When we move from the basic minimum wage to the national living wage next April, there will be an increase of 7.5%. That means that 100,000 people in Wales will benefit immediately from next April.

Small Businesses

9. **Mr Ranil Jayawardena (North East Hampshire) (Con):** What assessment he has made of the effect in Wales of the Government's measures to support small businesses. [902191]

The Secretary of State for Wales (Stephen Crabb): Small businesses are the lifeblood of the Welsh economy and are leading the way in creating new jobs and driving growth. There are now 22,000 more businesses in Wales than in 2010. Supporting these businesses to grow is a key part of the Government's long-term plan for Wales and the UK.

Mr Jayawardena: Does the Secretary of State agree that infrastructure is critical to supporting small businesses and that the electrification of the Great Western railway, which serves my constituency too, will unlock social and economic opportunities for his constituents and mine?

Stephen Crabb: I totally agree with my hon. Friend. Of course, investing in the Great Western line is just one part of the largest programme of investment in British railways since the days of Isambard Kingdom Brunel.

Craig Williams (Cardiff North) (Con): May I associate myself with the comments about the explosion in Cardiff today and the sad situation at the Celsa steelworks, and thank the Secretary of State for making us aware of it?

The legal profession is a crucial part of the small business sector in my constituency. The Secretary of State will be aware that the First Minister now wants a separate Welsh legal jurisdiction, despite what he said 18 months ago. Will he assure me he is protecting our jurisdiction?

Stephen Crabb: I am aware of the calls from the First Minister and Plaid Cymru for Wales to have a separate legal jurisdiction. One of the sources of Cardiff's growth in recent years has been investment in legal and professional services, and I fear that moves to create a separate jurisdiction for Wales will lead to a flight of talent from the Welsh legal profession.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [902132] **Mr Gordon Marsden (Blackpool South) (Lab):** If he will list his official engagements for Wednesday 18 November.

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

Mr Marsden: May I associate myself, and I hope the whole House, with what the Prime Minister and others in government have said about the attacks in Paris? No man or woman is an island. People from Blackpool were among those murdered on the Tunisian beach, and, like other places worldwide, our tower was lit in red, white and blue in remembrance of those killed by the terrorists in France. I raised concerns with the Prime Minister here two weeks ago about neighbourhood policing and security being threatened by the scale of the proposed cuts and about the Lancashire funding formula, which has now been admitted to be flawed. Will he reflect on the words: "When facts change, I change my mind"? Given that police local intelligence can be crucial against terrorists, perhaps this is not the time to jeopardise it with arbitrary Treasury targets for cuts.

The Prime Minister: First, I thank the hon. Gentleman for his comments about Paris and the importance of the whole House coming together. Perhaps the House would like a brief update: as I said yesterday, one British national, Nick Alexander, was killed at the Bataclan theatre; three other British nationals have now been released from hospital and returned to the UK; and the Foreign Office and Red Cross are providing support for trauma to at least another 15 British nationals. We will make sure we provide support to those injured and traumatised by the events that have happened. There has been progress this morning in France with the arrest of terrorists, but perhaps I can say more about that later.

On policing, we rightly protected counter-terrorism policing in the last Parliament, and we will protect it again in this Parliament. Otherwise on policing, we have seen an increase of 3,800 in the number of neighbourhood officers over the Parliament and a 31% cut in crime. I commend the police—not just counter-terrorism police, but all police—for the work they do, and we will announce our proposals on police spending next week.

Q2. [902133] **Andrew Rosindell (Romford) (Con):** As our hearts go out to the people of France, will the Prime Minister agree that the first duty of Her Majesty's Government must be to protect British citizens from harm? So will he take immediate action to secure our UK borders from those who threaten our nation and, on security grounds alone, restore complete sovereignty over our British borders from the European Union?

The Prime Minister: My hon. Friend raises an important question. In answering, I want to explain an important point: because the UK is not in the Schengen area, we already retain full control over who enters our country and can check all entrants at the border, including EU and European economic area nationals. The House might be interested to know that, since 2010, we have refused entry to almost 6,000 EU nationals, more than 3,800 of whom were stopped at our juxtaposed border controls in Calais. Since 2010, we have denied entry to nearly 95,000 people. Of course, one of the principal

reasons for not letting people in, be they EU or non-EU nationals, is national security concerns. We are in that situation already because we are not in Schengen.

Jeremy Corbyn (Islington North) (Lab): Let me start by expressing the horror of all Opposition Members at the events in Paris on Friday evening, and our continued solidarity with the victims and all those affected by conflict and terrorism, whether in Paris, Beirut, Ankara, Damascus or anywhere else in the world. Nothing can justify the targeting of innocent civilians by anyone.

We know that at least one British national has been killed, and many more injured. Many British people live and work in Paris, and millions visit Paris and France every year. Will the Prime Minister continue what he was saying in response to my hon. Friend the Member for Blackpool South (Mr Marsden) about the support given to British nationals affected by the attacks, and will he say what the Government's latest advice is for those travelling to France, and speak about our need to show the best possible normality in our relations with the French people?

The Prime Minister: I thank the Leader of the Opposition for his remarks, and it was a pleasure to be with him last night at the England-France football match where there was a tremendous display of solidarity. I am sure that they can sing the Marseillaise louder in the Stade de France, but I think we did a pretty good job yesterday, and I was proud to be there.

The right hon. Gentleman is right to say that there is never any justification for terrorism, and we should be clear about that right across the House and at all times. He asked specifically what more we can do to help British people who are caught up in these problems, and Peter Ricketts, our ambassador in France, has done a brilliant job with his staff. I have been keeping a close eye on the consular situation, and I think that everything that can be done is being done.

Our travel advice is all on the Foreign Office website, but I agree with the right hon. Gentleman that the most important thing is for people to carry on with their lives. It is important that the Eurostar continues to function, that flights continue to go, and that people continue to travel and to enjoy London and Paris. We must continue going about our business. As we do so, yes, we need enhanced security, and that is happening in the way that the police are acting in the UK and elsewhere. One way to defeat terrorism, however, is to show the terrorists that we will not be cowed.

Jeremy Corbyn: We know that, sadly, after atrocities such as those we have seen, intolerance such as Islamophobia, anti-Semitism and racism often increase. Does the Prime Minister agree that it is vital that everyone in public life—particularly we as politicians—must be careful how we discuss these issues? Will he join me in making it clear that the dreadful terrorism in Paris has nothing in common whatsoever with the 2 million British Muslims in this country who are as appalled as anyone else by the events in Paris last Friday?

The Prime Minister: I am happy to join the right hon. Gentleman in that, and some of the strongest and best statements following the Paris attacks have been made by a series of British Muslims who have come together to say that these attacks are in no way carried out in

their name. I do think—we talked about this yesterday—that this raises an important issue, because it cannot be said often enough that these butchers of ISIL are no reflection of the true religion of Islam, which is a religion of peace. At the same time, we must recognise that whether these terrorists are in Tunisia, Egypt, Paris or London, they spout the same bile that they claim comes from the religion of Islam. That is why we must take apart what they say and prove that that is not the case. It is not good enough to say that there is no connection between these terrorists and Islam; they are making a connection, and we need to prove that it is not right. As we do so, the support of Muslim communities and scholars is vital, and I commend them for their work.

Jeremy Corbyn: Surely a crucial way to help defeat ISIL is to cut off its funding, its supply of arms, and its trade. May I press the Prime Minister to ensure that our allies in the region—indeed, all countries in the region—are doing all they can to clamp down on individuals and institutions in their countries who are providing ISIL with vital infrastructure? Will he, through the European Union and other forums if necessary, consider sanctions against those banks and companies, and if necessary countries, that turn a blind eye to financial dealings with ISIL that assist it in its work?

The Prime Minister: As I said yesterday, we play a leading role in ensuring that the supply of money, weapons and support is cut off. However, we should be clear about where ISIL got its money from originally. Because we did not have a Government in Iraq that effectively represented all their people, and because in Syria there is a leader who is butchering his own people, ISIL was able to get hold of oil, weapons, territory and banks, and they have used that to fund their hatred and their violence. We cannot dodge forever the question of how to degrade and destroy ISIL in both Iraq in Syria, and that is why I will be setting out my response to the Foreign Affairs Select Committee. Yes, we should go after the money and the banks, and cut off supplies to ISIL, but we should not make that a substitute for the action that is required to beat those people where they are.

Jeremy Corbyn: Next week the Chancellor will present his autumn statement to the House. Can the Prime Minister clarify something about the source of the necessary extra funding for the security services, which we support? Will it come at the expense of other areas, either within the Home Office budget or other areas of public spending, from the reserves, or from new funding? Does he want me to go on longer so that the Chancellor can explain the answer to him?

The Prime Minister: We will set out in full our decisions next week, but we have already said that we will fund an increase in the security services of 1,900 personnel. We will safeguard the counter-terrorism budget and we will see an increase in aviation security. All that is part of an overall spending settlement. At the same time as funding our security and increasing our defence spending, we have to make decisions that eradicate our budget deficit and keep our economy strong. We do not do that just for the current generation: we do it for our children and grandchildren, because none of these things—not even strong defence—is possible without a strong economy.

Jeremy Corbyn: I am not absolutely sure where the money is coming from following the Prime Minister's answer, but no doubt it will come.

London has been targeted by terrorists before, and this weekend's events in Paris have focused attention not just on London but on other cities throughout the whole of Britain. Policing plays a vital role in community cohesion, gathering intelligence on those who might be about to be a risk to all of us, but that is surely undermined if we cut the number of police officers by 5,000. Does the Prime Minister agree with the commissioner of the Metropolitan police, Sir Bernard Hogan-Howe, who said:

"I genuinely worry about the safety of London"—
if the cuts go through on this scale?

The Prime Minister: The right hon. Gentleman asks where the money comes from. On this side of the House, we never forget that every penny we spend comes from taxpayers. Borrowed money is simply taxes that are deferred, and that is why it is so important to eradicate our deficit at the same time as making sure that we fund our security and intelligence services and police properly. As I have said, we are protecting the counter-terrorism budget. We saw a 3,800 increase in neighbourhood police officers in the last Parliament, at the same time as a 31% cut in crime. The shadow Home Secretary has said that a 10% efficiency target for the police is doable. Is the Leader of the Opposition saying that he does not agree with the shadow Home Secretary? There does seem to be a little bit of disagreement on the Opposition Front Bench today.

Jeremy Corbyn: I have a question from a taxpayer, actually. His name is John and he says—*[Interruption.]* He says that at a time when we are experiencing the greatest threats from terrorism ever faced, our police office numbers and their resources are being cut and that

"Demands on the police have been increasing steadily as budgets are slashed, increasing stress on officers. Couple that with detrimental changes to their pay, terms, conditions and pensions, it's no wonder that morale"—

in the police force—

"is so poor that 1 in 3 are considering leaving."

Will the Prime Minister be able to tell us whether community policing and other police budgets will be protected or not in next week's autumn statement?"

The Prime Minister: Let me tell the right hon. Gentleman again: neighbourhood policing numbers have gone up by 3,800. In the capital city, we have seen a 500% increase in neighbourhood policing. Because we have cut bureaucracy, we have also put the equivalent of an extra 2,000 police on the streets. But I will tell him something: as well as wanting resources, the police want the appropriate powers. Has it not come to something when the Leader of Her Majesty's Opposition is not sure what the police's reaction should be when they are confronted by a Kalashnikov-waving terrorist?

Q3. [902134] **Gareth Johnson** (Dartford) (Con): The attacks on Paris were quite clearly an attack on all of us. Does the Prime Minister agree that our resolve must be unbreakable and that we should hunt down ISIL wherever it is operating, wherever it is planning, wherever it is plotting, and if that means "shoot to kill", so be it, and if it means action in Syria, so be it?

The Prime Minister: I think my hon. Friend is right. What I have said is that in order to respond to this very severe threat that we face, we need to focus on counter-terrorism here in the United Kingdom, giving our intelligence agencies the laws they need and our police the powers they need and ensuring that we are vigilant. We need counter-extremism, as we discussed earlier, emphasising the importance of stopping the poisoning of these young minds, not least by radical preachers on the internet. We also need to stop the problems at their source. We know where much of this problem is coming from: it is ISIL not just in Iraq, but in Syria. I told the House yesterday that I will prepare a detailed response to the Foreign Affairs Select Committee report to demonstrate that we have a clear strategy of bringing in the neighbourhood powers and the regional powers, building a future for these countries and stability in the middle east. I believe that part of that is taking action against ISIL wherever it is.

Angus Robertson (Moray) (SNP): In the wake of terrorist outrages and the ongoing civil war in Syria, it is very welcome that there is significant diplomatic progress in trying to find a solution to the Syrian crisis. The UK joined the US, France, Russia and Iran at talks in Vienna at the weekend, and all signed a communiqué committing to progress through the United Nations. Will the Prime Minister confirm that he will support a UN Security Council resolution on this before seeking to intervene militarily in Syria?

The Prime Minister: I am grateful to the right hon. Gentleman for asking this question. The point is that Russia has different aims from us and has repeatedly threatened to veto any such resolution. Of course, it is always preferable in these circumstances to have the full backing of the UN Security Council, but what matters most of all is that any action we would take would be both legal and help protect our country and our people right here. As I said yesterday, we cannot outsource to a Russian veto the decisions we need to keep our country safe.

Angus Robertson: The first survey of UK public opinion on Syrian intervention since the Paris attacks, conducted by Survation, has shown that 52% believe that

“the UK should engage with all countries to co-ordinate an appropriate response, military or otherwise, backed by United Nations resolution”,

and only 15% believe that UK should independently launch air strikes. Will the Prime Minister give a commitment to secure a UN Security Council resolution, which the UK agreed to and which Russia agreed to as well?

The Prime Minister: I could not be clearer with the right hon. Gentleman. Of course it is always preferable in whatever action we are taking—whether it be lifting people out of the Mediterranean, flying air patrolling missions over Baltic countries that feel a Russian threat or taking action in the middle east against ISIL—to have a UN Security Council resolution. However, if such resolutions are vetoed or threatened with a veto over and over again, my job as Prime Minister is, frankly, not to read a Survation opinion poll but to do the right thing to keep our country safe?

Q7. [902138] Richard Fuller (Bedford) (Con): The French armed police who stormed the Bataclan and killed those vile, murderous scum are heroes, and so are the British armed police who protect our public spaces and the people. Will the Prime Minister send a note of unequivocal support today to those officers on patrol, and ensure that in next week’s review, they have the resources they need to keep us safe?

The Prime Minister: I absolutely agree with my hon. Friend. We ask the police every day to take risks on our behalf. Let me thank the police who policed so effectively the game at Wembley last night.

In terms of what the French police have done, I think the House would welcome an update. We have seen the news of a police operation in Paris this morning. Two terrorist suspects died, including a female suspect who blew herself up. Seven arrests are reported to have been made. This operation has now finished. As the French Interior Minister has said, we should all acknowledge the bravery of the French police in dealing with what is a very challenging situation.

I hope there can be consensus across the House—I mean right across the House—on this. If we are confronted with a situation like this, the British police should not be in any doubt. If you have a terrorist who is threatening to kill people, you can—indeed, you must—use lethal force.

Q4. [902135] Phil Wilson (Sedgefield) (Lab): In a recent *Financial Times* article, President Obama said:

“I have emphasised the importance...of tax credits to help working families afford childcare and keep two-earner families in the workforce.”

Does the Prime Minister agree with the importance the President of the United States has attached to tax credits?

The Prime Minister: I think it is important that we do the best we can to help low-paid people. That is why we are taking people out of income tax: 3 million of the lowest paid taken out of income tax since I became Prime Minister. We are going to be setting an £11,000 threshold before people have to start paying tax at all. We are helping working families with childcare. We are helping with a national living wage of £7.20 starting next year, something I suspect President Obama would love to introduce in the United States. We are doing it right here.

Q10. [902141] Mr Graham Brady (Altrincham and Sale West) (Con): Integrating health and social care will be a great prize for devolved cities and regions, but without effective democratic and clinical oversight things can go badly wrong. Already, in Manchester a major hospital reorganisation is awaiting judicial review. May I urge my right hon. Friend to ensure that proper safeguards are in place so that local authorities retain a last resort power to refer NHS changes for independent clinical review?

The Prime Minister: I will look carefully at what my hon. Friend says, but I think this does go to a larger point, which is that we are currently changing the way our country is run. These big devolution deals, first to Greater Manchester but now, with the announcements yesterday, to Liverpool and to the west midlands, mean that we are going to have powerful metro mayors who

are accountable to local people for the decisions they make. That is a very direct form of accountability and that is why we can be confident of devolving health and social care to those authorities. For too long, our country has been too centralised. The great cities of Manchester, Birmingham, Liverpool—and soon to be Leeds, I hope—will benefit from these massive devolution deals, but if we devolve the power and we devolve the money, we have to devolve the trust and the accountability too.

Q5. [902136] **Andy McDonald** (Middlesbrough) (Lab): Against the backdrop of a tidal wave of local job losses, the Teesside Collective for industrial carbon capture has the very real potential to secure a major step change in our industrial renaissance. Ahead of the Paris conference, will the Prime Minister meet me and the industrial leaders driving this project so that we can secure these immense climate change gains with the UK leading this new industrial revolution, and make this initiative a reality for Teesside and the UK?

The Prime Minister: I know how important it is that we all work on behalf of Teesside, not least because of the difficulties there have been in Redcar. That is why we have the taskforce and why the additional resources are going in. I am very happy to look at the project the hon. Gentleman talks about. It may be best for him to meet the Energy and Climate Change Secretary, because we have to make important decisions about all these technologies in the run-up to the Paris conference and beyond.

Q12. [902143] **Craig Tracey** (North Warwickshire) (Con): In my constituency, manufacturing is thriving thanks to innovative small businesses such as Powerkut and Naysmith Group, which are creating high quality local jobs and apprenticeships in the engineering sector. Given the challenges that these types of companies face in finding traditional bank and funding support, what assurances can the Prime Minister give that this Conservative Government understand the importance of our innovators and will continue to provide initiatives, such as the annual investment fund, to ensure British businesses continue to lead the way?

The Prime Minister: We want to rebalance the British economy not just in terms of the devolution of power I have just talked about, but to see a thriving manufacturing sector. Manufacturers have told us that they want continued investment in the catapult centres, which do a good job of making sure that technology is taken up. They want strong support for the apprenticeship programme, and we have set a target of 3 million apprentices during this Parliament. They also want to make the annual investment allowance permanent, and it will be permanent at £200,000 throughout this Parliament so that manufacturing companies and others that want to make investments know they can do so in a way that will be profitable for them.

Q6. [902137] **John Mann** (Bassetlaw) (Lab): My niece Ruby is safe and well after being caught up in the aftermath of the Paris attacks. She has been a student in Paris for three years, and she wants to know whether this country will be safe on her return. She has a question for the Prime Minister. She is worried about the cuts to the ambulance, police and fire services here,

and whether those cuts will allow us to have the preparedness that was shown by the emergency services in Paris.

I also want to know why we are not joining the Russians in calling for a UN mandate to remove ISIS from Syria.

The Prime Minister: First, let me say how glad I am to hear that the hon. Gentleman's niece is safe after those terrible attacks. Let me answer her question very directly. We are doing everything we can to make sure that this country is safe. After receiving intelligence some years ago about the potential for a marauding firearms attack at multiple locations—perhaps in our capital city or elsewhere in our country—we have run exercises and we have done research. We have looked at everything we can do to make sure, for instance, that ambulances and their crews will be able to go into a so-called hot zone and recover casualties, that we have the right number of armed police in the different parts of our country, and that we can respond in ways that will include using other forces in all the ways that we can. We have looked carefully at what the French have done in surging troops on their streets and have made sure that that can now happen here, and that all the permissions are given.

There is never a 100% guarantee of safety in any country, but I would say to the hon. Gentleman's niece that we are doing everything that we possibly can.

Q13. [902144] **Jesse Norman** (Hereford and South Herefordshire) (Con): In that spirit, I warmly congratulate the Prime Minister on the new funding that has been announced for special forces equipment, but may I draw his attention to the plight of David and Maria Summers, in my constituency, who have struggled to obtain permanent residency for Maria despite having been married for 45 years? May I ask the Prime Minister to encourage officials to look at the case again?

The Prime Minister: I shall be happy to look at the case again, but, given the constituency that my hon. Friend represents, his question gives me an opportunity to say something about a group of people we say very little about because we do not comment on the amazing work that they do. Hereford is a very important part of the nation's security, both domestically and overseas. Very, very brave people work there, and we should all give credit to them.

Q8. [902139] **Tulip Siddiq** (Hampstead and Kilburn) (Lab): A constituent of mine was a soldier in Iraq and Afghanistan, and is currently training to be a doctor in London. He tells me that with the proposed junior doctors' contracts, morale in the NHS is lower now than it has been at any time during his time on the frontline. Does the Prime Minister agree that low morale among our junior doctors and nurses is a threat to patient safety?

The Prime Minister: I would say that the hon. Lady's constituent and all junior doctors should please look very carefully at what the Government are offering before they decide to go on strike. What is on offer is not an increase in hours—indeed, for many doctors it will mean less long hours—and it is not a cut in the pay

bill for junior doctors; it is actually an 11% basic pay increase. It will also mean better rostering of doctors, including at weekends, and more support for consultants.

I would say to the hon. Lady's constituent, as I would say to others, "Look at the Department of Health's website, look at the pay calculator, and see how you will be affected." We have given a guarantee that anyone who is working legal hours will not be worse off under the new contract. It is good for the NHS, good for doctors, and good for patients. Even at this late hour, I hope that the British Medical Association will call off its damaging strike.

Q14. [902145] **Jack Lopresti** (Filton and Bradley Stoke) (Con): Fundamental to the success of the Good Friday agreement was a spirit of peace and reconciliation that saw dozens, or even hundreds, of convicted terrorists released from prison. Many had been found guilty of murder. Yet in the last week, we have heard the alarming news that a 66-year-old former paratrooper has been arrested in connection with events that took place in Londonderry 43 years ago. In a week when we are all having to once again contemplate sending our young men and women into harm's way, with our security services and police are on high alert, what message does the Prime Minister feel that that sends to our armed forces, our police and our security services?

The Prime Minister: I understand my hon. Friend's concern and the feelings that many will have on seeing this news, but the truth is that one of the most important things about our country is that the Government do not decide who is prosecuted and who is not prosecuted. We have the rule of law; we have independent prosecuting authorities. This is something that people across the world cry out for and we have here, and we have to support them even when they take decisions that sometimes we would want to question.

In that context, let me make a broader point. Yesterday the principal parties in Northern Ireland came together and agreed a deal to make sure that the devolved institutions can continue to work. That deal involved people who have lost loved ones to terrorism, and who have been opposed to each other all of their lives, sitting down and working together to try to deliver good government for this part of our United Kingdom. It is that spirit we should look to for the future.

Q9. [902140] **Imran Hussain** (Bradford East) (Lab): HMRC's decision last week to close its offices in the Bradford district will mean the loss of over 2,000 high-skill, high-wage jobs, £1.2 million in business rates and almost £12 million of the district's retail spending. This will have a devastating impact on Bradford's families and economy, so will the Prime Minister give me assurances that HMRC will meet Bradford MPs to consider the clear economic and social case for keeping those offices in Bradford open?

The Prime Minister: First, I am happy to ask the Financial Secretary to meet the local MPs. Secondly, we will make sure that Jobcentre Plus and all the support is there for people who potentially are losing their jobs. The point I would make in Bradford more broadly is that the claimant count is down by 26% in the last year, so jobs are available. But let me also

make this point, because it is a difficult and important point to make: everyone in this House wants to see HMRC raise more money and make sure that people and companies do not avoid their taxes. That does mean reform, and it means making sure that HMRC is even more effective in raising the taxes on which our public services depend.

Sir Alan Haselhurst (Saffron Walden) (Con): In acknowledgement of the fact that sport can bring a nation together—and, for that matter, nations, as was demonstrated at Wembley last night—will my right hon. Friend ensure that, in addition to the welcome extra investment in the police and security services, investment in sports such as cricket will be maintained because they are a tool to help us face longer-term challenges in integrating communities?

The Prime Minister: I am sure that over the next week the spending requests will quicken as we get closer to the spending review. It is important that we have put in place the school sport premium for primary schools—it is making a real difference—but of course there is a role for the sporting bodies to play themselves. Many of them receive large amounts of money from the television contracts, and if more of them can use that money to invest in grassroots sports to make sure we are bringing on the young stars of tomorrow, that will be absolutely vital.

Q11. [902142] **Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): As the new leader of the anti-austerity movement in Oxfordshire, will the Prime Minister tell us how his campaign is going?

The Prime Minister: What I said to my local council is what I say to every council: "You've got to get more for less, not less for more." As I said, on this side of the House we want to make sure that every penny raised in council tax is well spent, and if the hon. Gentleman's council would like to come in and get the same advice, I will gladly oblige.

Mr Dominic Grieve (Beaconsfield) (Con): At a time when my right hon. Friend so rightly emphasises the need for our solidarity with France, will he see what he can do to ensure that the Franco-British Council, set up over 40 years ago by both nations' Governments to promote civil society partnership, can continue to do its important work in fields as diverse as defence and community cohesion, because without a very small amount of funding from both Governments, it will not be able to do that?

The Prime Minister: I am very happy to look at that proposal. France and Britain have a lot to learn from each other, and we should enter into these discussions in that spirit. We have a lot to learn about how we try to integrate people in our country, how we have effective counter-terrorism policing, and how we share intelligence, and I am very committed to making sure that we pursue all those things with our French friends.

Q15. [902146] **Yvonne Fovargue** (Makerfield) (Lab): Wigan council has had a cut of over 40% in its funding over the past five years and lost a third of its staff. Does the Prime Minister advise that I should write to the leader of the council regarding the

consequent reductions in services, or should I place the blame firmly where it belongs: in the hands of his Government?

The Prime Minister: If the hon. Lady is looking for someone to blame, she might want to blame the Labour party, which left this country with the biggest budget deficit anywhere in the western world. And as she does so, the advice I would give her about her local council is

to look at its overall spending power—the combination of business rates, council tax and grant—and ask what money it has to provide good local services.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): On a point of order, Mr Speaker.

Mr Speaker: Points of order will come after the urgent question.

Parachute Regiment: Arrest

12.36 pm

Sir Gerald Howarth (Aldershot) (Con) (*Urgent Question*): Further to the question to the Prime Minister from my hon. Friend the Member for Filton and Bradley Stoke (Jack Lopresti), may I ask the Secretary of State for Northern Ireland if she will make a statement about the arrest of a former member of the Parachute Regiment who was on duty in Londonderry on 30 January 1972?

The Parliamentary Under-Secretary of State for Northern Ireland (Mr Ben Wallace): I thank my hon. Friend for his question. As part of an ongoing investigation by the Police Service of Northern Ireland into the events surrounding Bloody Sunday in Londonderry in 1972, a former soldier was arrested for questioning on 10 November. He was subsequently released on bail. Criminal investigations and prosecutions are a matter for the police and prosecuting authorities, who act independently of Government. The Government cannot therefore comment on an individual case.

This Government are committed to the rule of law. Where there is evidence of wrongdoing, it is right that it should be investigated. We remain unstinting in our admiration and support for the men and women of the police and armed forces, whose sacrifice ensured that terrorism would never succeed in Northern Ireland and that Northern Ireland's future would only ever be determined by democracy and consent. Whether the current investigations will lead to a criminal prosecution is a matter for the police and prosecuting authorities in Northern Ireland.

As my right hon. Friend the Prime Minister pointed out in his statement on Lord Saville's report, more than 250,000 people served in Northern Ireland during Operation Banner, which was the longest continuous operation in British military history and one in which I was proud to play a part. The overwhelming majority of those who served carried out their duties with courage, professionalism and integrity. The Government will never forget the debt of gratitude we owe them.

Sir Gerald Howarth: Thank you for allowing me to pose this question, Mr Speaker. I pay tribute to my hon. Friend the Minister for his service in Northern Ireland.

When the Prime Minister made his memorable statement to the House in 2010 following the publication of the Saville report into the events of 30 January 1972—known elsewhere as Bloody Sunday—I and others hoped that a line would be drawn under that tragedy. We now find, however, that 43 years after the event and some three years after the PSNI started its further investigations, a soldier from the Parachute Regiment, known as Soldier J, who was in his early 20s at the time and is now in his late 60s, faces possible prosecution for murder. There is also a prospect of further arrests.

For two reasons, I submit that this is wrong. First, what national interest will be served in bringing these cases to court? The Saville inquiry found that there was no premeditation to murder in the minds of those young soldiers. One of those who was killed had four nail bombs in his pocket, and a witness said that Martin McGuinness was on the other side, probably armed with a Thompson sub-machine gun. Those soldiers of

the Crown were not hired killers. They were seeking to do their duty to their country in a filthy civil war in which the enemy were dressed in civilian clothes and indistinguishable from the local population.

Secondly, as the Secretary of State said in response to a question from the hon. Member for Vauxhall (Kate Hoey) on 1 May 2014,

“the royal prerogative of mercy...was granted in Northern Ireland 365 times between 1979 and 2002”.—[*Official Report*, 1 May 2014; Vol. 579, c. 762W.]

The Saville report cost £195 million and took 12 years to compile, but our servicemen, then based in Aldershot, some of whom remain my constituents, had to make snap decisions, the consequences of which have hung over them for the whole of their adult lives.

What happened that day was a tragedy, particularly for the families of those who lost their lives. However, they are not the only bereaved. What about the families of the 1,441 British soldiers who died in Northern Ireland in the service of their country? There was no Saville inquiry into how they were killed, often brutally. There was no Saville inquiry into the murder of six civilian cleaning ladies and one Roman Catholic padre in Aldershot the following month. I submit that it is immoral for the state to seek nearly half a century after the event to put these men on trial, while others who deployed their bombs and bullets in the shadows are now in government or have received royal pardons—an act of government, not of the courts. I urge the Minister to exercise the royal prerogative of mercy with immediate effect.

Mr Wallace: I hear what my hon. Friend says. He has been a doughty and outspoken champion of not only the Parachute Regiment and his constituents, but Britain's armed forces. This is not easy for me either; I know what it is like to make those decisions under pressure. But we should not forget that the British Army is not above the law, and nor should it be. That is the difference between us and the terrorist; it is what makes ours a professional Army around the world, admired by many, and sets it apart from some of those more tin-pot armed forces elsewhere in the world.

The House will have heard what my hon. Friend said about the use of the royal prerogative of mercy. What I will say to that is: I cannot comment on these individual cases, as they are obviously a matter for an ongoing police inquiry. It is long way from following a line of inquiry to charging and conviction in a court. I am sure the House will reflect on his call, but the Government cannot comment on this current case, and the police must be allowed to do their job and uphold the rule of law—the rule of law that I went as a soldier to uphold in my time in Northern Ireland.

Vernon Coaker (Gedling) (Lab): It is only right and proper at this time to pay tribute to our armed forces, who are at this very moment engaged in defending our freedoms and are in harm's way. They operate to the very highest standards, and we should always remember the difficult circumstances in which they serve and have served. Does the Minister therefore agree with me that it is always difficult to criticise our armed forces if they fall below these high standards, but we cannot and must not fail to do so if evidence of wrongdoing should exist?

The Saville inquiry of 2010 was clear, and this is what the Prime Minister said:

“there is no doubt; there is nothing equivocal; there are no ambiguities. What happened on Bloody Sunday was both unjustified and unjustifiable. It was wrong.”—[*Official Report*, 15 June 2010; Vol. 511, c. 739.]

He also apologised on behalf of the British Government. The whole report made very uncomfortable reading for all of us, and of course we must never forget the victims and families of those who were killed, both on Bloody Sunday and throughout Northern Ireland on so many other occasions. Can the Minister confirm, so we are all clear, that evidence given at the Saville inquiry is precluded from being used in any court proceedings against a particular individual? Can he confirm therefore that the arrest of Soldier J was based on evidence gathered by the PSNI since January 2014, which is when it announced a new investigation? The PSNI has said that there will be no further arrests until the results of a judicial review brought by other affected soldiers is concluded. When does he expect that will be? Will he also tell us what work the Northern Ireland Office has undertaken pending the outcome of that review?

Yesterday, we heard the welcome announcement of agreement on many important issues at Stormont, which came after weeks of exhaustive discussions. It was, however, not possible within that agreement for the parties to agree on how legacy issues and the past should be dealt with. Will the Minister outline what steps the Government intend to take to continue to pursue such an agreement? Does the case of Soldier J, and potentially others that we are discussing here today, not emphasise once again the need for a comprehensive process to deal with these issues and outstanding cases, however difficult this may be? The whole House will agree that the independence of the police and the judiciary is central to any democracy, but a process has to be sought and agreed, however difficult.

Northern Ireland is coming out of conflict. Huge progress has been made. The Northern Ireland of today is hugely different from that of yesterday. All of us who have visited it on a regular basis have seen that for ourselves. We have seen the desire to build for the future, and the hopes that everyone has for the new generation. When the Minister answers my questions about this difficult issue, will he also agree that the continuing and emerging issues from the past have to be dealt with as they cannot be denied? Let us also not forget how far we have come. All parties, all communities and the people of Northern Ireland deserve huge credit for that.

Mr Wallace: I thank the hon. Gentleman for his questions. On the important issue of testimony, it was established during the Saville inquiry that the testimony of anyone giving evidence to that inquiry could not be used either as a basis for conviction or indeed to incriminate themselves. That was done so that we could find out as much as possible about what happened on that fateful day. That principle still stands, and the protection of a person's evidence is still an issue. However, it does not preclude other evidence that is gathered later. I cannot comment on the current police investigation. It would be wrong for me to interfere with the PSNI, or indeed inquire too deeply, as it must be left to follow the course of its investigation.

On the issue of legacy, I wish to place on the record my admiration for my right hon. Friend the Secretary of State, the Northern Ireland parties and the Irish Government who, over 150 meetings in the past nine-and-a-half weeks—75 bilateral meetings and more than 35 round table meetings—resolved the current impasse in Northern Ireland. They have decided that the best future is to move forward and not back. It is regrettable that that legacy has been left out of the final agreement in so far as legislation is concerned. However, the agreement signed yesterday continues to commit the parties to produce solutions to deal with the legacy; the victims of the Northern Ireland troubles will demand that. We, as the United Kingdom Government, have committed to provide the funding for that legacy inquiry to take place, and I hope, sooner rather than later, that we get to a point where the policy we are examining in the Northern Ireland (Stormont House Agreement) Bill can be enacted so that, in the end, we can achieve not only justice for victims, but closure from the troubles.

Mr Laurence Robertson (Tewkesbury) (Con): The Minister—and indeed the Prime Minister a few minutes ago—was right to draw the House's attention to the separation of powers. In order for people in Northern Ireland, and throughout the United Kingdom, to keep their faith in the peace process, is it not important that whoever is suspected of committing any crimes is fully investigated regardless of what roles they may be playing in Government now?

Mr Wallace: I totally agree with my hon. Friend, and it is why, not so long ago when a prominent member of Sinn Féin and former members of the provisional IRA were arrested, I said quite clearly at the Dispatch Box that we support the PSNI in pursuing the evidence that is presented to it to bring them to justice whether they are senior members of a political party or members of a terrorist organisation, but that is not to equate them with individuals who were in the British armed forces and who were doing their job to defend people who could not defend themselves.

Mr Jeffrey M. Donaldson (Lagan Valley) (DUP): We echo the comments made by the hon. Member for Aldershot (Sir Gerald Howarth) and we endorse what he has said. Is it not the case that we still have people in Northern Ireland who are prepared to go out and murder former members of the security forces? Is it really appropriate that, when a man offers to go to a police station for interview, three police cars arrive at his home to arrest him in full public view given his background? If we are to do this, we need to find a more sensitive way. We should not be placing men and women who have served this country well, and their families, at risk and in danger simply, as appears to be the case, to appease some other people?

Mr Wallace: The right hon. Gentleman is right to express concern at the manner in which anyone is arrested, but, as I have said, I cannot comment on this individual case. If he has issues with how and in what manner that person was arrested, may I suggest that he takes it up with the Chief Constable?

Mr Owen Paterson (North Shropshire) (Con): I entirely endorse the comments of the Minister and the shadow Secretary of State about how the current circumstances

[Mr Owen Paterson]

in Northern Ireland could never have come about without the extraordinary bravery and discipline of all those in our security forces who allowed the peace process to take root. To pick up the shadow Secretary of State's question, the Saville report is the most extraordinary compilation of detail. Will the Minister confirm that all the evidence given by soldiers who were questioned is absolutely untouchable and cannot be used on legal grounds to incriminate them, and that their anonymity is also legally protected?

Mr Wallace: I thank my right hon. Friend for his question. It is absolutely the case that the testimony given by a former soldier cannot be used against that former soldier in any future case. He or she is protected from incriminating him or herself, whoever gave that evidence. As for my right hon. Friend's other point, I think the best thing is for me to get a proper, clear answer and to write to him on that matter.

Mark Durkan (Foyle) (SDLP): As the MP for the constituency in which the events of Bloody Sunday took place, I know that I have to take care not to go so far in rebutting some of the issues raised by the hon. Member for Aldershot (Sir Gerald Howarth) that it adds to any impression of political pressure or motive behind the current investigation, or indeed any arrest. Will the Minister confirm that one of the things that all the parties have agreed, in all the discussions on the legacy, is that amnesty is no basis for dealing with the past, and that the House should therefore avoid getting involved when there are particular investigations or arrests?

Will the Minister also qualify his last answer by saying that protection does not extend to perjury, that Lord Saville warned several witnesses and that the prosecuting authorities took the position that they would pursue perjury—which would happen in this jurisdiction, because that is where any possible perjury took place—only after what they called the substantive crime of possible murder was dealt with? Therefore, if people are looking to say that the investigation of possible murder should somehow be parked or abandoned, will he consult with colleagues to see whether the issues around perjury should be reconsidered by the prosecuting authorities?

Mr Wallace: The hon. Gentleman is right that the protection does not extend to the area of perjury of witnesses giving testimony at a public inquiry, and that would be the same for any witness on that day. On amnesty, I can confirm to him that, throughout the whole legacy discussions of the Stormont House Bill, as it was going to be, amnesty was never part of the process—not with the Independent Commission on Information Retrieval or, indeed, with the Historical Investigations Unit. That was not something that either Government or parties wanted to commit to.

Dr Andrew Murrison (South West Wiltshire) (Con): May I pay tribute to George Hamilton and the Police Service of Northern Ireland? They are bound to follow the evidence, and we should support them in so doing, but does my hon. Friend accept that in following the evidence they are likely to follow the actions of members of the armed forces first and foremost, as the Provisional IRA, inconveniently, was not in the habit of laying

down written evidence? The legacy investigation branch is therefore bound to give at least the impression of focusing on former members of the British armed forces. Does my hon. Friend understand that that serves the historical revisionist agenda of Sinn Féin, and will he comment on whether that is likely to be helpful or unhelpful to the peace process?

Mr Wallace: My hon. Friend knows all too well, having stood here at the Dispatch Box doing this job previously, that what serves the peace process is the reckoning of the past, closure for victims—but also justice for victims—the pursuit of former terrorists, if they have not been convicted, and the pursuit of anyone else. That is what serves peace. Recognising the huge sacrifices made by members of the security forces and the civilian population of Northern Ireland is what actually brought us to the negotiating table. It is what defeated the terrorists, and that is why we need to make sure that, when we move forward, we do so in a spirit that is measured and recognises where justice needs to be done, but also that we do not indulge people who would like to revise the past, as if it were some big conspiracy against people.

Lady Hermon (North Down) (Ind): We often hear from the Prime Minister about the importance of having enshrined the military covenant in law in this country, and he is quite right to boast of that: it is a wonderful thing to have done. In that context, will the Minister guarantee that the Ministry of Defence will pay for all the legal costs—for legal advice and top legal representation—of any former soldiers who served in Northern Ireland who are charged in connection with any inquiry, such as Bloody Sunday, or any inquest, such as those announced for Ballymurphy?

Mr Wallace: I thank the hon. Lady for her question. The MOD recognises that we have a duty of care to all current and former members of the armed forces. As an essential part of that, we will pay for independent legal advice, so that they are able to defend themselves when they face legal proceedings or matters related to their former service, so the answer is yes.

Dr Liam Fox (North Somerset) (Con): I entirely agree with what my hon. Friend has said about the need to uphold the law. I entirely understand why any decisions about prosecutions must be independent and why he cannot comment on this particular case. However, without prejudging in any way any particular case, does he understand that we also need to uphold justice and that it would offend the natural sense of justice of many in this country that how the Army behaved on a certain day 40 years ago is being reopened, while so many on the IRA side who killed have been granted amnesty? Does he agree that, if we are to draw a line under past events for the sake of peace, it should be drawn on both sides?

Mr Wallace: My right hon. Friend makes an important point. I would just like to correct him: paramilitaries and terrorists who have not been convicted and were not part of the Good Friday agreement have not been granted any blanket amnesty. They are still subject to the full force of the law, and there are no doubt individuals who are still being looked for or cases being prepared.

In that case, I am afraid there is no blanket amnesty, but my right hon. Friend is right that we should not let individual cases colour the very strong and successful work that our armed forces did. We went to Northern Ireland to protect those who could not defend themselves. That is a record we should be proud of, but that record can be besmirched—it has always been the same since the war, or any other time—if members of the armed forces think they are above the law. It is what makes us different from the terrorists we challenge.

Steve McCabe (Birmingham, Selly Oak) (Lab): There may be no blanket amnesty, but is it not the case that former terrorists have been granted immunity from prosecution? Does the Minister agree that no fair-minded person will understand why the same right is not extended to British soldiers?

Mr Wallace: I think I have to correct the hon. Gentleman. It is not my understanding that anyone has been granted amnesty from prosecution, and we should not confuse some of the recent events with that meaning—a blanket amnesty. No one has an amnesty available to call on to protect them from facing up to what they did, but he is right: I face, nearly every week, people sitting opposite me who I know killed my soldiers, but I can do that because I think it is about the future and about making peace to move forward for the people of Northern Ireland.

Mrs Cheryl Gillan (Chesham and Amersham) (Con): My constituent, himself a Northern Ireland veteran, has written to me expressing dismay about the arrest of this 66-year-old ex-soldier. Chillingly, he writes:

“You should be aware that there is a large and rapidly growing undercurrent of anger and resentment of these actions within the current military and more importantly amongst the many tens of thousands of veterans who like me, spent long months and years being stoned, bombed, fired upon, injured, intimidated and vilified”. I understand the parameters within which the Minister is operating, but can he ensure that an explanation is brought forward rapidly and that matters are brought to a swift conclusion, to allay the anger reflected in that correspondence?

Mr Wallace: I tempted to say to my right hon. Friend that I might have drafted part of that letter. I was stoned, vilified and abused over many years on those tours.

The anger is real. I feel the anger of many of my former colleagues and of my right hon. Friend's constituent about making sure that this is not used as some political campaign. We in the Government are determined to make sure that it is about the rule of law—that the police have to gather the evidence, if there is any, and that it has to follow its course. We are a long way from that. We are in a position where I cannot comment on the current case, although we are currently talking about people being questioned—under caution and, obviously, arrested—but it is a long way to make the jump to this being some form of campaign against the British Army. What I will say is that we are listening to what people are saying. The Government know that this is about moving forward, and therefore we shall do everything in our power to make sure that we recognise and support, as the MOD is doing currently, our soldiers who face prosecution or, indeed, investigation, to make sure they are given the representation they deserve.

Danny Kinahan (South Antrim) (UUP): I am glad that the urgent question was granted. We recognise and support the rule of law and the independence of the judiciary, but there is real anger among veterans. Will the Minister take steps to end the current inequality that allows for those in the armed services to be pursued with greater vigour and effort than the terrorists, and ensure that we move towards a level playing field in the future?

Mr Wallace: I do not agree with the hon. Gentleman that there is an inequality in the process. I do not believe that some people are being pursued by the police and the Chief Constable with more verve than others. They will go where the evidence takes them and they will follow them. This is a process that I hope will help many soldiers and former Royal Ulster Constabulary members to clear their names. Having such a process is as important as not having a process that could allow people to make false allegations against them.

Richard Drax (South Dorset) (Con): I entirely concur with the Minister's point that no one is above the law, but the perception among many Members in this Chamber, and among people in the country, is that our British soldiers are hounded while those who murder and kill become politicians and are still allowed—I have personally faced them—to walk free. Will the Minister confirm that the identities of soldier J and anybody else from before 1973, which I think is where the rule comes in, will be kept secret?

Mr Wallace: We must all challenge the perception that they are hounded. As I have said, 250,000 people served during those 25 years. No one is hounding them. The police must be allowed to follow a course of inquiry in order to help either to clear names or to achieve justice where there has been a breach of the law. That is very important. We have to differentiate: we are the people who follow the rule of law and it is the terrorist who does not. In answer to my hon. Friend's second question, as I told my right hon. Friend the Member for North Shropshire (Mr Paterson), the former Secretary of State for Northern Ireland, I shall write to him about that detail.

Mr Gregory Campbell (East Londonderry) (DUP): Five years ago, the Prime Minister stood at the Dispatch Box and tried to bring closure to the £200 million Saville report, and people across the House and in many sections of society expressed the view that the matter was at an end. I predicted in this place at that time that that would not be the end of the matter and, unfortunately, so it has proved. Does the Minister accept that he needs to meet the Chief Constable of the Police Service of Northern Ireland to ensure that, irrespective of whether people were in or out of uniform, if they had machine guns or probably had sub-machine-guns, like Martin McGuinness, they should be subject to the law and questioned equally, in order to be brought before the courts?

Mr Wallace: The Chief Constable is absolutely adamant that, in all criminal inquiries, he will treat people the same. He will investigate and he will follow the course of action. It was not that long ago that we were hearing cries about Sinn Féin politicians being arrested and taken in for questioning. I have confidence that the

[Mr Wallace]

Chief Constable, who is respected by Members on both sides of the House, will follow his professional training, pursue people based on evidence and treat them fairly in that process. I cannot get involved in investigations. I cannot go to see the Chief Constable to interfere. If I did and the result was the same and there was no evidence in a particular case, it would never be allowed to be gotten away with. People would accuse me that I had interfered with a case and someone would be prevented from clearing their name.

Richard Benyon (Newbury) (Con): I took out a patrol on the streets of Belfast a few moments after we had discovered that our battalion band had been blown up while entertaining Londoners in Regent's Park. I will never forget the restraint shown by riflemen and other ranks under my command as they faced the taunts of the IRA and its supporters. That is just one example of thousands of similar occasions when the armed forces showed unbelievable restraint in the face of unbelievable provocation. My colleagues at that time, and many veterans like them, want to say, "What about Bloody Warrenpoint? What about Bloody Regent's Park? What about Bloody Monday, Tuesday and Wednesday? These things were happening every day of the week." The Minister is entirely right to say that this has to be dealt with properly, but does he agree that society wants a line to be drawn under it?

Mr Wallace: I hear what my hon. Friend says and I do not disagree with him. Like him, I have had personal experience of that restraint. We should not forget the tremendous pressure that soldiers and police were put under every day, including provocation. I remember soldiers being attacked and people parking their cars in front of ambulances so that they could not come to their rescue. There was inhumane treatment, murder and victimisation by parts of a society that we were there to try to protect. Like my hon. Friend, I have real passion for what our soldiers achieved. The United Kingdom Government recognise and support that. He will also recognise that those soldiers who showed restraint are the ones who make ours the best Army in the world. Their professionalism meant that they managed to carry on and try to achieve a better result for the people of Northern Ireland, who they were there to protect, and that restraint means that those people who have a chance to clear their name should be allowed to do so. It is those soldiers who follow the rule of law who are only ever let down by those very, very few soldiers who break the law.

Jim Shannon (Strangford) (DUP): I concur and agree wholeheartedly with the comments of the hon. Member for Aldershot (Sir Gerald Howarth). The diligence and zeal shown by the authorities in questioning and detaining Parachute Regiment soldiers causes concern when compared with the treatment of on-the-runs, who have committed horrible, brutal, evil crimes and are free today, some in elevated positions across the Province and in other parts of Ireland. Does the Minister appreciate the anger that many feel towards the double standards evidenced by what is happening today?

Mr Wallace: The hon. Gentleman is right and I understand his point. Indeed, I was on the Back Benches during the whole on-the-run process. I cannot comment

much further on the on-the-runs, other than to say that it is my understanding, unless I am corrected, that the on-the-runs are not subject to any amnesty, and that means that they are not free from prosecution. I hope that the prosecuting authorities will hear what we say today and make sure that they continue, where they can, prosecutions of any of those individuals who have committed crimes against our armed forces and the people of Northern Ireland.

Mr Robin Walker (Worcester) (Con): Like my right hon. Friend the Member for Chesham and Amersham (Mrs Gillan), I have been contacted by constituents who are deeply concerned about the appearance of double standards and of some kind of amnesty for terrorists. In the week that the British-Irish Parliamentary Assembly heard from the Chief Constable of the PSNI that his officers are still going about their business while dissident republicans aim to kill them as they work to protect their community, will the Minister assure us that there is no question of any amnesty for those who attack and maim our armed forces?

Mr Wallace: Not only can I assure my hon. Friend that there is no amnesty, but in the latest Northern Ireland agreement, which was reached yesterday, there is £160 million more money to fund our police forces and security services in Northern Ireland to pursue people who commit crimes, or who have done so in the past, against the innocent people of Northern Ireland. Yesterday's agreement also included measures to monitor the paramilitary activity of former paramilitaries or organisations that should be inactive. We are determined not only to deal with the past, but to invest and give our police the support to make sure we bring to justice those terrorists who have been on the run and who have not yet been brought to justice, as well as those dissident republicans who are out there right now targeting colleagues and police officers who are going about their business in Northern Ireland every day.

Tom Elliott (Fermanagh and South Tyrone) (UUP): The Minister has said that he does not think there is any inequality. How, then, does he explain that more than 20 PSNI officers are investigating Bloody Sunday soldiers, but not one police officer is investigating the 11 murders in Enniskillen on Remembrance Sunday in 1987?

Mr Wallace: I do not know the inner workings through which the Chief Constable and his senior officers decide to investigate each individual case, and nor should I. Suffice it to say that the Chief Constable is determined, as I understand it, to bring to justice any individual who has broken the law in the past. There are plenty of former and current terrorists who need to be brought to justice, and PSNI officers and Security Service officers are out there every day trying to catch the terrorist. It is not, in my view, all focused on former soldiers.

Ms Margaret Ritchie (South Down) (SDLP): We have always been opposed to terrorism and to on-the-runs. It was my hon. Friend the Member for Foyle (Mark Durkan) who steadfastly opposed that in the House some years ago. We also believed in accountability and sensitivity for all victims, irrespective of where they came from. Will the Minister redouble the efforts to ensure that the legacy of the past is fully pursued and

that we obtain a final resolution that takes on board national security considerations, so that truth is made available for all?

Mr Wallace: The hon. Lady is right. The SDLP has a fine and long track record not only of pursuing justice but of using democratic methods to pursue its political agenda. We should not forget that throughout the troubles the SDLP took quite a lot of intimidation. Like the hon. Lady, I regret that the legacy did not make it through the agreement. Like her, I am determined to make sure that we deal with those issues from the past. That is why funding is still available to do that. Next week I will press Northern Ireland parties on what we will do to move on from the agreement, to ensure that we move forward on the investigations and the legacy issue so that families get more information and closure and that justice is served.

Mr David Anderson (Blaydon) (Lab): I congratulate the Minister on his professional response to upholding the rule of law, which, given his background, must be very hard for him. His response is exactly what we expect from our service people, and we do expect more from them. That is why it is right and proper, if the rule of law is being followed, that the people concerned get the chance to clear their name if that is possible. We have to remember that 13 people were left dead on the streets of Derry 43 years ago, and that must be sorted out. If people did not act properly, it is right and proper that they are brought to book.

Mr Wallace: I thank the hon. Gentleman for his kind comments. I reiterate that what sets us apart is the rule of law and soldiers who show restraint and professionalism. That is how we get public and community support. If we are trying to deal with a terrorist threat and counter-terrorism, we need the population on our side. I know more than anyone that when populations felt that we were above the law or that we did not treat them as if they were part of society, the soldiers' job was harder and more dangerous because no one helped us or gave us information, and our lives were put at greater risk.

Several hon. Members *rose*—

Mr Speaker: What an invidious choice. I call Mr Sammy—oh, Mr Baron, you have suddenly risen to your feet. Was the hon. Gentleman here at the start?

Mr John Baron (Basildon and Billericay) (Con): From the very start, Mr Speaker.

Mr Speaker: How could I doubt it for one moment? Let us hear Mr Baron.

Mr Baron: Like other hon. Members in this place, I led soldiers and platoons in those troubled times in the 1980s. I pay tribute to the vast majority of soldiers who showed true professionalism, often in very hostile environments. I agree with the Minister that nobody should be above the rule of law, but may I make one plea to him? Will he use his offices to do what he can to expedite this matter? What we all want in this place, on all sides, is to draw a line under those troubled times so that we can move forward. That, together with good offices on all sides, will give peace and the peace process the best chance of succeeding for the longer term.

Mr Wallace: Thank you, Mr Speaker. I am delighted that you called my hon. Friend. He is right—we need to put all this behind us. However, I cannot interfere in a police investigation or any of the processes. To do so would jeopardise the course of justice and may jeopardise someone's ability to clear their name.

Sammy Wilson (East Antrim) (DUP): The Minister says that the Army is not above the rule of law, and that there is no blanket amnesty for those whom they were seeking to prevent from killing the people of Northern Ireland. However, the perception of the casual observer is that either because of political position or because of scandalous certificates handed out by the Labour Government, or by an action of the PSNI, there is a group of killers in Northern Ireland who are immune from prosecution. That stirs up animosity and puts police officers in fear while they are dealing with the current bunch of republican terrorists, that at some time in the future their families will also whinge for inquiries and those same police officers will stand in the dock. Can the Minister not see that some mechanism, such as that used in the past against IRA killers, must be used to ensure that Army personnel are not pursued in this way?

Mr Wallace: I can see the hon. Gentleman's last point but I will not equate IRA killers with British forces. They are not the same, and I will not encourage an alternative mechanism that somehow equates them. My view and the Government's view is that the police, and our forces, must follow the rule of law. If the hon. Gentleman is worried about perception, we must all do more to correct that perception. I shall do more to correct that perception, and next week when I meet the police and the security services, I shall certainly press on them again the need to pursue those people who are still at large and those terrorist crimes that have not been solved and for which people have not been brought to justice.

Ian Paisley (North Antrim) (DUP): The double standards in this affair are palpable for all to see. We have hundreds of on-the-run letters signed off, clearing people of mass murder, and some of several mass murders. A dozen of them were signed off by the Minister's colleague. Is it not a disgrace that people such as Rita O'Hare are freely available to meet with Prime Ministers and Presidents, yet the Minister tells us that there is no double standard? There is a double standard and it must be addressed. These soldiers cannot be held in the way that they are being held.

Mr Wallace: The hon. Gentleman reiterates the point that there is an unfair playing field and a double standard, but I do not believe that there is a double standard. I do believe that the police and the PSNI, in their professional manner, are pursuing the evidence that is presented to them. A line of questioning is a long way from conviction and court cases. Who knows where it will take us? But if politicians interfere with that course of justice, we will not solve the problems of Northern Ireland. We will just extend those problems, and people will continue to refer back by saying that all along this was a big fix and it was not really about making sure that justice is done. Everyone in Northern Ireland deserves justice. Everyone who served in Northern Ireland deserves justice. I want to know who killed my soldiers and I will continue to

[Mr Wallace]

ask those questions, but I will not find out who killed my soldiers if we do not move Northern Ireland forward and give the police the money to do their job, and allow them to pursue people and achieve convictions where they are deserved.

Gavin Robinson (Belfast East) (DUP): Thank you, Mr Speaker. I appreciate the latitude you have shown in calling me.

I am alarmed by the Minister's apparent indication this afternoon that the pursuit of prosecutions is a good opportunity for ex-servicemen to clear their names. Surely, as a former serviceman, he can understand the anguish, the pain and the stress of people who stood by me, my family, my colleagues and my countrymen through all those hard days. He should reflect on whether the pursuit of such prosecutions is a worthy or noble way for people to clear their name.

Mr Wallace: I did not actually say "the pursuit of prosecutions"; I said that the pursuing of a line of inquiry is important to allow people to clear their name. It is also important because when, or if, the PSNI says on a number of occasions that there is no evidence to answer, the public will have full confidence that the police have done all they can to establish whether that is the case. If the police—or the Director of Public Prosecutions or anyone else—rule out charging someone, the public have to believe that that is because there is no evidence. They cannot do it on the basis that a politician, a Minister or anyone else interfered with the process, because that would be a subjective matter, and it would undermine justice, not strengthen it.

Point of Order

1.20 pm

Mr Clive Betts (Sheffield South East) (Lab): On a point of order, Mr Speaker. On 14 March this year, the Communities and Local Government Committee produced a report on litter and fly-tipping. The convention is that Government Departments will respond to such reports within eight weeks. Sometimes there is a reason for a delay, and obviously the general election intervened, but it is now eight months since the report was produced. Despite repeated requests at ministerial and official level on a regular basis, we are still no nearer to getting a response. That shows disrespect not merely to the Select Committee but to the House as a whole. Will you use your good offices to ensure that the report is responded to in a proper manner?

Mr Speaker: I thank the hon. Gentleman for his courtesy in giving me notice of this point of order. Clearly, it is important to the effectiveness of Select Committees that Government Departments respond promptly to their reports. The Government's own guidance makes it clear that Departments should aim to respond to Committee reports within two months, and states:

"Only in exceptional circumstances should a response be deferred for more than six months after the Report's publication."

I trust that the concerns expressed by the hon. Gentleman, who is, after all, the Chair of the Communities and Local Government Committee, have been noted by those on the Treasury Bench and that the Government's response will follow shortly. For the avoidance of doubt, and so that this is well recalled both in the House and beyond, I reiterate what he said. This important report was entitled, "Litter and fly-tipping in England", and it was published on 14 March 2015. It is hard to see why the Government have not been able to get round to determining and publishing a response, and they should now do so.

ROYAL ASSENT

Mr Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified her Royal Assent to the following Act:

Finance (No. 2) Act 2015

Speed Limits on Roads (Devolved Powers)

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

1.23 pm

Scott Mann (North Cornwall) (Con): I beg to move,

That leave be given to bring in a Bill to amend Part VI of the Road Traffic Regulation Act 1984, and the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996, to make provision about the powers and duties of parish and town councils in relation to applying for speed limit orders; to provide for the conduct of local referendums to determine whether such applications should be made; and for connected purposes.

This Bill accomplishes two main objectives: first, it encourages safer environments for motorists and pedestrians; and secondly, it empowers local communities. The Bill will give town and parish councils the ability to hold a referendum to change their speed limits. This gives power to local people. Local people know best whether the limits on their roads are too fast or too slow, and they know it better than an officer of the council who might reside some miles away from the place. They live there, so they know the environment of the roads and the motorists and pedestrians who use them.

I have been an hon. Member of this House for only six months, yet in that time I have had a coherent message communicated to me from constituents, parish councils and schools that the roads in their communities are becoming dangerous. I shall name some examples. In a small village called Stratton, near Bude, we have a primary school situated on a very nasty junction that sees very large lorries, tractors and cars speeding past. When I visited the site, I met parents and children who showed me how they cross the road via a tiny traffic island. As both sides of the road are busy, the traffic must pass within inches of the pavement. It is clearly evident that this road is too dangerous for children to use to get to school. People have resorted to driving as an option, and that is clearly not sustainable in the long term.

Not far from that road is a small village called Werrington, where recently a car crashed into the local school's boundary wall because of excessive speed. Locals and schools have campaigned for a 20 mph speed limit to ensure the safety of children, pedestrians, and fellow motorists. I have received several handwritten letters from the children at Werrington school asking for something to be done to make the road safer. In St Teath, another village in my constituency, we see speeding cars passing schools and homes near very narrow pavements where people walk. These cannot be widened, and it would cost far too much for the road to be redesigned, but a lower speed limit could help. In nearby St Kew Highway, members of the parish council met me to talk about cars speeding up the A39, where they reach excessive speeds of over 60 mph, which is far too fast for some local people.

Those are just four examples of communities in north Cornwall that have specific issues, and I am sure that right hon. and hon. Members in this Chamber will have very similar issues in their areas. This Bill gives them the power to do something about it.

I have looked at some statistics on this matter, and they are truly amazing. According to data published in 2012 by the House of Commons Library, there were nearly 196,000 reported casualties on roads in Great

Britain, including 1,754 fatalities and 23,000 serious casualties. On 30 mph roads, there were 582 fatal accidents; on 20 mph roads, there were nine. Two thirds of accidents happened in a 30 mph limit zone, whereas only 1.5% were on 20 mph roads. This is quite staggering, and it illustrates why people in some areas want to campaign for a lower speed limit.

The implementation of a 20 mph limit is particularly vital outside schools, which often face hurdles when they ask for speed-lowering or traffic-calming measures. I do not see as many school crossing patrols as I used to; they are undoubtedly in decline. I have parents in my constituency who rely on a mere crossing island to aid their passage to school. I went to a primary school to meet concerned parents who face the daily challenge of getting their children to school safely. If parents in my constituency want the limit on the road outside their school lowered because they fear for their children's safety, their voices must be heard.

Of course, referendums are not cheap, and they do need planning, so I do not propose that they be held spontaneously at any time. If there is a will of the people for a speed limit to be lowered from 30 mph to 20 mph, then their voices must be heard, and it is at the ballot box that they can make them heard. Referendums should be held in line with other local elections, national elections, by-elections, police and crime commissioner elections, and town and parish council elections. This will save the taxpayer considerable cost. The desire for a referendum would also need to be present. Town and parish councils should be able to judge whether they feel that an issue on a road needs addressing.

The purpose of the Bill is to alter speed limits, not just to lower them. If a town or village wants to raise a speed limit, it will have the option to do that as well, if local people want to vote for it. If representation is strong from within the community, and no strategy is being put forward by the local authority to address the issue, then a vote should be put to the people. If the community votes yes, then the local authority must begin work to implement the speed limit. To avoid the holding of referendums on one road after another, councils could list a number of roads in their area at the same time, or put forward a proposal for a whole area, such as a town centre. That would apply a blanket change, rather than some roads changing and some not.

In these times of increasing car journeys, I truly believe it is vital that we keep people safe. There is huge housing growth in some areas, and as houses are built, more parents and children are walking to school, there are more public transport movements and more heavy goods vehicles—the list goes on. This Government are passionate about giving more power to the people. We have seen the devolution packages agreed thus far, such as the devolution of business rates, the recent and historic Cornish devolution deal, and giving people the power to reject wind turbine applications.

I believe that the Bill will indirectly get more people interested in politics and create more understanding of the political process. If a majority want the speed limit changed, let them stand and put their names to doing so. They can then say that, by putting an X in the box, they changed their local community. Ultimately, I believe the Bill will empower people and help to address the issues that directly affect them on the roads.

Question put and agreed to.

[Scott Mann]

Ordered,

That Scott Mann, Steve Double, Heidi Allen, Caroline Nokes, Rebecca Pow, Derek Thomas, Alex Chalk and Maggie Throup present the Bill.

Scott Mann accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 5 February 2016, and to be printed (Bill 98).

Opposition Day

[10TH ALLOTTED DAY]

The Economy

Mr Speaker: We now come to the first of the two scheduled Opposition day debates. The amendment has not been selected.

1.32 pm

John McDonnell (Hayes and Harlington) (Lab): I beg to move,

That this House believes that the Government has failed to deliver on its commitment to stand up for working people; notes that the Government's existing plans to cut tax credits will cost more than three million working families an average of £1,300 a year from next April; further notes that 4.1 million children now live in absolute poverty, an increase of 500,000 since 2009-10; notes that in 2014 the UK's current account deficit reached the highest level ever recorded, at 5.1 per cent; notes that 85 per cent of the money saved from tax and benefit changes in the last Parliament came from women; further believes that the Government has failed to deliver the more sustainable economy the country needs; notes that, rather than investing in building new homes to cut housing benefit costs, housing investment has been slashed and housing benefit has risen by over £2 billion a year in real terms; notes that the gap between UK productivity per hour worked and the rest of the G7 grew to 20 percentage points in 2014, the widest productivity gap since 1991; believes that further deep cuts to the budget of the Department for Business, Innovation and Skills could damage the Government's ability to boost innovation and productivity and could restrict opportunities for British businesses and workers to succeed in the global economy; calls on the Government to reverse fully and fairly its plans to cut tax credits from next April; and further calls for the Government to invest in growing a more productive economy with a focus on science, technology and green jobs to equip Britain for the future and share more fairly the proceeds of growth.

We have chosen to devote a section of today's Opposition day to set the scene for next week's autumn statement and comprehensive spending review. This will be the last chance many MPs from across the House will have to put their case to the Chancellor before he comes to his final conclusions on his spending plans and economic strategy for the coming period.

The Chancellor is not in the Chamber today. Naturally, we are disappointed, but I spoke to him before this debate. He is working hard on the comprehensive spending review, so I think we will forgive him if he gets his sums right and comes to the right conclusions.

The Chancellor's decisions next week will have serious consequences for every constituency in the country. What we all need from the Chancellor is wise judgment and fairness. Our country faces serious challenges and risks ahead, which we should not underestimate.

Let me first deal with one issue that overrides all others. It has been heart breaking to watch the tragic events in Paris at the weekend unfold into the suffering of families coming to the realisation of their loss. I sent a message of condolence and solidarity to our counterpart Michel Sapin, the French Finance Minister, at the weekend. It is true that the first duty of a state is to protect its citizens, so may I therefore assure the Chancellor that he and the Prime Minister have our full support for the enhanced expenditure to strengthen our security services that they have announced this week?

May I also say that we share the view of the Metropolitan police commissioner and other police chiefs that the first line of gaining intelligence on potential hazards and threats to our safety, preventing terrorist attacks and responding to them is often the police officer in the community and on the street? There has been a great deal of speculation in the media about the scale of potential cuts to the policing service, prompting severe warnings from police authorities—on a cross-party basis—about the consequences for the safety of the public if this scale of cuts goes ahead. May I therefore assure the Chancellor that we would also support an urgent review of the policing budget proposals to avert this risk to the service, and that we would support any enhanced expenditure plans being placed outside the parameters of the fiscal constraints of the charter for budget responsibility?

Geraint Davies (Swansea West) (Lab/Co-op): Does my hon. Friend agree that the fact that the tragic atrocities in Paris were focused on young people in social environments suggests that such attacks could occur anywhere in Britain at virtually any time?

John McDonnell: We are all fearful of the risk that exists, but we place our confidence in our intelligence and policing services. To be frank, when our community is under such a heightened physical threat, now is not the time to be dogmatic. When it comes to national security and keeping the public safe, I say to the Chancellor and the Government that they will always have the support of the Labour party.

Let me turn to an issue of fairness—tax credits—which I hope Ministers can reassure us today the Chancellor has now sorted out once and for all. It came as a shock to Members on both sides of the House when he brought forward the proposals to cut tax credits without fully understanding, or calculating the consequences of, his actions. Plainly, it was an error of judgment. I want to thank all the Members of this House from all parties and our colleagues in the other place who found that they could not support the Chancellor's proposals and hence forced him to think again. What convinced many people was exactly what Gordon Brown, our former Prime Minister, summed up so eloquently last week—that this is an attack on children. The prospect of 200,000 more children being pushed into poverty pushed many MPs and Members of the other place over the edge to oppose the proposals.

There has been a lot of speculation in the press about how the Chancellor has been trying to resolve the tax credits question, with much talk of cuts to universal credit and threatened Cabinet resignations, but I am pleased that the quiet man may have had to raise his voice and has won the day. However, the threat seems to have moved on to housing support and other matters. I do not expect Ministers to reveal to us today the detail of the Chancellor's proposals to resolve this matter, but for the 3 million families who face a cut of £1,300 a year, may I ask them at least to assure us and those families that they will withdraw the tax credits cuts in full and that no existing or new claimant will lose out?

Mr David Hanson (Delyn) (Lab): May I give my hon. Friend another reason for tackling this issue head-on? In the 10 constituencies across north Wales, £58 million

will be taken out of the local economy next year if the proposals go ahead. That money would be spent in local shops, local businesses and local communities. If that is taken out, not only will families and children suffer, but local business will suffer.

John McDonnell: At a time when we are seeking to grow the economy, it seems bizarre to do so by reducing aggregate demand within a local area, which could in many respects bring about a localised recession.

Jeremy Quin (Horsham) (Con): The hon. Gentleman has just agreed with the argument made by the right hon. Member for Delyn (Mr Hanson), so does he not accept that the same argument could be deployed for never cutting the deficit under any circumstances ever?

John McDonnell: The whole point of this debate is about political choices. To be frank, we have said to the Chancellor on a cross-party basis in debate after debate that this was the wrong political choice and that he should therefore look elsewhere. I am not asking for the detail of how he is resolving it—we will wait to hear that next week—but I am urging Ministers at least to give us the assurance that nobody will lose out. Families want that assurance now, because of the insecurity that they face.

Steve McCabe (Birmingham, Selly Oak) (Lab): With my constituency of Selly Oak now in the top 13% in the country for unemployment, with more than 20% of those in work not earning the living wage and more than 60% of families dependent on tax credits, is it not clear that five years of the long-term economic plan has not worked for Selly Oak? What we need next week is not a rethink, but a step change in the approach to working families.

John McDonnell: I hope that that is what the Chancellor is working on at the moment and that that is why he cannot be with us.

Lucy Frazer (South East Cambridgeshire) (Con): The hon. Gentleman has mentioned children twice so far. The Greek Government overspent, leaving tens of thousands of children unschooled in Greece in September. Does he not accept that a country that does not look after its finances does not look after its children?

John McDonnell: Of course that is true, but there are false economies. On a cross-party basis, we came to the conclusion that cutting tax credits to working families would be a false economy because it would remove an incentive to work—one of the principles on which many of our budgetary proposals are founded.

Maria Caulfield (Lewes) (Con): Will the hon. Gentleman give way?

John McDonnell: I will press on with my speech, because Mr Speaker has warned me that a large number of Members want to speak. I will come back to the hon. Lady.

It would be helpful to have an assurance today that no one will lose out. I have said repeatedly that if the Chancellor withdraws the tax credit cuts in full and fairly, he will have our support. On fairness, will Ministers

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also assure us that if the Chancellor does scrap his tax credit cuts, it will not be paid for by cutting the benefits and support for families elsewhere? I seek that assurance because, unfortunately, the Chancellor has a bit of a reputation for giving with one hand and taking with the other.

Maria Caulfield: I appreciate the hon. Gentleman's wish for cross-party support in reducing the deficit. I take it from his stance that his party wants to control the deficit, so where does he suggest the cuts should be made? Should they be made in the health service, schools, local government or defence? Will he give some suggestions of how he would reduce the deficit?

John McDonnell: We have raised this matter time and again. I think that Members on both sides of the House found it incongruous that, at the same time as the Chancellor was seeking to cut working families' tax credits, he was reducing inheritance tax for the wealthiest families in our country. People saw that as being basically unfair.

There is much that we hope the Chancellor will address in next week's statement. We agree that we must continuously bear down on the deficit and debt, but that has to be done with realistic good judgment and fairness. I say that the judgment must be realistic because it will undermine confidence in government if we go through another comprehensive spending review like the one in 2010, when the Chancellor announced that he would eliminate the cyclically adjusted current deficit in the five-year period—that is, by this year—whereas he has cleared only half of it. In the last financial year, the current budget deficit stood at a massive £44 billion. I also remember the Chancellor saying in 2010 that he would reduce the debt to 69% of GDP. It now stands at over 80%.

The mistakes of the last CSR should not be repeated in this one. Our fiscal rules must be realistic, achievable and fair. The Chancellor's rules, for all the revisions in recent weeks, have been none of those things.

David T. C. Davies (Monmouth) (Con): The hon. Gentleman and his colleagues have criticised the Government on many occasions for cutting too fast. Is he now suggesting that we should have cut faster? If so, we will be more than happy to co-operate with him.

John McDonnell: I would be happy to have that co-operation at any stage. What we said to the Chancellor five years ago was that he was going too fast and that he should have been investing in growth, which would have enabled us to reduce the deficit. He promised to reduce the deficit and debt in five years, but he is going to do it in 10. That is a doubling of the target.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): Will my hon. Friend remind the House at what rate the Chancellor has accrued debt over the past five years? Has he not accrued approximately the same amount of debt over the past five years as the last Labour Government accrued in 13 years?

John McDonnell: The debt has increased by 55% in five years. That is a helpful record.

Tom Blenkinsop: So he's doubled the debt.

John McDonnell: Yes. Let me press on because time is limited in this debate.

We need to be realistic in recognising that our economy faces severe challenges. I warned in September that many of the factors that contributed to the last economic crisis are re-emerging. This is the slowest recovery in living memory. It is based on rising house prices and unsecured consumer lending rising at record rates. The Government's own forecasters expect household debt shortly to surpass even the level reached before the crash. We have an increasingly unbalanced economy, based more than ever on insecure jobs in the service sector and an over-reliance on the finance sector.

Michael Tomlinson (Mid Dorset and North Poole) (Con): Will the hon. Gentleman give way?

John McDonnell: I will press on because time is limited. I will come back to the hon. Gentleman if I have time.

Regrettably, all the predictions say that manufacturing is likely to go into recession next month. The UK's current account deficit on the balance of payments was at an all-time high last year. That deficit is driven by a slump in British investors earning abroad, while those in the rest of the world continue to profit from the assets that we sell and the loans that we take out.

There are warning signs in the rest of the world, yet the Chancellor is bequeathing us an economy even more poorly prepared than it was on entering the storm in 2008. Back then, we had room to manoeuvre. The Bank of England was able to cut interest rates to rock bottom, sustaining the economy as the global recession hit. It hit us hardest of all because our financial system was appallingly over-exposed to risks that it did not or, in some instances, would not understand. At least at that time, the Government could take action. They slashed interest rates and introduced quantitative easing. Seven years on, the Bank of England base rate remains jammed at the lowest level in history. The room for manoeuvre in conventional monetary policy is essentially zero.

Michael Tomlinson: Does the hon. Gentleman welcome the jobs figures in my constituency for the past year, which show that the number of people claiming jobseeker's allowance is down 30%, showing that Government Members are on the side of working people?

John McDonnell: Of course we welcome any increase in employment or reduction in unemployment. The problem is that the economy is unsustainable because it is based on rising house prices, borrowing and debt. My fear is that the jobs that have been gained in the past year may be lost in the forthcoming crisis, if we do not take avoidance action.

Andrew Haldane, the chief economist at the Bank of England, has warned that the third wave of the financial crisis, which is breaking out in the emerging markets, centred on China, could have an impact on Britain. Why? That is because Britain is the country with the largest exposure to Chinese debt at \$500 billion. Any upset in the rest of the world will, thanks to our extraordinarily large financial system, rapidly make its way here. That is exactly how the last crisis happened, when failures to repay mis-sold mortgages by some people in American society turned into the failure of the entire banking system in this country.

We cannot know what will happen over the next few years. The Chancellor has warned repeatedly of trouble ahead, but surely these challenges are better faced if we have a more balanced and resilient economy that provides real security for all of us. Instead, we have a single-minded fixation on a single target: the 2020 surplus, which no credible economist supports. By clinging on to that so tenaciously, it appears that the Chancellor is putting the needs of his political career ahead of the prosperity of the country.

Jeremy Quin: The hon. Gentleman refers to the balance of trade. Part of the impact of that is that our country has been growing. Dividends have gone up 30%. Those who are investing in the UK are taking more money out of the UK because it is growing. We could be investing in places such as China, which are growing faster. Would he ban investment in China? Is that what he is saying? Should that be the result of his concerns?

John McDonnell: Part of the problem is that growth has not been high enough. In addition, we have sold off so many of our assets that money is pumping out of this country, rather than being invested in it. We are not making home-grown investments in our own economy, so the money is flowing abroad. That is causing our balance of payments deficit. In addition, our trade, particularly in manufacturing, has unfortunately not picked up on the scale it should have done.

Let me press on, because a large number of Members want to speak. We know, from the drip-feed of announcements, that the Chancellor intends to make swingeing and potentially devastating cuts to Government Departments and welfare spending. Let me make it clear that austerity is a political choice, not an economic necessity. The record of this Government shows that the Chancellor's political choices are having a devastating impact on people across the United Kingdom. In many cases, his cuts are falling on the heads of those who are least able to afford them. [*Interruption.*] The Exchequer Secretary is asking for examples, so let us look at local government.

Since 2010, councils have dealt with a 40% real-terms cut in their core Government grant. In adult social care alone, funding reductions and demographic pressures have resulted in a £5 billion funding gap. Where are the cuts falling? According to the Institute for Fiscal Studies, the 10 most deprived local authority areas have lost £782 per household, while the 10 wealthiest areas have lost just £48 per household. Choices have consequences for people's incomes and lives and the services upon which they rely. As a consequence of the Chancellor's choices, ordinary people are being left worse off. He has made those choices and still failed to meet his self-imposed fiscal targets, so I pose this question: are the choices being made right, moral and fair? If the answer to any of these questions is no, it is self-evident he needs to rethink, and rethink fast.

Suella Fernandes (Fareham) (Con): Is the hon. Gentleman seriously preaching about making the right choices, given that his party was responsible for the highest level of public sector borrowing? Is that the choice he is recommending—more borrowing and a greater burden on British men and women, just to feed the coffers of Government?

John McDonnell: We have to explain again: the deficit did not cause the crisis; the crisis caused the deficit. When Gordon Brown was Chancellor of the Exchequer and intervened with quantitative easing and by reducing interest rates, he was supported across the House, because that was the way to save what was left of the financial system in this country.

There is an alternative to the cuts. The Chancellor could, within the five-year timeframe of the spending review, lay out a long-term vision for the economy and how the Government can help to deliver it. He says he wants a high-wage, low-tax and low-welfare economy. We all want people in secure high-paid work, because it is the surest way to bring down the deficit—that is what we have been arguing all these months—but the Chancellor has no proposals on where the high-wage jobs are to come from. All he has had to offer in recent months is the national living wage, but it is set below the official living wage, so it is a national living wage that no one can live on, and it is nowhere near high enough to compensate for the proposed cuts to tax credits.

The Chancellor cannot deliver high wages unless he delivers investment. Investment is the fuel of future growth. Spending today on new equipment, new technology and infrastructure will deliver well-paid, secure jobs in the future. Yet investment in the UK is still below its pre-crash level as a share of GDP, and that level of investment is itself far below that in France, Germany and the US. Failure to invest has a dramatic impact. Every hour worked in Germany is, on average, a third more productive than every hour worked here. Productivity has flatlined for years in this country. Instead of investing in capital, too many businesses have relied on cheap labour. Our flexible labour market has made it too easy for employers to rely on low pay, and the Chancellor's response has been woeful.

Mrs Anne Main (St Albans) (Con): I am listening carefully to the hon. Gentleman's speech. If he is so set against any form of welfare reform, why did he and his party not vote against the Second Reading of the Welfare Reform and Work Bill? Why the road to Damascus now?

John McDonnell: Some of us did vote against it. As we argued in that debate, there is a way to reform welfare while making sure people do not lose out. For example, we have proposed reducing housing benefit by building the homes people need to make sure they have roofs over their heads. In that way, we reduce rent levels as well.

Instead of investing in the future, using the Government's powers to borrow carefully and invest wisely, the Chancellor has allowed Government spending on our vital infrastructure to fall from 3.3% of GDP in the last year of the last Labour Government to just 1.6% today. It is set to fall further to 1.4% over the next few years—less than half what the OECD thinks is necessary in a developed economy to sustain a decent standard of living. A lack of investment is why National Grid is warning of electricity shortages this winter and why too many businesses suffer from poor broadband connections and transport delays. His response to growing calls from business has been to run to the Chinese Government and hope they will get him out of this mess. We have been presented with the extraordinary sight of a British

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Chancellor refusing to use his own Government's powers of investment but more than happy to exploit those of the Chinese.

While every other major developed country is pushing up its research and development spending, recognising the future value of science and technology, our Government have cut spending by £1 billion in real terms.

Lucy Frazer: The coalition Government set up a £160 million fund for agri-tech investment, and that investment has continued under this Government through the regional growth funds. It is really helping the east of the country, particularly my constituency. What ideas does the hon. Gentleman have for investment in agri-tech?

John McDonnell: We should increase the amount invested. So far, so little has been invested, it is not having the impact it should have.

On investment in training, research from the House of Commons Library has shown that the budget for sixth-form and further education colleges could fall by at least £1.6 billion under the Government's spending plans. This is the equivalent of four in 10 sixth-form and further education colleges being closed. Local councils, often the engines for investment-led growth in their communities, are having their budgets cut to ribbons, and even statutory services are now at risk. All this confirms that there is no long-term economic plan. It is a short-term quick fix from a Chancellor who cannot think beyond the Conservative leadership election.

Mr Graham Allen (Nottingham North) (Lab): This is the first occasion on which I need to disagree with my hon. Friend. I think there is a long-term economic plan: to drive down the amount of money spent by Government as a share of GDP to 1920s levels. Is that not the real agenda, and a not very hidden one at that?

John McDonnell: The Chancellor's agenda is to shrink the state and privatise most of what is left.

Instead, Labour would seek to use Government powers to invest to deliver world-class infrastructure across the whole country. The northern powerhouse will only become a reality when it is matched by real spending commitments. We would build on our country's history of science, technology and innovation to deliver real increases in funding for research and development, seeking to match the commitments made by our neighbours; and we would work alongside the private sector to ensure that our businesses, rather than hoarding cash to the tune of at least £400 billion, would be seeking out opportunities to invest in the future. That is the role of a strategic state.

Margaret Greenwood (Wirral West) (Lab): The Green Investment Bank has been a real success, generating investment in renewable energy projects. In just three years it has invested in 58 projects, committing £2.3 billion of its own money and leveraging more than £10 billion in additional private capital. It has done this despite Government policies working against investor confidence in the renewables energy sector. What are my hon. Friend's thoughts on the Government's plan to privatise the bank?

John McDonnell: Just as we are about to take off with regard to renewables, the Government are impeding and undermining their future. My hon. Friend, like me, will have spoken to some of the companies. Some have gone to the wall and others are struggling. It is a devastating blow.

Labour would also tackle the large-scale tax evasion and avoidance that the Chancellor is so reluctant to address. Let me say what many working in our economy want to hear from the Chancellor next week. First and most importantly, he must reverse, fairly and in full, his cuts to tax credits. That should be his absolute priority. Secondly, there should be a plan to support investment to well beyond the minimum 3.5% of GDP recommended by the OECD, in terms of both infrastructure and training investment. Thirdly, we need a plan to address the balance of payments crisis, so that we can pay our way in the world once more. The Government are focusing on one deficit while ignoring another possibly more serious one. Fourthly, we want a realistic plan to tackle the deficit, based on sustainable economic growth and fair and wise judgments. Finally, we want an end to the self-defeating cuts and a serious programme to address tax evasion and avoidance and improve the overall efficacy of our tax system. If the Chancellor fails to take these steps, he places in jeopardy the long-term health of our economy. The choice next week is his to make.

1.59 pm

The Economic Secretary to the Treasury (Harriett Baldwin): I start by associating myself with the sentiments expressed by the hon. Member for Hayes and Harlington (John McDonnell) about the French atrocities and the importance of our security forces. I and other Treasury Ministers yesterday signed the book of condolence at the French embassy.

The economic policy of Her Majesty's Opposition is now represented by a man who wants to overthrow capitalism, nationalise businesses without compensation, and who answers to Len McCluskey. He is a man who thinks that printing money, and triggering the inflation that hurts the poor and the elderly the most, is a good thing. He thinks that a budget surplus is "barmy", and that we can balance the books by avoiding "any cuts whatsoever". He is a high-tax, high-inflation, high-unemployment socialist who draws his economic inspiration from the Venezuelan economy and Syriza in Greece. The Government will not take economic lectures from him on how to run our policies, and we will do everything in our power to keep him in opposition.

George Kerevan (East Lothian) (SNP): Will the Minister remind the House how many pound notes the Bank of England has printed through quantitative easing?

Harriett Baldwin: Monetary policy has been run by the Bank of England independently, and I am sure that the Scottish National party will continue to support the Bank's independence against the inflationary tendencies of the hon. Member for Hayes and Harlington (John McDonnell). I am pleased to have the opportunity to remind the House once again about how this Government's long-term economic plan is delivering for the working people of the United Kingdom.

Mr Hanson: May I bring the Minister back to reality? Reality for my constituents is the £1,300 cut to working families tax credits which, if it goes ahead in April next year, will mean that £58 million is taken out of our local economy from the poorest people in my constituency, three quarters of whom are in work. Does she think that is right, and will she commit to review that today?

Harriett Baldwin: The right hon. Gentleman will have to wait until my right hon. Friend the Chancellor announces his autumn statement next week. Because of the difficult decisions that we have been prepared to take since 2010, the country's economy for the right hon. Gentleman's constituents in north Wales is going from strength to strength, and the overall UK economy is now 12% larger than it was when we took over from the Labour Government. As we reach calmer economic waters, it is worrying that some seem to have forgotten the lessons that the crash of 2008 taught us.

In recent months we have seen the resurgence of familiar but dangerous ideas. First—we heard it here today—is the idea that the deficit does not really matter, that it should not be a priority to rein in unsustainable public spending, and that it is fine to kick difficult decisions down the line. Those views were put to the British electorate in May, and the electorate rejected them overwhelmingly. People looked at the 1,000 jobs that the UK economy had created every day since 2010, and at the highest growth figure in the G7 for the last two years in a row. They looked at rising wages, rising living standards, and falling inequality, and they said, “Your long-term economic plan is working, so we want you to continue the job.” Since the election, national debt has been forecast to fall this year as a share of GDP for the first time in more than a decade.

Wayne David (Caerphilly) (Lab): Is the Minister pleased with the appalling level of productivity in this country under her Government?

Harriett Baldwin: The hon. Gentleman knows that productivity has been a long-term issue for the British economy, and I shall be talking in more detail about our productivity plans in a moment.

Mrs Main: Does my hon. Friend have any figures associated with the cost of renationalisation that the Labour party seems to want to embark on? I have not heard any figure recently.

Harriett Baldwin: My hon. Friend is right. The bottomless pit of money for the magic money tree has been brought into service a lot over recent days, and we should focus instead on the good news about the UK economy. The employment rate has reached a record high—

Geraint Davies *rose*—

Harriett Baldwin: Is the hon. Gentleman going to welcome that fact? I do not think he is. Wages have risen by more than 3% this year. Will he welcome that? For people in continuous employment, wages are up by more than 4%—[*Interruption.*]

Mr Speaker: Order. We cannot have hon. Members freelancing, or at least not any more than they are already accustomed to doing. The hon. Member for Swansea West (Geraint Davies) can seek to intervene, and the Minister must decide whether to respond. However,

since the hon. Gentleman claims to have a point of order, I am keen to discover whether it is a point of order or a point of frustration, so perhaps we can hear from him.

Geraint Davies: On a point of order, Mr Speaker. When the Minister exhibits such massive ambiguity by seeming to say “Yes, yes, yes,” to my intervention, so that then I am getting up and down, does that not cause great confusion in the Chamber and among the greater public? Would you like to make a ruling on that?

Mr Speaker: My ruling on that, for the benefit of the hon. Gentleman and the House, is that any Member who has the Floor should indicate clearly whether he or she is giving way, and if so, to whom. Any gesticulation that obscures rather than clarifies, although not disorderly, is unhelpful.

Harriett Baldwin: I will give way to the hon. Gentleman when he starts to welcome some of the positive economic facts that I was mentioning, but if he does not know whether he is coming or going, I have a hunch that he is in the right party.

The Government absolutely reject the Opposition's accusation that we are failing to deliver for working people. Not only have we brought greater economic security, we have also delivered more growth, more jobs, and higher wages. That is what people working across this country asked us to deliver, and that is what we are doing.

Suella Fernandes: I echo and salute the track record and results that the Minister is outlining. A former Prime Minister, who is credited with reviving a failing economy, once said:

“The problem with socialism is that you eventually run out of other people's money.”

Does my hon. Friend agree that what we are hearing from the Opposition Benches is a reheating of simple 1980s socialism where the results are only failure?

Harriett Baldwin: My hon. Friend is right to remind us of two important facts. First, no Labour Government have ever left office with the public finances in a better state than when they came to power, and secondly, no Labour Government have left office without leaving more people unemployed than there were when they came to office.

Do we agree with the other points made by the Labour party?

Geraint Davies *rose*—

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op) *rose*—

Harriett Baldwin: I will not give way because I want to make a bit of progress and take each of the points in the motion in turn.

I am delighted that the Labour party has remembered to mention the deficit in the motion, although it is not the budget deficit but the current account deficit. Let me remind the House about progress on the budget deficit which, as a share of the economy, has fallen by more than half from its peak in 2009-10 to 4.9% at the

[*Harriett Baldwin*]

end of last year. We forecast that we will be in surplus by the end of this Parliament. That is what the British people asked for, and that is what we are doing.

Jonathan Reynolds *rose*—

Harriett Baldwin: Will the hon. Gentleman welcome progress on the deficit and suggest further progress?

Jonathan Reynolds: I love giving way with caveats based on what I might say in my intervention. Let me ask the Minister a serious point in all this silliness. Since the end of the second world war, this country has been in surplus for only 12 financial years. Of those 12 years, 10 have had Labour Governments. Conservative Governments have hardly ever run a surplus. Is the Minister telling us that the Governments of Thatcher, Macmillan, Anthony Eden and Churchill were all spendthrift and socialist, or will she be a little more serious when addressing these issues?

Harriett Baldwin: The hon. Gentleman is right to say that this is a serious issue, and I hope that, as one of the more moderate and sensible members of his party, he will be able to convince those on the Labour Front Bench that this is an important issue to tackle.

The Opposition motion also mentions tax credits.

Alan Brown (Kilmarnock and Loudoun) (SNP): The Minister mentioned the fall in unemployment, but is there not a paradox? We are considering closing Her Majesty's Revenue and Customs offices and reducing the number of people who work for it, when its official figures show a £34 billion tax gap. If we collected that money, it would go a long way towards eating into the deficit. If we then scrapped Trident and the other place we would be nearly there, and we would not need to make cuts.

Harriett Baldwin: I would listen more to the advice of the SNP on the economy if it had not projected that the oil price would remain at over \$100 forever and fought last year's referendum on that basis.

Various hon. Members have mentioned tax credits. The British people want to see a lower welfare, lower tax and higher wage economy, and that is what they voted for in May. In the summer Budget, we set out a package of reforms for working people, which included the introduction of the new national living wage, continued increases in the personal allowance and the doubling of free childcare worth up to £5,000 a year for working parents. Of course, we will listen to the concerns raised about the transition period, and my right hon. Friend the Chancellor will set out our response to those concerns next week. But make no mistake, creating a low-welfare, low-tax, high-wage economy is one of the most progressive goals a Government can have, and one that we will continue to work towards.

Richard Fuller (Bedford) (Con): As my hon. Friend analyses the Opposition motion to decide whether she will support it—I think we are fairly clear on that—is she as surprised as I am that it does not mention the new national living wage? That is probably the most significant change in our economy over the next five years—[*Interruption.*] Well, there are issues with tax

credits—I am not making a speech, Mr Speaker—but the fundamental point is that we will ask companies to pay our poorest paid workers what is effectively a 38% increase in their wages over five years, plus 3% on their pensions. Does she agree that that needs more attention from Members on both sides of the House?

Harriett Baldwin: My hon. Friend is right to highlight that progressive move, and it gives me a chance to emphasise the fact that yesterday's data on earnings showed that the lowest earning 10% in our society saw a wage increase of 3.4% over the last 12 months, and that is before these changes have even taken place.

The Opposition motion also mentions child poverty. The best route out of child poverty is for a parent or parents to work. On our watch, the number of children growing up in workless families is at a record low, down almost 500,000 from 16.2% of all children to 11.8%.

Catherine West (Hornsey and Wood Green) (Lab): Is the Economic Secretary aware that since 2010 500,000 children have fallen below the poverty line? What does she intend to do about that?

Harriett Baldwin: The hon. Lady is wrong about that. Since 2010, in terms of relative poverty, some 300,000 fewer children are living in poverty. The Government losing control of public finances and not being able to do anything about that would be the worst thing that could possibly happen for the opportunities for those children. The people who suffer when the country loses control of its public finances are the low-paid, and the people who get turned out of work are the ones who suffer the most—

Geraint Davies *rose*—

Lucy Frazer *rose*—

Mr Speaker: Order. May I say gently to the House that it is reasonable for the Economic Secretary to be given the opportunity to respond to one intervention before immediately being pressed to accept another? Some level of orderliness in the conduct of this debate needs to be restored, with the help of all willing parties.

Harriett Baldwin: In that spirit, I shall try to make some progress, Mr Speaker.

The richest do not suffer most when the economy suffers. It is not the trade union barons who lose their jobs when that happens: it is the poorest in the country. We are making sure that it never happens again.

The motion also mentions the impact of our policies on women. There are now more women working than ever before, the gender pay gap is at the lowest level since records began, and 56% of the people we have taken out of income tax, by raising the personal allowance, are women. Of course, 27.5 million working men and women have had a tax cut since 2010, and 58% of those receiving a much stronger, triple-lock state pension are women. Almost two thirds of the people benefiting from the introduction of the national living wage are women. In fact, since 2010, women have moved faster into jobs in the UK than in any other G7 country, and women's employment rate has increased more since 2010 than during the previous three Parliaments combined.

Margaret Greenwood *rose*—

Harriett Baldwin: The hon. Lady may be about to comment on this, and we live in hope that the wish of the right hon. and learned Member for Camberwell and Peckham (Ms Harman) that senior jobs in her party go to women will be granted soon. Does the hon. Lady welcome some of this good economic news for women?

Margaret Greenwood: Does the Economic Secretary share my real concern that 29% of women earn less than the living wage? That is not a success story for women—far from it.

Harriett Baldwin: That is exactly my point: they will be disproportionately helped by the increase in the national minimum wage through the national living wage from next year.

The motion mentions productivity, and it was also raised by the hon. Member for Caerphilly (Wayne David), who is no longer in his place. Productivity has been a long-standing issue since well before 2010, and we accept that. But rather than grandstanding, we have set out a wide-ranging productivity plan. We are delivering the infrastructure projects we need, through our infrastructure pipeline, and we have set up the national infrastructure commission to take a long-term, depoliticised approach to major projects. We have seen a recent strengthening in productivity growth. Output per hour rose by 0.9% in the last quarter, and the Office for Budget Responsibility forecasts that productivity will pick up by 1.7% next year, and 2.4% in the year after that.

The motion also questions our long-term commitment to science, technology and green growth.

Sammy Wilson (East Antrim) (DUP): Does the Minister agree that the freezing in cash terms of money spent on science and research and development has had an impact on productivity growth and the potential for increasing productivity in the UK economy?

Harriett Baldwin: We agree that maintaining the science budget is incredibly important. As part of the £100 billion of infrastructure investment that we have already committed to, £6.9 billion will be going towards research infrastructure.

Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP): If the Economic Secretary believes what she has just said about maintaining the science budget, why have the Government cut it in real terms by 10% in the past five years? They have made no commitment thus far to increase the science budget either, to such an extent that the UK is bottom in the G8 for investment in science.

Harriett Baldwin: The hon. Gentleman will know, and has just reiterated, that we have maintained the science budget, which has been one of the choices that we have made. We have secured £7 billion of investment per year for UK-based renewable energy projects. We are investing in major research facilities such as the new Turing Institute, the UK's national institute for data science. Our science and innovation strategy sets out our long-term vision for the sector's contribution to national prosperity.

Lucy Frazer: Does my hon. Friend welcome the comments by Sir Paul Nurse, the president of the Royal Society, who said recently that the UK is excellent on

the world stage and that, in terms of effective research, we are probably top? Most people rank us second to the United States, and we lose out merely on size.

Harriett Baldwin: My hon. Friend is right to highlight the effectiveness of our science spending. Earlier, she mentioned agri-tech, and my constituency has fantastic skills in cyber-security. Those are all important and we will continue to make sure that they are a Government priority.

Steve McCabe: Does the Economic Secretary accept that one of the problems is the contradictory nature of Government policy? It may well be true that they are investing in the science budget, but simultaneously—as the Coalition for a Digital Economy, or Coadec, revealed in its recent letter to the Prime Minister—they are strangling the digital industries through their immigration policy, which denies entry to tier 2 skilled workers and entrepreneurial visas to people who could boost our industries.

Harriett Baldwin: I welcome the opportunity to clarify that there is no cap on inter-company transfers at tier 2 or on people who will earn a substantial amount. I am aware that Tech City keeps very close tabs on this and informs me about its importance. The hon. Gentleman will welcome its continued success in attracting investment from around the world.

The motion also mentions the Department for Business, Innovation and Skills budget. I obviously cannot pre-empt what the Chancellor will say next week, but every single decision on spending has been based on our productivity plan to focus on world-beating productivity, to drive the next phase of our growth and to raise living standards.

People should never underestimate this Government's commitment to helping British businesses and workers succeed in the global economy. We know that businesses drive growth and create jobs, and we work with them so that they continue to do so. In marked contrast, the Labour party could not get a single business even to host an event with its leader last week.

Is the economy perfect? No economy is ever perfect. We need to export more, work more productively and eliminate the gender pay gap altogether. It takes time for a country to recover from a significant economic crash, such as the one inflicted on us by the last Labour Government. But thanks to the hard work of the British people, the economy has recovered. We have more growth, more jobs and higher wages. We know that there is still much more to do, but there is no economic security, no national security and no opportunity when control of the public finances is lost. I urge hon. Members to reject the economic views of the Labour party, to reject the advice of the shadow Chancellor and to reject the motion.

2.21 pm

Stewart Hosie (Dundee East) (SNP): I start by agreeing with what the shadow Chancellor said in opening his remarks—that cost should be no obstacle to providing the necessary security and intelligence to protect the people from the kind of threats that we are now seeing and that we saw in Paris. I therefore say to the Economic Secretary that if the Government wish to increase spending in those areas, there will certainly be no resistance from

[Stewart Hosie]

the SNP. I agreed with her, too, when she said that we need to cut out unnecessary and wasteful spending. I think that is absolutely right, and no one with any common sense would say that we should spend money on things that we do not need. So we will offer up a starter for 10, which is £167 billion on Trident and its replacement.

We will back the Opposition motion today. There is no doubt at all that this Tory Government and their coalition predecessor have failed, and we have seen the evidence of that failure, which I shall come on to develop. We essentially have an austerity programme from an austerity Government who have failed to deliver the growth the economy needs and are instead committed to making precisely the same mistakes all over again.

When I say that this Government have failed, we should remember precisely what the Chancellor promised when he became Chancellor in 2010. He said that debt would begin to fall as a share of GDP by 2014-15; that the current account would be in balance this year; and that public sector net borrowing would be £20 billion. We know now—many of us warned of it in the last Parliament—that debt did not fall as a share of GDP as planned; that the current account will not be back in the black until 2017-18 at the earliest; and that public sector net borrowing is not the £20 billion promised, but over three times that, at £70 billion. The key point is that the Chancellor failed to meet every single one of the targets he set for himself. In the eyes of any reasonable man or woman in the street, that is failure.

Jeremy Quin: The man in the street and the woman in the street have already spoken; they spoke five months ago, and they want more of the same. They want the deficit to continue to be brought down. We have halved the deficit and done so while maintaining one of the best levels of growth of any country in the G7.

Stewart Hosie: Growth was strangled throughout the early part of the recovery in the last Parliament. If it has picked up since, that might say more about the weakness of our major competitors than any inherent goodness or sense in the Tory plan, which, as I say, has actually failed. This is an austerity programme that saw £121 billion-worth of cuts, tax rises and discretionary consolidation in the last Parliament that strangled the recovery. With an extra £37 billion to come, we are now on track for a full decade of austerity.

It is worse than that, however. With the Government changing the ratio of tax rises to cuts from 4:1 to 9:1 during the last Parliament, we have the clearest indication not simply of failure, but of failure delivered by trying to balance the books in a way that was never going to succeed and on the backs of the poor. That is a situation that will only get worse, as the motion mentions, through changes to tax credits.

John Stevenson (Carlisle) (Con): Does the hon. Gentleman not think that the creation of 2 million jobs is a success?

Stewart Hosie: I think that the creation of every job is welcome for the person who gets it, and I think that the creation of well-paid, permanent and secure jobs is fantastic, as those provide not only the income that

families need, but the security with which to build strong and stable communities. Of course I welcome jobs as they are created, but we need to look at every single part of the economy, not simply single metrics—whether they be good or bad. The Government's record in the round is lamentable.

I mentioned the plan to cut tax credits. Of course change may be announced next week, but few believe that the stubborn Chancellor and his Government will actually stray too far from the plans originally announced. Those plans have a quite horrendous impact on households in Scotland and throughout the UK. For many real people, real families and real communities, the erosion of household income is quite extraordinary. The average figures of £1,200 a year or £100 a month is routinely used, and it is an accurate figure, but for some households the annual loss is around £4,000 a year. [Interruption.] The Tories may find this funny, but a loss of that amount of cash implies a marginal tax rate of 90% on some of the poorest working households in the country. If the Government were to propose that, the Tory Back Benchers would be up in arms, but because they are taking what they see to be benefits from poor people, it is suddenly okay, because that is the way smirking Tories always think.

Catherine West: Does the hon. Gentleman agree that part of the problem with working tax credit cuts is that they are concentrated in certain areas, which means that there is a double effect on the local economy, where that money is no longer going into the high street or into the pockets of children and others and the poverty effect is multiplied?

Stewart Hosie: The scenario whereby pockets of poverty exist in communities that have been more reliant on tax credits or other benefits is well known. Of course, those communities always suffer disproportionately when this sort of cut is made, so the hon. Lady is absolutely right. That is an argument for having not simply an economic policy, but some form of regional industrial strategy that will deliver not just any old job, but good jobs in every part of the country.

The real failure of this Government's so-called "long-term economic plan" is the absence of any real strategy to deliver inclusive growth, and that is what concerns me most. To the SNP, inclusive growth is essential if we are to narrow the inequality gap and absolutely vital to deliver the overall economic growth we need. The UK lost 9% in GDP growth between 1990 and 2010 due to rising inequality, so it is unforgivable to see the same mistake being made all over again.

Let us look at the big picture of the UK's economic record in the Chancellor's own words:

"We don't export enough; we don't train enough; we don't save enough; we don't invest enough; we don't manufacture enough; we certainly don't build enough, and far too much of the economic activity...is concentrated...in the centre of London."

He went on to say in his Mansion House speech:

"We will tackle each and every one of these weaknesses with the same determination we have brought to tackling the deficit—and we'll draw the whole government effort together in a single plan for productivity".

The problem is that, on productivity, which is an essential prerequisite, very little has been done. The UK still lags behind the US, Germany, France and even Italy in

GDP per hour worked. Even on a GDP per worker basis, the UK is still not competitive. The position in Scotland is broadly similar: both Scotland and the UK sit at the top for the third quartile. We should both be doing so much better than that.

The focus should be on productivity, innovation, internationalisation, and investment in infrastructure, skills and inclusive growth, which I have mentioned. To be fair, the Minister talked about investment and infrastructure. I will come back to that, however, because I am not sure whether her version of the world really matches up either to reality or to what was announced in the summer Budget. For example, on innovation, the 2014 Budget increased the amount available for research and development tax credits—which is to be welcomed—but the UK Government simultaneously reduced the qualifying expenditure.

On exports—I am glad this is back on the political agenda—the deficit in trading goods for 2014 was £124 billion. The deficit on the current account was £93 billion, up from £77 billion the year before. These numbers are all going in the wrong direction. In the Red Book, the contribution to GDP from net trade is negative for the entire forecast period. For the entire period of this Parliament, the contribution to GDP from net trade is negative in every single year. Where is the plan to actually encourage innovation and to support more companies to export and to drive up productivity?

We know that productivity requires investment. The Economic Secretary mentioned that and I said I would come back to it. In particular, we need investment in infrastructure. That is vital for the future. The Economic Secretary is right that the Chancellor and the Government have announced yet another review, but in terms of cold hard cash, capital expenditure forecasts were down for every single year in the Parliament between the spring budget and the summer Budget. That is not the way, if any Government are serious about infrastructure.

When we talk about investment to grow the economy, it is also vital to include investment in education. That will, of course, be the subject of the second debate today, but may I put on record, because it is important to this debate, our view that the Tory approach to education in England runs contrary to the investment approach needed? May I also put on record, because it is in context, my pride at what the Scottish Government have achieved: better school results, a record 119,000 full-time college places, a record 33,000 young Scots going to university, a move towards 30,000 apprenticeships every year and more children than ever from poorer backgrounds going on to further and higher education? This is the investment in education that will deliver the economic growth of the future. *[Interruption.]* If the Minister wants to chunter or defend the position of the Government in England, I will happily take an intervention.

Today's motion talks about green jobs. There is much to commend an approach that supports the green economy and investment in it, because of the export potential that goes with those jobs. Like so much else, however, the Tory failure on the economy has been replicated in its approach to the green economy. We saw that with decisions on onshore wind farms, the calculation of the renewable strike price compared to nuclear, and the shorter contract length, all of which sucked investment from that important industry. We have seen it with the

failure of successive UK Governments to address the inequity of connectivity charges to the grid over many years.

Any real economic plan should correct the imbalance of a £25 kW charge to connect to the grid in the north of Scotland, against a £5.20 subsidy in London to allow maximising the opportunity of investment. Indeed, the International Energy Agency has suggested that the stop-go political support for renewables is detrimental to establishing a more secure energy system, and that Governments

“must remove the question marks over renewables.”

Even the UN's chief environment scientist highlighted the damage the UK Government's “reckless, regressive and irrational” cuts are doing to the support that is necessary to the renewables sector.

Catherine West: Does the hon. Gentleman agree with the CBI, which said in a recent all-party meeting that the Government's policy on the solar industry has severely affected investor confidence?

Stewart Hosie: I do agree. I thought it was telling that when the announcement in relation to onshore wind farms was made in this place to remove any support for those that had not passed every single hurdle, Tory Back Benchers were on their feet making the first attack on the solar sector as well. I agree with the hon. Lady entirely.

Sammy Wilson: Does the hon. Gentleman not see the contradiction, however, between some of the comments made by his own party colleagues last week when we were discussing the decline in the steel industry and the high energy prices and his support for renewables? Does he not accept that in Spain, for every one job created in the renewables industry, 2.2 jobs are lost in traditional industries?

Stewart Hosie: I have heard that argument before. I am not sure about its efficacy and I am not going to comment on it. On the substantive point, however, there is absolutely no contradiction at all between a general attempt to decarbonise, which is the right thing to do, and a clear recognition of the costs of high energy-using industries that are of strategic importance. There is no contradiction there whatsoever.

There is one final point of failure in the UK Government's mismanagement of the economy: last week's announcement of HMRC closures. If the UK Government are serious about clamping down on avoidance, evasion, fraud and even error, if they are serious about reducing the £16.5 billion tax gap from small and medium-sized enterprises, if they are serious about reducing the £14 billion tax gap from income tax, national insurance and capital gains tax, and if they are serious about maximising tax yield for investment, then closing 137 HMRC offices, including almost every single one in Scotland, is a catastrophic mistake.

Chris Evans (Islwyn) (Lab/Co-op): I draw the hon. Gentleman's attention to the Public Accounts Committee report, which said that HMRC is answering less than 50% of the calls put through to it. He, like me, is a constituency MP, so he will know that the biggest frustration for businesses is that they cannot get through

[Chris Evans]

to HMRC on the phone. This is a real problem for small, medium and large-sized businesses. Does he condemn the cuts to HMRC as much as I do?

Stewart Hosie: I absolutely condemn them. That point is extremely well made. Most individuals and businesses want to be honest. They want to pay their tax. They want to go to a counter, face to face, to make sure everything is absolutely as it should be and then pay the bill. If less than half the calls are being answered now, it will only get worse. Given that in Scotland there will be no face-to-face point of contact north of Edinburgh and Glasgow—Dundee, Aberdeen, Inverness and the whole of the highlands—or south of Edinburgh and Glasgow, including the whole of the borders, this is an idiotic and counterproductive thing to do.

What are the Tories' plans all about? As the shadow Chancellor hinted, it is ideological to insist, as the Chancellor has done, that the economy not simply breaks even but runs a current surplus hitting £40 billion by 2019-20. It is economically foolish. To do that by delivering additional welfare cuts totalling £33 billion in this Parliament, alongside £5 billion of cuts to essential capital investment—announced in the summer Budget—is, frankly, vindictive, nasty and counterproductive. In short, to cut £40 billion more than is necessary to run a balanced current budget, with almost all of it paid for by punishing the poorest and stripping the capital budget by another £5 billion, is a policy we reject. It is a policy we have already seen fail. It is most certainly a policy the people of Scotland did not vote for.

Several hon. Members *rose*—

Madam Deputy Speaker (Natascha Engel): Order. Before I call the next hon. Member to speak, I am going to start by imposing a five-minute limit on speeches. That may have to come down if there are too many interventions, but right now, to get all hon. Members in, the limit will be five minutes.

2.39 pm

Alex Chalk (Cheltenham) (Con): The core message in the motion is that the Government have somehow failed to stand up for working people. I must tell the Opposition, with respect, that that message is misconceived.

Let us look at the context. The position in 2010, as we recall it, was that this country was staring into the abyss. Make no mistake: borrowing was over £150 billion a year. What does that mean, in concrete terms? We were bringing in about £600 billion, but we were spending £750 billion. It is perfectly true to say, as was said by the hon. Member for Hayes and Harlington (John McDonnell), that the crisis came and therefore the deficit became larger, but it should not be forgotten that on the eve of the crisis—as was pointed out by the Institute for Fiscal Studies—this country had one of the largest structural deficits in the developed world. That made us vulnerable, and it meant that when the crisis hit, the cupboard was bare. The point has been made—and it bears re-emphasis—that there can be no economic security, no national security and no opportunity when a country loses control of its public finances, and this country did that spectacularly in 2010.

The hon. Gentleman may not be interested in those figures, but the truth is that unemployment was up—unemployment, which has an impact on working people's lives—and youth unemployment was up. What has happened since then, during the period in which the hon. Gentleman would have us believe the economy has gone to hell in a handcart? Well, last year more jobs were created in Yorkshire alone than were created in the whole of France, more jobs were created for young people in this country than in the rest of the European Union put together, and there were more women in jobs than ever before. Since 2010, 2,000 jobs have been created each day. That matters, because jobs bring dignity, self-worth and fulfilment. But if the hon. Gentleman is not interested even in jobs, what about living standards? Well, living standards are up as well: we are better off by £900 per household than we were in 2010.

There is also a suggestion that our growth is anaemic in comparison with that of other countries. How can that possibly be the case, when it is recognised that ours has been the fastest-growing major developed economy in the world, together with that of the United States? That is an achievement of which—I hope—Members on both sides of the House can be proud, because it is by securing that stability, that growth and that prosperity that we assist the most vulnerable in our society.

We recognise, of course, that there is more to do, but when the hon. Gentleman makes the point that the deficit is not closed—which he is perfectly entitled to do—the response should not be, “Let us widen it and make it bigger.” Instead, we should ask what we can do, in a constructive, sensible and, dare I say it, patriotic way, to close that deficit and thus secure our resilience. If we do not have a resilient economy and put money aside for a rainy day, we shall not be in a good position to weather the storm when it hits, as hit it will. The time will come when there is a global downturn, because that is the nature of events, but we must be prepared to weather it. I am sorry to say that the policies of the hon. Gentleman—if, indeed, there are any—seem to take us nowhere towards achieving that resilience.

Today we have a deficit of some £70 billion, which is not an inconsiderable figure: it is about double the defence budget. [Interruption.] I hear noises off from Opposition Members. On one hand they say that the deficit is too large, and on the other hand they say, “Let us make it larger still.”

Suella Fernandes: I echo the point that my hon. Friend is making. The only way we can get to grips with debt is by tackling the deficit, and, thanks to the difficult decisions made by this Government, we have already cut it by more than half. As my hon. Friend says, there is more to do, but that is why we must carry on with the plan and finish the job.

Alex Chalk: I entirely agree. We must carry on in a way that is proportionate—of course—and fair—of course—but which focuses, ultimately, on the prize that is living within our means. I am sorry to say that Labour Members do not seem to be ready to adopt that approach, not least because they opposed the cap on welfare. In an article published in *New Statesman* in March, the hon. Gentleman said that he would avoid any cuts whatsoever, and that—as we have heard again today—he thought that running a surplus was “barmy”.

I believe that there is an issue not just for our times, but for future times. There is an issue of generational justice, because we owe it to the next generation to bequeath to them an economy that can pay its way. Make no mistake: someone born this week—a young lady, say—will knock on the door of the state in 30 years' time, having been turfed out of her home by an abusive husband, and will ask for help. It is up to this generation to ensure that we have not left the cupboard bare, because otherwise, what will that young lady say to us in 30 years' time? “She will ask, “Why didn't you deal with the problem then?”, and if we answer, “Well, it was all too difficult”, that will be no answer at all.

Let me say again, respectfully, that the motion is misconceived, and lacks credibility. It is our duty to our country and the future to have a stable economy, and the motion should be roundly rejected.

2.45 pm

Bill Esterson (Sefton Central) (Lab): Let me begin by responding to what was said about the deficit by the hon. Member for Cheltenham (Alex Chalk). We should judge the Conservatives by their own record. In 2010, the Chancellor said that he would get rid of the deficit in one term; that target rapidly disappeared. He then said that he would halve the deficit in one term, a plan that was clearly shown to have failed when it was down by only a third at the time of the election. He then moved the target to 2019, and then to 2020. When it suits him, the Chancellor changes his mind, and his measure, as much as he can on the deficit, so it is clearly not as important as Conservative Members claim.

Jeremy Quin: Surely the hon. Gentleman welcomes the flexibility shown by my right hon. Friend the Chancellor. After all, Opposition Members are always asking him to show flexibility. He makes certain that he stays on course and we get to the right place. The deficit has been halved to date, and that will continue, but it is happening in a measured and effective way.

Bill Esterson: Of course we need to get rid of the deficit so that we can start reducing the debt, but it must be done in a way that is sustainable, and that can only happen if we grow the economy.

The Government have presided over the slowest recovery on record. Tax receipts are an indicator of the health and productivity—[*Interruption.*]

Madam Deputy Speaker (Natascha Engel): Order. A conversation is taking place across the two Front Benches while a Member is speaking. Let us listen to him.

Bill Esterson: Thank you, Madam Deputy Speaker.

As I was saying, the Government have presided over the slowest recovery on record. Tax receipts are an indicator of the health and productivity of the economy, and they fell as a result of the financial crisis. In the United States, Germany, France and Canada, they had returned to pre-crisis levels by 2013, while in the United Kingdom they remained 15% below those levels.

Meanwhile, the Tories have claimed that the financial crisis was the result of public spending—the result of recruiting nurses and doctors, and building new schools and hospitals. In fact, spending in this country was below the average among similar advanced western economies. The crisis was caused by an actual financial

crisis, not by Government spending. The fact that the current Chancellor supported Labour spending plans before the crisis says what needs to be said about the claims that have been made ever since. Conservative Members know that the crisis was a financial one, not a Government one. They also know that the Chancellor was calling for less regulation of the banks, not more, in the run-up to that same crisis.

The fact is that in 2010 we had half the level of unemployment, half the number of home repossessions, and half the number of business bankruptcies that we saw during the Tory recessions of the 1980s and 1990s, precisely because the Labour Government intervened to support and protect people, businesses and jobs. The economy was recovering strongly in 2010 as a result of the stimulus injected by that Government, but it came to a juddering halt with the emergency Budget of June 2010, when investment in capital infrastructure projects was stopped. In 2010, other countries continued their stimulus package for far longer, and businesses, jobs and the wider economies of those countries saw the benefits.

So what should happen now? Let us look at what businesses say. They say that they want to see investment in infrastructure, energy, transport, broadband and, especially, skills. They say that they need those skills so that they can grow and pay good wages. That is what the CBI says, it is what the EEF says, and it is what the Federation of Small Businesses says. When businesses want to grow, they invest. They understand the need to invest in new equipment, property and skills. They develop a business plan. They invest capital and pay it back from the proceeds of growth. Households do something similar, whether through student loans to invest in skills or borrowing money to buy a house; they invest for the future. We take out a mortgage typically over about 25 years and the bank or building society works out whether we can afford the interest payments and the capital repayment over the term of the mortgage. Government should invest in the future, just as business does, and just as homeowners do.

The lack of an industrial strategy is clear in how the steel industry has been abandoned. The Government do not seem to believe in having a business plan for the economy at all. They do not believe in investing for the long term or in following the good practice of businesses in seeking a return on investment in the form of growth and increased tax receipts as the way to higher living standards and deficit reduction. The Government say that they will not borrow money at all and won a vote in this House to confirm their view. The Chancellor used to say that fiscal responsibility charters were the mark of a lack of confidence in a Government's own policies; not any more, however, because they forced that through the House. The “fiscal irresponsibility charter”, as it is better known, is the equivalent of the Government saying that if they were a householder they would not take out a mortgage to buy a home and they would have to buy a house out of their annual salary. If this Government ran a business, they would not take out a loan to buy a new van or a new piece of machinery.

The Government have signed deals with the Chinese Government to build and run our new nuclear industry. They are happy for foreign Governments to invest in this country, but not for our own to do so. That is a strange way to do business, because in the end these

[Bill Esterson]

sums of money will have to be repaid, it seems, through much higher energy prices paid by those very same people the Government say they worry about in terms of the deficit. This is a Chinese form of private finance initiative by any other name.

Let us have a debate about borrowing, the best value for money and the best way of investing in the future of this country. Let us not rely on a charter that is economically illiterate and undermines economic success and prosperity.

2.52 pm

Mike Wood (Dudley South) (Con): As a fan of “Yes, Minister”, I shall start by congratulating the Opposition on their brave decision to choose this subject; given the Labour party’s abysmal record in this area, that is perhaps courage verging on chutzpah.

In May, voters in a majority of constituencies around the country endorsed the difficult decisions taken by the previous coalition Government to get the economy back on track, and placed their faith in the Conservative party to secure the economy and to take the further difficult decisions in a fair way to secure that recovery.

It is disappointing that the Opposition motion omits the real progress that has been made over the past five years in improving people’s opportunities and giving a brighter outlook for working people in Britain. We have 2 million more people now in work; that is many, many more families with the security of a job and a steady income. We have secured 2 million more apprenticeships since 2010, with 3 million planned for this Parliament, meaning that ever more young people will have the skills that they need for future work. The Government are also doubling free childcare to 30 hours a week and introducing the national living wage.

David Rutley (Macclesfield) (Con): Earlier in the debate, the hon. Member for Hayes and Harlington (John McDonnell) was quick to say that the £9 national living wage was inadequate, but did not point out that the Labour manifesto set a target of only £8. Did my hon. Friend find that outrageous?

Mike Wood: I certainly did not find it surprising. As we knew at the time of the election, the £8 that the Opposition were proposing was probably lower than the minimum wage was scheduled to be by 2020 anyway, but the additional national living wage will mean a real increase in the incomes of the lowest paid families in Britain.

I am sure many of us remember the times when those on the Opposition Front Bench were making funny hand gestures to indicate that somehow the economy was flatlining. They are not doing that so much any longer, because the only thing that is now flat is inflation. With inflation at close—

Several hon. Members *rose*—

Mike Wood: I had better continue, as a number of Members wish to speak.

With inflation close to, or even under, 0%, the household budgets of families in my constituency and elsewhere in the country are going further, meaning further security. This benefits the whole country, including my constituents in Dudley South.

I represent a west midlands constituency and I have in the past heard many people in Dudley South say that it has seemed that the midlands has been ignored. It certainly felt like that under the last Labour Government. For every 10 private sector jobs created in London and the south, only one was created in the midlands and the north. There was no hope for millions left languishing on benefits; in fact, many people on certain benefits were, sadly, more likely to stop claiming those benefits because they had died than because they had found a job that meant they no longer qualified for them. That was unacceptable, and the action taken by this Government has meant that has been turned around, so people can have more hope and better opportunities.

The Economic Secretary rightly said that the country has faced low productivity for many years. I hope we would all agree that the key to tackling the productivity gap is rebalancing the economy so that it is not over-reliant on any one region. The Government’s devolution and cities agenda is essential to unlocking the full potential of the whole country and closing that productivity gap.

I was delighted that only yesterday the Chancellor and the Business Secretary were in the west midlands announcing a new £1 billion devolution deal—a devolution revolution that will mean the west midlands has the budgets and powers to make a real difference for people in the county and can tackle the productivity challenge and the skills gap that has held it back for many decades. That should be commended, rather than prompting the condemnatory motion tabled by the Opposition. This is not just about creating jobs; it is about hopes and opportunity, and that is why I will be opposing this motion.

2.58 pm

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The Chancellor is known for being a very political operator. Economic historians will pay tribute to the manner in which, following the 2010 election, he successfully framed the economic debate by focusing on the deficit. This enabled the Conservative party to challenge the economic competence of its predecessors while also allowing it the political space to pursue its ideological obsession with reducing the size of the state. The Chancellor has endeavoured to portray the economic recovery as one made in No. 11 Downing street. This ignores the fact that the last recession was the longest in economic history and was most certainly exacerbated by the deep contraction in public spending at the beginning of the last Parliament.

What is often conveniently ignored in debates such as this is the role of monetary policy. As I have said in the past, the UK economy continues to be on the life support of ultra-loose monetary policy. Central bank interest rates continue to be at an historically low level of 0.5% and the economy has been kept afloat with £375 billion-worth of quantitative easing. One of the perverse side-effects of QE has been to increase wealth inequalities as assets increase in value, a theme I will return to later. Monetary policy by the central bank filled the void left by the Treasury’s fiscal cuts, but it has led to a greater imbalance in the UK economy, where economic performance is now even more reliant on consumer spending, as opposed to public investment, exports and business investment. According to the House of Commons Library, household consumption now

accounts for over 60% of the UK economy, and it should be an urgent Treasury priority to rebalance and boost business investment and exports.

The Bank for International Settlements—or, to give it its other name, the central bank of central banks—has warned that the danger with the current ultra-loose monetary policy is that the western economies will become hooked on low interest rates and that any normalisation will lead to significant economic headwinds. In other words, there is a danger that the abnormal in monetary policy will become the new norm. The obvious consequence, if there is no normalisation of monetary policy, is that the central bank will be impotent when the next downturn comes. Let us remember that, since the second world war, the average economic cycle has lasted between seven and 10 years, which means that we might be due another downturn very soon.

Jeremy Quin: I am not certain what the hon. Gentleman is asking for. Is he suggesting that we should be hiking interest rates now? No one likes the extent of unconventional monetary policy, but hiking interest rates would come as a shock to many.

Jonathan Edwards: I am grateful to the hon. Gentleman for that intervention, because I was about to make the point that the Treasury needs to be very careful with our fiscal policy.

A study by Credit Suisse shows that since the turn of the century the UK has been alone among the G7 members in seeing its wealth inequality grow. Even the International Monetary Fund argues that reducing wealth inequalities is a key economic growth strategy. Unfortunately, the recent Budget, with its assault on tax credits, is likely to lead to an increase in income inequalities and wealth inequalities. Considering the pressure faced by the public finances and the cuts being imposed on support for the poorest in society, we oppose the intention to end inheritance tax on family homes worth up to £1 million. Inheritance tax raised more than £4 billion in 2015-16 and it should be an important element of a more balanced approach to fiscal consolidation, as opposed to the Tory obsession with cuts. The decision to scrap maintenance grants for the poorest students at the same time as introducing the regressive changes to inheritance tax will not solve the major social mobility problems in the UK.

The Chancellor has eased what the Office for Budget Responsibility had described as a “rollercoaster” fiscal policy, whereby cuts would be front-loaded, with a spending splurge at the end of the political cycle. However, spending on public services by the end of this Parliament as a percentage of GDP will be at its lowest level since 1964-65, according to the OBR.

The economy faces several major challenges. The first involves the grotesque geographical wealth inequalities within the British state and the over-reliance on London and the south-east of England. This problem has built up over successive Governments, to the degree that the UK is now by far the most unequal state in the European Union. Regrettably, the communities I represent are at the bottom of the pile. To be fair, the current UK Government at least acknowledge that there is an issue. Their response has been to devolve significant taxation powers to Northern Ireland and Scotland, which have received powers over

corporation tax and full income tax powers respectively. Significant powers are also being devolved to English city regions.

In the case of Wales, however, we are getting minor taxes and an income tax sharing arrangement pending a referendum many years down the line. The key question that the UK Government need to answer is this: what economic disadvantage do they envisage Wales facing as a result of our second-class settlement? Direct economic control from Westminster is clearly failing my country. We deserve equal respect with the other constituent parts of the UK and we need the same job creation levers that are being devolved elsewhere.

Secondly, the UK faces major challenges in relation to chronic levels of business investment and productivity. The Treasury Budget briefing note itself acknowledges that business investment levels in the UK are the worst of all major economies apart from Italy. To address this, the Treasury needs to return infrastructure investment to pre-recession levels, as advocated by the IMF. That would equate to around an extra 1% of GDP—£19 billion of extra investment across the UK with a share for Wales of around £1 billion. That is what we will be looking for when the Chancellor stands up next week to deliver his comprehensive spending review in his autumn statement.

3.4 pm

Mims Davies (Eastleigh) (Con): I am delighted to speak on the record from the Government side of the House on our growing economy. I oppose the motion.

More than 2.1 million more people are now in work, and income tax has been cut for 27 million people. Those are numbers that fall easily from the lips, but they have been much harder to achieve. In addition, 3.8 million people have been taken out of tax altogether. The state pension has been increased by £950 since 2010, and more than 120,000 families now have a home to call their own as a result of our Help to Buy scheme. Many Members have mentioned apprenticeships, and more than 2.3 million have been created since 2010. This Government have a proud record. It has been a good news story for me locally, and I congratulate Eastleigh college on its leading role in delivering those apprenticeships locally. I also want to thank all the businesses and companies that are part of the apprenticeship revolution.

In many ways, this economic revival has been hard won, against the best efforts of the Opposition to block any progress. We have cut fuel duty, and by the end of 2016 it will have remained frozen for five years. That puts more money in the motorist’s pocket for the school run and for getting to work. It is also saving our hauliers money, keeping people in jobs and keeping our economy growing.

This Government’s economic success represents the building blocks, but of course more needs to be done. We are proud of what we have achieved, but in each constituency we can all look to the extra measures and steps that we can take to move forward. Unemployment in Eastleigh is down by 199 people since this time last year and there are 45 fewer younger claimants. Those are numbers, but they are also people who now have a regular pay packet and the positivity and stability that work brings. That means a move from dependence to independence. Paying people to go away and not helping

[Mims Davies]

them to thrive is cruel and unacceptable. We are proud to be bringing in the national living wage, which is forecast to be more than £9 by 2020. This shows that we are the true party of the workers. It is wrong that we in Britain spend more on family benefits than do Germany, France or Sweden, with 7% of the world's welfare spending. That needs controlling.

There are blocks on our economy that we need to address. In Eastleigh, our local council is failing to provide a local plan that would help to deliver strategic progression and economic development in our area. Instead of a strong plan for delivering houses and helping our local economy, we have been left with piecemeal, hostile planning applications. The council is not seizing the opportunities that localism has been bringing to Eastleigh and, sadly, those powerful tools are not being used. The Liberal-led local council lacks a brownfield-first focus. It also lacks a local town centre focus, and some businesses have approached me to express concern for their future.

I am looking forward to an important event in the local calendar this weekend: the switching on of the Christmas lights. The event is important in promoting local shopping and encouraging people to think local, act local and play a part in the local economy. I hope to come back with some full shopping bags.

We need to continue to push for the infrastructure projects that affect all our constituencies. This will help with our productivity. Locally, I have clogged roads and poor east-west rail links. There is also a lack of by-passes in Eastleigh. However, I am working with the local enterprise partnership and we are battling for an enterprise zone to support Eastleigh and Southampton airport and bring in much-needed infrastructure. The Government also need to focus on how we can level the playing field for carers and parents who are coming back into the workplace. I have been encouraged by my meetings with Ministers to discuss that subject.

We have heard today that, without a strong economy, we will not be able to deliver the police and security services we need, or to react to the troubled times in which we find ourselves, here and abroad. There is a great need to succeed economically so that this Government can continue to do their job in keeping us safe. I conclude by saying again that I oppose the motion.

3.9 pm

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): First, may I apologise to the House for having to leave the debate halfway through to attend a meeting, Madam Deputy Speaker?

I wish to use this debate to talk about my community. Teesside and East Cleveland have suffered huge economic challenges since mid-September. I have tried to use other tools within the House to raise this before, but the situation in Paris at the weekend meant that it was right and proper that that took precedence. This, however, still needs to be put on the record: 2,000 direct jobs have been lost at SSI-Teesside Cast Products in Redcar—a plant I know very well as a former trade union officer there—following its liquidation, with 900 jobs lost downstream; 700 jobs have been lost at Air Products; 70 jobs have been lost at Johnson Matthey; 200 jobs

have been lost at Caparo, Hartlepool; 300 have gone at the Tees tax office; and last Thursday it was announced that 350 jobs are to go at Boulby potash in my constituency, with another 350 following that—that represents three quarters of the workforce there, and all of them are miners, so these are well-paid jobs. By any estimation, those statistics are truly dreadful. The direct impact on local people puts them in jeopardy, with their families and friends profoundly affected. It is hard to give proper representation to every single one of those people because of the massive effects on them. I know SSI steelworkers whose partners and sons worked at Boulby potash, and their ability to earn has been completely destroyed.

Those redundancies and potential redundancies are primarily in the private sector and are industrial. I cannot understate the feeling of abandonment that my communities feel in the face of this onslaught. The all-party group on steel and metal related industry has for a long time made the five industrial asks, but they remain unanswered. I have written to the Chancellor demanding a response on those industrial asks in the affirmative to help not only the steel industry, but all energy-intensive industries. We know that the previous coalition Government reduced the carbon capture and storage programmes from four down to one. I have also written to the Chancellor about that in relation to the Teesside Collective, and my hon. Friend the Member for Middlesbrough (Andy McDonald) raised the issue in Prime Minister's questions today. We are trying to turn this negative into an opportunity—to seize this bad publicity about industry in our area—and have a profound impact within the Tees economy by giving the Teesside Collective prime candidacy in terms of carbon capture and storage. I believe, and industrialists in the area know there is a means by which, we can not only revive steelmaking, but give a renaissance to process industries in the area if we have a state that is directly involved and provides a CCS scheme there. It has been four weeks since the steel summit and none of the asks by industry, the unions or MPs have been properly responded to.

One of those asks is about the profound issue of Chinese dumping. Some 94% of all Chinese steel that enters the EU enters the UK. There is something seriously wrong with that. We as an individual state can take action and there are lessons for us both within the European Union, and with our partner nations and allies; we could act not only protectively together, but as an individual state. That means having a Government who are proactive about trade defence. I cannot go into that now because of time constraints, but the Government should take it far more seriously.

Another big issue is our need for cheaper energy, and we should be supporting coal gasification. The Tees area is right next to the Durham coalfields and there are years and years, if not decades, of coal still under there which can be gasified. That syngas is 50% cheaper than conventional gas. Make no mistake: the United States will turn off the tap of the current shale gas exports we receive at the moment. The only reason we get that gas is because the US does not have enough container vessels to contain its own shale gas. When it does, that tap will be turned off, which will have profound effects on our economy and our ability to keep the lights on. We should be using that syngas to prioritise the steel industry and other manufacturing.

We have also seen our economy exposed to the Chinese economy, with the relevant figure being \$500 billion. In terms of steel, energy-intensive industries and manufacturing, China cannot, with its current subsidised practices, get market status from the EU. Ministers need to raise this issue over and over again: market status for China would end the conversation about whether we can maintain our manufacturing whatsoever.

Finally, let me make a point about defence. Unless this country looks at renewing the four Trident boats, there will be no viable way of saving the Dalzell steel site.

Several hon. Members *rose*—

Madam Deputy Speaker (Natascha Engel): Order. I am sorry, but before I call the next speaker I am going to have to drop the speech limit to four minutes.

3.14 pm

Luke Hall (Thornbury and Yate) (Con): First, I wish to associate myself with the call made by my hon. Friend the Member for Eastleigh (Mims Davies) for people to shop locally. Before coming to this House, I worked in retail from the age of 16, so I would say to people that the next time they are in south Gloucestershire, they should go to the high streets in Chipping Sodbury or Thornbury, which are two of the most beautiful in the UK.

I also wish to clarify a point. It was said earlier that the deficit was cut by just a third before the election, not a half, but figures released by the Office for National Statistics on 22 September demonstrate that public sector net borrowing fell between 2009-10 and 2014-15 from 10.2% to 5%, which is a fall of more than half in the last Parliament.

Managing a country's finances and responsibly managing taxpayers' money is one of the most important tasks of any Government. When the Government came to power in 2010, the country was borrowing more than £150 billion a year and unemployment had increased by nearly half a million. We had the second biggest structural deficit of any advanced economy. There have been some huge achievements over the past six years: as I have said, the deficit is down by more than half; there are over 900,000 more businesses, which have contributed to creating 2.5 million more private sector jobs; employment is up by over 2.1 million; there are more women in work than ever before; unemployment in my constituency is down by over 60%; and there are more women in work there than ever before, too. But the job is not done, and I urge the Minister to remind this House that there is more to do.

There are risks in the global economy that are threatening this country. I urge the Minister to stick to the plan and principles that have got us this far. I want to see those 2 million more jobs delivered, so that unemployment in my constituency can continue to fall. I want to see the 3 million more apprenticeships delivered, so that South Gloucestershire and Stroud College in my constituency can continue the excellent work it is doing by training more apprentices. I want to see taxes cut so that when those young people start apprenticeships or go into work they will be keeping more of their own money. I want to see us reform welfare, so that we can assure those young people that work always pay. I do not want

to explain to my children, grandchildren and great-grandchildren why my generation has burdened them with more debt than they can ever hope to repay.

Positive economic news has continued to come in the past few weeks. The OECD has forecast that we will be the joint-fastest-growing major advanced economy this year. The CBI has forecast that the UK economy will grow by 2.4%. The UK's trade deficit narrowed in September, construction grew in October and manufacturing growth accelerated in October. A World Bank report has ranked the UK sixth for "ease of doing business", so we are up two places from last year. I know that there will be more difficult decisions to come in the years ahead, but this Government will work tirelessly to continue to tackle them. It is clear from what we have seen over the past five years that markets, manufacturers and businesses around our country and in my constituency have confidence in this Government. I congratulate the Government on their fiscal management and policy, and ask that we plough ahead with our long-term economic plan.

3.18 pm

Chris Evans (Islwyn) (Lab/Co-op): It is interesting to hear speeches in this House. Since I was elected five years ago, I have been hearing the same thing from Conservative Members. The word "conservative" means to preserve a way of live. The Conservatives live in the past, they look back to the past and they are trying to preserve it, but the old certainties have changed. Globalisation is here to stay. Whether we like it or not, the way people go about their daily lives has changed for ever. Nobody will have a job for life any more. People will work in the same job all day and then come home to trade on Gumtree, eBay or Amazon. They will not see themselves as entrepreneurs but they will live an entrepreneurial life. It is up to Government to ensure that people can achieve their opportunities and ambitions.

The No.1 problem that anybody has in this country, whether or not they go to work, and whether or not they are in high-intensive industries, is climate change. Today's motion is actually talking about green industry. Green technology is the last best chance for this country. Highly labour-intensive jobs go where cheap labour is, and that is not here. That is why we must invest in green technology.

As is often the case, it is America that is providing the most innovative solutions. In 2006, the Californian Global Warming Solutions Act set some of the most ambitious targets for carbon reduction anywhere in the world. Emissions were to be reduced by 30% by 2020 and by 80% by 2050. It was not just the targets that mattered, because the Californian Government attacked greenhouse gases from every angle—from industry, cars, households, cities, motorways and even farms. The law impacted on them all and provided the base on which to reduce emissions. We often talk about how Government action can only go so far, and that is true, but the Global Warming Solutions Act not only changed the approach of Government, but shifted the market.

California is one of the most polluting and car-crazed cultures in the world. Its most popular car for two years running was the Toyota Prius, which lost its crown last year to another hybrid, the Honda Accord. The California example is one the UK must begin to follow. It is a

[Chris Evans]

fallacy to say that there is a trade-off between tackling climate change and economic growth. The Act aimed—and it is succeeding—to create a whole new clean-tech industry. It created jobs, developed cutting-edge technology, supported established companies and helped entrepreneurs.

Nearly 10 years on from the passing of that Act, California has become the developed world's second least carbon-intensive economy. For every dollar of goods and services, it emits less carbon than any nation except France. California is a living example of what research tells us to be true—that we can tackle climate change and dramatically boost our economy.

In 2011, Google.org compared a “business as usual approach” to the American economy pursuing a clean-tech approach. The report found that such a shift would do the following: grow the economy by \$244 billion a year; create 1.9 million jobs; save consumers nearly \$1,000 a year; and reduce total US greenhouse gas emissions by 21% before 2030 and by 63% by 2050. We have the ultimate opportunity to develop a carbon-neutral economy that creates jobs.

In my final 30 seconds I wish to focus on graphene. It was developed by British scientists, but it is the Chinese and Americans who are forging ahead with it. Of the 70% of patents on it, 24% come from either China or America. Only 1% comes from Britain. We must encourage our firms to ensure that when we make breakthroughs such as that they have every opportunity to develop them for commercial purposes. That is the point that I really want to make to the Government.

3.22 pm

David T. C. Davies (Monmouth) (Con): In the light of the disgraceful and shocking attacks in Paris, there have been calls from our constituents and from Members for the Government to spend more money on policing and security. Those calls are perfectly understandable. As someone who has spent nine years working as a special constable in the United Kingdom, I have enormous respect for the work of the police and for the role that they play in combating terrorism. None the less, it would be a huge mistake to think that we can increase our security on the back of borrowed money. The lessons of history tell us, over and over again, that that would be a mistake.

Let us look back at a few examples in recent history. A nation that has an unsound economy is unable to project itself militarily, to guarantee its own existence and to guarantee the security of its borders. Suez is perhaps seen as the last military defeat for the United Kingdom. However, it was not a military defeat at all, but an economic defeat. We were unable to continue in Suez—I make no comment as to whether we were right or wrong to be there—because our nation, already mired in debt as a result of the second world war, could not secure further borrowing from the IMF, as the Americans were threatening to devalue our economy.

The history of the DDR—Deutsche Demokratische Republik—is something that has always been of interest to me, because of my wife's eastern European nationality. The writing was on the wall for the Communist bloc and for East Germany in the early 1980s, although nobody saw it coming, when the East Germans had to go off and negotiate emergency borrowing from their

competitors and their apparent enemy, West Germany. Anyone could have seen what was eventually going to happen as a result of that.

A few years ago, when I was on the Council of Europe with my hon. Friend the Member for Hornchurch and Upminster (Dame Angela Watkinson), I went to visit Greece and was shocked by the state of the economy and the impact that it had had on its border control. It has lost complete and utter control of its borders, because its economy is in ruins. I am sure that I do not need to remind the Government of that. It is vital that we continue in the direction that we are going to reduce our dependency on borrowed money. When we came into power, we were borrowing £160 billion. As we know, that figure is down to about £70 billion. It is still too high but it is going in the right direction. I very much hope that, despite the challenges that we face, we will be able to protect police funding to as great an extent as possible.

I very much welcome the Government's announcement that there will be thousands of extra people recruited into the intelligence agencies. I know that the Government understand the pressures that the police are under and that they will be looking at how we can get more police officers on the streets without spending extra money. I am talking about cutting bureaucracy around things such as the stop and search forms. I would be very happy to give a few suggestions of my own as well.

The fact of the matter is that our long-term economic plan is not just about raising living standards for people in this country or controlling inflation and increasing growth, but about underpinning the long-term security of everyone in this nation.

3.25 pm

Geraint Davies (Swansea West) (Lab/Co-op): It is always a hilarious pleasure to follow the hon. Member for Monmouth (David T. C. Davies). I am very sorry that the Economic Secretary to the Treasury, the hon. Member for West Worcestershire (Harriett Baldwin), who is so brightly coloured in her UKIP blazer, has left the Chamber after giving her black and white comedy speech. A part of that speech was about how Labour has caused the problems and misery of the current day, but that is completely false. In fact, in the 10 years to 2008 under Labour, the economy grew by 40%, which is why we could double the size of the health service and the education service and lift millions of people out of poverty.

In 2008, we saw the financial crisis caused by the bankers and the sub-prime debt crisis. The then Labour Government under Gordon Brown along with Barack Obama provided a fiscal stimulus that got us back to growth by 2010. The key strategic issue in this debate is the balance between growth and cuts to get down the deficit. Labour errs on the side of growth, and George Osborne, when he arrived in 2010, decided to revert to cuts—I am talking about half a million job cuts. People stopped spending and we have had flatlining growth until relatively recently. What that has meant is that, while we have had more jobs, the overall production per job has gone down.

Kevin Hollinrake (Thirsk and Malton) (Con): Does the hon. Gentleman not recognise that, in 2008, the UK was in the deepest recession that it had been in since the

second world war, and that we are now the fastest growing economy in the G7? Will he acknowledge those facts today?

Geraint Davies: The fact that I do recognise is that, when we left office in 2010, debt as a percentage of GDP was 55%, and now it is 80%. The Labour party borrowed less in 13 years than the Conservatives have in five years. There has been a complete failure to invest in strategic growth, productivity, and wealth creation. Instead, debt has been used as a cover to attack the welfare state and public services, which are part of the public-private partnership on which Britain relies.

James Cartlidge (South Suffolk) (Con): I do not know what planet the hon. Gentleman is on. I was a mortgage broker who was running a business leading up to the crunch. I can safely say that the Financial Services Authority, which was created by Gordon Brown in May 1997, completely and utterly failed to regulate the banks. He cannot just walk away from responsibility. Labour has massive culpability for the unsustainable nature of the boom that led up to the massive crash in 2008.

Geraint Davies: The Labour party's spending plans were all agreed to by the Conservatives. We introduced regulation through the FSA and greater freedom for the Bank of England. The Conservatives opposed greater regulation, yet the lack of regulation led to the awful situation we are in now.

Returning to the current, ridiculous attempt to reduce the deficit and the debt by cutting tax credits, the fact is that, in simple terms, poor people spend all their money in the economy, whereas rich people tend to save it, often offshore. Robbing 3 million people of £1,300 to try to balance the books will therefore massively undermine regional economies, when we already have regional imbalances. Taking money from people who would spend it and giving it to those who will not, through changes to inheritance tax, is economically loopy and, in my view, quite wrong morally. Rather than lifting millions of people out of poverty, we are thrusting millions into poverty, in particular the extra 400,000 children who will be put into poverty.

Tax credits are an American instrument to encourage people to work. They are targeted at working families, so that people with children, who have greater needs, can afford to work. If you ran a business, Madam Deputy Speaker, and you could only afford to pay £10,000 to employ someone and make it viable, and if they needed £15,000 and the difference was made up by the Government, we would end up with a job and a viable business. If we withdraw tax credits, we destroy small businesses, destroy incomes, impoverish families and generate inter-generational poverty. It is disgraceful and quite wrong.

The situation with housing benefit is also ridiculous. Seventy per cent of the growth in housing benefit has been paid into private sector rents. Why? It is because the Government have not built enough social housing. Instead of building more social housing, they are basically selling it off to give the right to buy in housing associations. That is not the way forward.

As for procurement, with HS2 construction we are giving something like a £50 billion contract to the Chinese. If a British consortium had, for example,

a £55 billion contract, it would pay corporation tax, income tax and national insurance and would have local supply chains and build capacity in Britain—our steel would be going into the construction, rather than Chinese steel. Why have the Government failed to demand carbon tariffs on the cheap steel coming from China, which is produced more cheaply because China does not have the environmental controls that we demand in Britain?

We need more investment in city regions such as Swansea Bay city region, where the local authorities, industry and universities are working together. If we are going to have a national tax hub for Wales, which I am against, why is it being put in Cardiff, which can look after itself? It should be in Swansea Bay city region, a more deprived area. In terms of the trade deficit—*[Interruption.]* The point is that, as with the Driver and Vehicle Licensing Agency put in Swansea, if the Government can use the investment as an instrument of economic power, they should do so to help relatively deprived areas, not just London and the south-east.

The trade deficit is a massive 5%. We need to think more about emerging massive markets, such as China and India, whose middle classes are approaching 20%. Why are we not actively engaging to unite the creative and manufacturing industries to provide high-value products that we can sell in those markets, rather than moaning that we cannot produce spoons any more?

We also need to have an eye towards the Transatlantic Trade and Investment Partnership—obviously people will have heard of the free trade agreement with America—as well as the Comprehensive Economic and Trade Agreement with Canada, CETA, which is coming immediately. People are barricading the front door because of TTIP, while CETA is going through the back door—and will give companies powers to fine democratically elected Governments if we pass laws that impact on their future profits. We need to sort that out, but we also need to ensure that TTIP works towards a sustainable future for the world. My hon. Friend the Member for Islwyn (Chris Evans) mentioned global warming, and unless we embrace the need to ensure human rights, workers' rights and sustainable development within the constraints of TTIP, which will be the blueprint for global trading, we will not have a sustainable world or a sustainable economy.

We need to think more clearly about growth in a focused way, rather than always looking to cut things. As a constituent in Swansea said to me, if a company is making a loss, it has two options: sack the workers and sell the tools, or invest in growth, productivity and products. That is the focus of the Labour party.

3.33 pm

Suella Fernandes (Fareham) (Con): There are three main points that I wish to make about the motion. First, it is frankly absurd and reflects an Opposition who are totally out of step with the vast majority of the British people. I say that because its principles were robustly tested at the last general election in May and unequivocally rejected by the British people. The Labour party lacked all credibility on managing the economy and its proposals in May failed to persuade the country otherwise. Today we are simply seeing a defiant continuation of those principles and that attitude. Nothing has changed.

[*Suella Fernandes*]

Labour Members do not seem to have learned anything from the result in May. Instead, their approach has become increasingly intransigent.

The British people's lack of confidence in Labour reflects the economic situation with which it left the country in 2010, including a record budget deficit. At 10.2% of GDP, public sector borrowing was at its highest since records began—£1 in every £4 spent by Government was borrowed. On welfare, Labour left us with a benefits system that was so complicated that some people saw no point in working, because they would lose more in benefits than they would earn in work. Who pays the bill for welfare spending? It is the hard-working men and women of Britain. In Labour's last term in office, unemployment increased by about 1 million. The number of households with no one in work almost doubled. That is a shameful record for a party called Labour. That is the past and those are the facts, and that is why the British public did not trust Labour with the economy.

The motion has no substance. The picture it paints is simply not backed up by the evidence. This Government have a proud record so far. The deficit has been cut by more than a half as a share of national income. Income tax has been cut for more than 27 million people, and 3 million people have been taken out of tax altogether. In my constituency of Fareham, the jobseeker's allowance claimant count has fallen by about 100 in the past 12 months and by about 60% in the past five years. Unemployment in this country is lower than that in Italy, France, Ireland and Spain. Productivity is rising and hundreds of thousands of people have the chance to own their own home.

Those are the statistics and numbers, but this is about our values as a country. This Government's economic record reflects the values of the country that we want to be. It is about taking the difficult decisions so that we can safeguard our long-term security, and reinstating the relationship between effort and reward, work and dignity, and endeavour and aspiration. It is about the belief that people can get on in life through hard work, diligence and enterprise, and about making it easier for them to start their own business. Ours is an attitude of optimism and prudence. That is the country we want to build. The Conservative party gets that and we are delivering on that aim.

3.37 pm

Sammy Wilson (East Antrim) (DUP): I accept that the Government have done a number of things right for the economy, and the fact that they were elected indicates that many people across the United Kingdom take that view. That is not to say, however, that there are no flaws or faults in their current strategy.

The hon. Member for Cheltenham (Alex Chalk) accused us of saying that economic growth has been anaemic. The growth rate is as good as, and possibly better than, most other developed countries in western Europe. However, it is fragile growth. The Government and the Chancellor promised us that growth would be export-led, but that has not been the case. In fact, our exports have dropped dramatically. He promised that we would not go back to the days of boom and bust, with high consumer borrowing, and yet most of the growth is determined by consumer

spending based on borrowing. The Government cannot be complacent. There must be recognition that there are difficulties ahead and that there is a fragility to the improvements in the economy.

I want to make two points. As the shadow spokesman said, this debate is a prelude to what we want to hear in the autumn statement next week. First, there must be an element of fairness in the difficult decisions that need to be taken because of the economic problems that we still face. I implore the Minister to take back the message that has come not only from the Opposition Benches, but increasingly from his own Back Benches, that the burden cannot be placed on the shoulders of the working poor. There have to be substantial changes to the proposals made for the tax credit regime. The proposals will be contradictory anyhow, because for many people the Government's aim of making work pay will not be realised.

Secondly, when we talk about borrowing, we have to distinguish between borrowing for the kind of spending that the TaxPayers Alliance has highlighted in the past couple of weeks, which is wasteful, and spending which is productive and gives a return. Spending on infrastructure and on science and technology has fallen by 14%, yet it has been proved we are one of the countries with the most effective spending on science and technology and on research and development. Why do we not concentrate on borrowing for those purposes?

On infrastructure, I think of my constituency. One road costing £46 million has removed almost entirely the traffic jams that cost local businesses millions of pounds a year. The development at The Gobbins has attracted thousands of tourists and bed and breakfast bookings have helped the local economy. There has been a good return on those investments. If the Government are looking for ways of spending money and if there is to be borrowing, let us make sure that it is for such infrastructure investments, which will increase productivity, give a return, improve our competitiveness, contribute to the export-led growth that we want to see, and give us strong growth for the future.

3.41 pm

Jeremy Quin (Horsham) (Con): It is a pleasure to follow the thoughtful speech of the hon. Member for East Antrim (Sammy Wilson). He referred at the outset to the growth that we are currently achieving and I take his comments about that. The Office for Budget Responsibility suggests that we will have growth higher than 2.4% for each year in this Parliament. As has been said by many hon. Members, that puts us in the best cohort among all those in the G7. It is not a jobless recovery. We have 2 million more people in employment—that is, 1,000 extra per day. As the Minister said from the Dispatch Box, finally average wages are increasing in real terms, a trend that is extended by the national living wage introduced by my right hon. Friend the Chancellor.

That is a remarkable performance for any Government, but it is particularly remarkable in the context of what we inherited back in 2010. Here I respectfully draw a distinction between myself and the remarks of the hon. Member for Hayes and Harlington (John McDonnell). We can all remember wise people saying back in 2010 that if anybody came in to take the actions required to

sort out our economy, they would be out in opposition for a generation; that if people came in to tackle the problems that our country faced back in 2010—the legacy that we were taking on—that would be politically impossible. Those wise people underestimated the British people and the Government. They did not underestimate the hon. Member for Hayes and Harlington, whose comments suggested that austerity was a political choice to sort out the deficit. It was not a political choice; at the time it was economic necessity.

Imran Hussain (Bradford East) (Lab): I have heard from the hon. Gentleman and many others on the Government Benches today about the hundreds of thousands of new jobs, the increase in wages, and this road that leads to economic prosperity. Can he answer one simple question? Why is it, then, that under this Government half a million more children have been pushed into absolute poverty?

Jeremy Quin: In relative terms, there are fewer children in poverty than ever before, and I am delighted that half a million children have adults in their families who are working. That is the route to success and long-term prosperity.

I take issue with the suggestion made by the hon. Members for Swansea West (Geraint Davies) and for Hayes and Harlington that our fiscal problems resulted solely from the recession. It is easy to forget the golden legacy bequeathed by my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke). When the Labour party came into government, it had the third best structural position of any country in the OECD. When it left government—in fact, before that, on the eve of the financial crisis—it had the fourth worst. The hon. Member for Hayes and Harlington cited Gordon Brown. I have no confidence that the same sort of pattern would not emerge if Labour Members were ever again to grace the Treasury Bench. Despite the huge work and pressure that is being exerted by the Government, we are still increasing our deficit by £3,300 a year per household, and still spending £1 billion a week to service that debt. That is why we need a Government who are going to continue to get this under control.

The motion before the House is very long—I counted nearly 300 words—but it does not seem to contain any ideas as to how we should be cutting the deficit. It does, though, contain a couple of aspects that I would like to mention, one of which was referred to by the hon. Member for East Antrim: spend on research and development. It is a pleasure to be able to remind the House that with 1% of the world's population, we are responsible for 3% of R and D spend and 16% of the most important research; he was absolutely right about that. My hon. and learned Friend the Member for South East Cambridgeshire (Lucy Frazer) mentioned the report by the Royal Society, and the hon. Member for Islwyn (Chris Evans) raised the old bugbear of the inability to get our universities and our businesses working together. We seem to be getting on top of that. We are supposedly now fourth best in the world at getting that linkage, as well as being the second-best economy in the world in terms of global innovation. I welcome what the Government are doing through the global challenge fund in preserving the capital budget for R and D spending at, for example, the International Centre for Advanced Materials in Manchester.

James Cartlidge: Ultimately, my hon. Friend is talking about the importance of investment. It is necessary to reduce the deficit, and therefore eventually the long-term debt, in order to build an economic policy that is credible to outside investors and gives them the confidence to invest in this country. That is the key reason.

Jeremy Quin: I thank my hon. Friend, who is absolutely right. He is not the only wise person to make such remarks; the head of the CBI did so only recently. That fiscal rule gives companies the confidence they need that they can invest in this country and will continue to see long-term progress being delivered by this country.

The hon. Member for Dundee East (Stewart Hosie) talked about the need to have export-led growth. One of the problems we have with our balance of trade—I mentioned it in an intervention on the hon. Member for Hayes and Harlington—is that we are growing while our major markets are shrinking or teetering on the edge of recession. That is the sad aspect of the position we are in. While I am delighted that we have one of the best rates of growth of any country in the G7, it would be a lot easier if the whole of Europe were growing at the same pace. Whereas other countries are taking strong dividends out of this country from the investments they have made—dividends have gone up by 30% in the UK economy since 2010—we are not getting the same capital returns from the investments that we are making overseas. Nor are they in a position to buy the goods that we are manufacturing. There are many good stories to be told about our export business, particularly in the automotive sector, but if our customers cannot afford to buy our goods, that will inevitably come through in the statistics.

The answer is that we should be investing more and expending more effort on the growth markets of the world. I have to say to the hon. Member for Dundee East, and to other hon. Members, that we see the growth in China and in India, and we know how important they are. One would have needed the sleeping prowess of a Rip Van Winkle not to have noticed the efforts that the Government are making in India and in China to ensure that we are opening up those markets for our exports in future. I oppose the motion.

Several hon. Members *rose*—

Madam Deputy Speaker (Natascha Engel): I am sorry to say that I have to reduce the time limit for speeches to three minutes for the final Back-Bench speakers. I would be grateful if interventions were kept to zero or were very short.

3.50 pm

George Kerevan (East Lothian) (SNP): Where does growth come from? Government Members have made much of their claim to fame of having delivered growth, but if we want growth to be sustainable, where does it come from? Does it come from investment? There has been only a slight uptake in investment in the UK in the past 18 months. It will certainly not be the driver of growth, looking to the future. Does growth come from trade? Many speakers have said that trade has not added to growth since 2010, if not since 2008, when the recession began. In fact, trade in goods and services has been a negative—a drawback on growth—because imports have increased faster than exports. The Office for Budget

[George Kerevan]

Responsibility predicts that that will continue through the spending period to 2020. We have not rebalanced the economy—the Chancellor's claim in his emergency Budget in 2010 and at the beginning of this year—towards manufacturing exports. That has not happened and will not happen until, if we are lucky, the mid-2020s. That is the Government's palpable failure.

So where has growth come from? It has come from shifting public debt on to private debt, and from a growth in consumer spending, which is unsustainable because, the moment interest rates go up, it will turn into a huge negative as consumer debt piles up and consumers stop spending. The Government have created growth, but it is short term and unsustainable. The moment America starts to put up interest rates, we are in trouble.

Let us contrast that with the response to the previous recession in 1992. We had a devaluation in 1992, which boosted trade. We do not have that now. We need a real, not a paper focus—not rhetoric—on economic development, industrial investment and boosting our trade pattern. We should not cut science spending, which has happened, or subsidy and support for industrial investment. We need a real industrial plan and we do not have that. I predict that we will come back in a few years when interest rates start to go up and the drive from consumers that underpins growth goes, and the Government will be smiling on the other side of their face.

3.52 pm

Cat Smith (Lancaster and Fleetwood) (Lab): I want to speak briefly about the reference in the motion to 85% of the money saved from tax and benefit changes coming out of the pockets of women. Women and children are hit especially hard by the choices that the Government have made. With 4.1 million children now living in absolute poverty—an increase of 500,000 since 2009-10—and the Resolution Foundation projecting that a further 200,000 families will fall into poverty by 2020, it is clear that those who are paying the price of the economic crash in 2008 are not those who caused it.

My hon. Friends have pointed out that working families will be, on average, £1,300 a year worse off because of the tax credit changes. Young workers are also paying a dear price. The so-called living wage does not kick in until someone is 25. Does it cost those who are under 25 less to buy a loaf of bread or a pint of milk? Does a landlord charge less rent because someone is under 25? A living wage should be enough to live off, and people under 25 have many of same living costs as those of us who are over 25. A worker who is under 25, has one child and works a 35-hour week on the national minimum wage will not get the £910 a year pay increase next April, but will still lose £1,754.20 because of the tax credit changes. Housing benefit is no longer paid until people are 21, and with one in four homeless people being lesbian, gay, bisexual and transgender, that is hitting hardest those who identify as LGBT.

According to today's figures from the Office for National Statistics, the gender pay gap has fallen by 0.2% to 9.4% in the full-time median gender pay gap category. I welcome that fall, but progress is painfully slow. We are

looking at another 50 years before we achieve gender pay equality. Our pay gap is well above the European average. That has to do with many things—the segregated workforce, women working predominately in part-time jobs, women balancing caring responsibilities and the fact that maternity discrimination costs women £1,200 for an employment tribunal. It was not women, children or young people who caused the financial crisis, but they are absolutely paying the price for it.

The Chancellor has not closed the deficit, as he said he would. Borrowing is £200 billion higher than he planned in 2010, the productivity gap is widening and housing investment is falling. It gives me great pleasure to support the motion.

3.55 pm

Seema Malhotra (Feltham and Heston) (Lab/Co-op): I acknowledge all the speeches made during our debate on the Government's record on the economy. Among Conservative Members, the hon. Members for Cheltenham (Alex Chalk), for Eastleigh (Mims Davies), for Fareham (Suella Fernandes) and for Dudley South (Mike Wood) all have more than 3,000 families in their constituencies currently receiving working tax credit who will not have been reassured by their contributions today.

The hon. Member for Dundee East (Stewart Hosie) raised a range of issues about the unfairness of tax credits. My hon. Friend the Member for Sefton Central (Bill Esterson) spoke about the Chancellor changing his mind on his own fiscal target and the slowest recovery on record, as well as about concerns expressed by the business community. We heard a very passionate speech by my hon. Friend the Member for Middlesbrough South and East Cleveland (Tom Blenkinsop) on the devastating impact on families—thousands of jobs have been lost—of the Government's lack of support for the steel industry and their lack of response to the steel industry's five asks.

The hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) talked about the impact of the Government's policies on Wales. My hon. Friend the Member for Islwyn (Chris Evans) spoke about the demise of the green industry. My hon. Friend the Member for Swansea West (Geraint Davies) talked very eloquently about the business case for our economy of stronger investment in Britain. In the final Back-Bench speech, my hon. Friend the Member for Lancaster and Fleetwood (Cat Smith) spoke about the impact of the Government's policies on women and young people.

This has been an important debate, as we move into the final week before the publication of the spending review and the autumn statement. Given the repeated calls from the police, the shadow Chancellor, the shadow Home Secretary and the Leader of the Opposition warning about the scale of potential cuts to the police service and the impact of those cuts at this time, it is a shame that the Chancellor has so far not committed to funding the policing we need, including the community policing that generates vital intelligence on the frontline.

What we have seen from the Chancellor is a record of failure in building the productive economy that we need. He has failed to meet his own deficit target, borrowing £200 billion more than he planned in the last Parliament. He has failed on productivity, with the gap between UK productivity per hour worked and that of the rest of the G7 being 20 percentage points last year,

the widest productivity gap since 1991. He has failure on infrastructure investment, about which the British Chambers of Commerce recently stated:

“Britain’s infrastructure investment remains woefully inadequate”.

Progress on the Chancellor’s flagship infrastructure pipeline has stalled, with just 9% of its projects having started.

We know that British businesses still cannot access the finances that they need, with lending having fallen in nearly every month since 2011 and the latest figures showing an annual fall in lending to SMEs of 0.9%. Manufacturing is struggling, and Britain’s export market share is falling relentlessly. The Government’s target of doubling exports to £1 trillion by 2020 is now being met with ridicule. There is no better example of the Chancellor’s failure to support manufacturing than his inaction on the British steel industry. That high-tech, high-skill, high-paid industry is now in crisis, with thousands of jobs already lost and tens of thousands at risk.

We have seen that public services are not safe in the Government’s hands. In the NHS, waiting lists have increased by almost 1 million on their watch. The impending care crisis will heap even further pressure on our hospitals. The Government have failed to address the housing crisis. Local government is set to see a new wave of cuts to local services, leading to the closure of children’s services and putting social care under huge pressure. The proposed public health cuts could mean cuts to school nurses, sexual health services and other essential services—the vital prevention work that saves so much through early intervention.

The Chancellor’s policies are hurting not helping Britain’s businesses and working families. The tax credit cuts are yet another example of the Chancellor making the wrong choices. He is hurting not helping the people of Britain and holding back the British economy instead of building a better future. Last weekend, Labour campaigners went out across the country campaigning for a full and fair reversal of the Chancellor’s proposed tax credit cuts; standing up for the working families in their constituencies; and spreading the word that the Tories’ plans will make working families poorer, while making a few thousand families richer by cutting inheritance tax for the most wealthy.

It is not just those working families who will lose out. Millions of pounds will be lost to local economies as that money is sucked out from next April. That is cash that local people need to pay their rent or mortgages and their fuel and food bills. The Trussell Trust has warned today that the tax credit cuts will lead to a substantial rise in food bank use.

The hon. Member for Stevenage (Stephen McPartland), who last week boycotted a meeting in his constituency with a Tory Treasury Minister because the Minister thought it would be okay to turn up and refuse to discuss the burning issue of tax credits, has shown, through the publication of House of Commons figures, that child tax credits will be cut for many families—something that the Prime Minister denied at the time of the election. Only last week, the distinguished *Financial Times* columnist, Martin Wolf, said that this was “bad policy, dishonestly presented.”

In his 2011 Budget, the Chancellor promised to rebalance our economy. What has happened? Manufacturing employment has decreased by 10% since he has been Chancellor. He is hurting not helping our renewable energy industries. The Chancellor’s Britain is out of

touch with other nations. This is the only country cutting the support for renewables in favour of non-renewables. The Chancellor is hurting not helping Britain by cutting research and development investment. The last Labour Government had a target to increase private and public sector R and D to 2.5% of GDP by 2014. The latest official figures show that it is at 1.67%, which is behind the OECD and EU averages.

Even the British Chambers of Commerce is calling on the Chancellor to change his latest fiscal charter and deficit target so that spending on infrastructure is not included. A wide range of economists are starting to speak up against the Chancellor’s economic choices, saying why they are wrong for Britain.

Labour’s starting point is that we need to do much more to ensure that there is a prosperous and secure future, with a fair deal for everyone and a chance for all to get on. That means the state working in partnership with the private sector to invest for the growth and jobs of the future. If people are to be able to access those jobs, we must get our education system right. Schools should not be struggling to recruit and retain teachers, and we must recognise that cuts in further education are a false economy because people leave education even less equipped to succeed. The best way to build jobs for the future, rebalance our economy and spread prosperity is to invest in skills, infrastructure and technology. We must invest in the support that companies need to take a good idea from being local to being global. That is the kind of economic ambition that Britain needs, backed up by practical help to make British people more prosperous and secure.

The Labour party is committed to balancing the books, but to doing so in a fair way by building a bigger and stronger economy based on investing in our future. Creating better skilled, better paid jobs is good for British workers and, when they spend their money, good for British businesses. It also means higher tax receipts for the Treasury. The Chancellor’s interventions may appear to be good politics, but all too often they turn out to be wrong economics. His policies are hurting, not helping Britain’s businesses and working families, and his short-term cuts will prove a false economy for British taxpayers. Labour will offer a real alternative, with positive choices to support Britain’s businesses and workers and equip people for the jobs of the future. The Chancellor’s short-term choices will leave our economy more vulnerable. There is an alternative, in the long-term interests of Britain, and I urge hon. Members to vote with us in the Aye Lobby today.

4.5 pm

The Exchequer Secretary to the Treasury (Damian Hinds): Protecting the economic security of working people in Britain is precisely what we set about doing in 2010, it is what we fought the general election on earlier this year, and it is what the British electorate asked us to continue to do following the decisive result at the May election, as we were reminded of by my hon. Friends the Members for Dudley South (Mike Wood) and for Fareham (Suella Fernandes) and, graciously, by the hon. Member for East Antrim (Sammy Wilson), who speaks for the DUP.

Our programme for working Britain stands on four interlocked pillars. The first is a stable economy, backed by a credible long-term economic plan. Low inflation

[*Damian Hinds*]

and low interest rates support productive investment. The second is to back business. It is firms that give people jobs and families economic security, and it is innovation that generates economic growth. We know that only business can create the wealth that affords us the quality public services we all value so much. The third is the right incentives to work and the support to do so as we strive towards our goal of full employment. The fourth is a fiscal plan to eliminate our deficit and face up to the challenges of this generation, in this generation, instead of leaving an even bigger mountain of debt to our children and their children, as we were reminded by my hon. Friend the Member for Thornbury and Yate (Luke Hall).

We have made important strides on all these fronts. We are cutting the jobs tax, cutting red tape for business and creating record numbers of apprenticeships—my hon. Friend the Member for Eastleigh (Mims Davies) talked about the apprenticeship revolution. Since 2010, the private sector has created almost 2.5 million jobs. We have record levels of employment—indeed, more employment growth in the UK since 2010 than in the rest of the EU put together—and more women in work than before. Real wages have risen by almost 3% on the year, and we are leaving more cash where it belongs—in the pockets of hard-working people. Through our increases in the personal allowance, we are making the typical basic rate taxpayer £905 a year better off. We extended childcare support, and are doing so again, with tax-free childcare extensions under universal credit and free entitlement for pre-schoolers worth £5,000 per child per year. We have also set out a path for sustainable but solid deficit elimination so that we can live within our means and start paying down the debt.

Geraint Davies: What would the Minister say to Ben Bernanke, the former chairman of the US Federal Reserve, who has basically said he disagrees with the primary legislation that states we should always run a budget surplus because it provides no flexibility to respond to another crisis? In other words, is it inept?

Damian Hinds: At the present time, I have no particular message for the former head of the Federal Reserve, except to say that we inherited the most enormous deficit. We will continue to bring it down, which the British people gave us a mandate to do, and we will pay down the debt, because if we do not do that in the good times, when will we ever?

My hon. Friend the Member for Cheltenham (Alex Chalk) reminded us that when the financial crisis hit, the cupboard was bare, because of the structural deficit the Labour Government allowed to build up. In 2010, we immediately began the programme to bring that down. Since then, despite the oil price spike and the eurozone crisis, we have made great progress and have halved the deficit, but much more remains to be done. We set out what that would entail before the election and in the summer Budget: a combination of departmental spending reductions, tax measures and reductions to the welfare bill. Importantly, however, we are maintaining our commitment to the institutions on which Britons most rely: our schools and our world-leading national health service.

Elsewhere, however, we need to make savings, and next week, my right hon. Friend the Chancellor will set out the remaining detail in the autumn statement, alongside an updated fiscal forecast from the Office for Budget Responsibility. I know that right hon. and hon. Members will not expect me to pre-empt what my right hon. Friend will say next week.

We have set out a new settlement for working Britain. My hon. Friend the Member for Eastleigh enumerated some of what we have been doing to help hard-working families, including the increase in the personal allowance. The introduction of the national living wage will directly benefit 2.7 million workers on low wages, and up to 7 million people in total, and it is a measure that will disproportionately benefit women. We are doubling the free childcare offered to working families with three and four-year-olds, we have frozen council tax and fuel duty and we have capped payday loans—all actions that the Government have taken to support working families.

In the little time available I want to respond to some of the important points that have been raised. The hon. Member for Middlesbrough South and East Cleveland (Tom Blenkinsop) spoke powerfully—as he always does—on behalf of his constituents. He reminded us, as we know all too well, that economic growth does not take place evenly everywhere, and that some places and sectors face significant difficulties. This is a difficult and uncertain time for many people who have been affected by the issues that he raised. As he knows, the Government cannot control the world price of steel, and we cannot cover that entire complex subject in this debate. It is right, however, that the multi-million pound package has been put in place for Redcar and Scunthorpe, and my right hon. Friend the Business Secretary is fully engaged on that issue.

Tom Blenkinsop *rose*—

Damian Hinds: I am so sorry, but I cannot give way because of time.

Many other Members have made important and interesting speeches. My hon. Friend the Member for Horsham (Jeremy Quin) took us back to the golden legacy that the Labour Government inherited, and he reminded us of the key role of work in escaping poverty. My hon. Friend the Member for Monmouth (David T. C. Davies) reminded us that if we are not strong financially we cannot be strong militarily or in our national security.

The hon. Members for Sefton Central (Bill Esterson) and for East Antrim spoke correctly about the importance of investment in driving forward the next phases of our economic growth, and the Government have committed to spending £100 billion in this Parliament on economic and social infrastructure. With the reforms to vehicle excise duty, we will have the strategic roads fund for England. Despite fiscal consolidation, investment as a share of GDP will on average be higher this decade than under the last Labour Government. The hon. Member for Islwyn (Chris Evans) spoke about the importance of ensuring that we fully exploit in this country the innovations we make in this country. That is improving in some of the ways listed by my hon. Friend the Member for Horsham, but we must focus on it constantly.

Being in government brings with it responsibilities, but every difficult decision that we have taken to get this country back on track was opposed by the Labour

party. Those decisions were right, and they have put us firmly on a path to a fundamental strengthening of our nation's prospects. We have got to the stage where the economy is turning the corner. The deficit is down by more than a half, a record number of people are in work, living standards are rising, and low inflation is keeping household bills under control. But, of course, the job is not yet done. Complacency, and losing focus and fiscal discipline almost led our country to disaster in 2008, and that would be the worst thing that we could do now for the economic security of Britain.

Balancing the books is not a question of dry economics; it is a moral imperative and vital to our long-term economic security. It is the foundation behind the security of every family in Britain. Only through this Government's long-term economic plan can we deliver the continued prosperity that Britain deserves, and I urge the House to reject the motion.

Question put.

The House divided: Ayes 249, Noes 298.

Division No. 127]

[4.14 pm

AYES

Abrahams, Debbie	Creagh, Mary
Alexander, Heidi	Creasy, Stella
Allen, Mr Graham	Cruddas, Jon
Anderson, Mr David	Cryer, John
Arkless, Richard	Cummins, Judith
Austin, Ian	Cunningham, Alex
Bailey, Mr Adrian	Cunningham, Mr Jim
Barron, rh Kevin	Dakin, Nic
Beckett, rh Margaret	Danczuk, Simon
Benn, rh Hilary	David, Wayne
Berger, Luciana	Davies, Geraint
Betts, Mr Clive	Day, Martyn
Black, Mhairi	Docherty, Martin John
Blackford, Ian	Dodds, rh Mr Nigel
Blackman, Kirsty	Donaldson, rh Mr Jeffrey M.
Blackman-Woods, Dr Roberta	Donaldson, Stuart Blair
Blenkinsop, Tom	Doughty, Stephen
Blomfield, Paul	Dowd, Jim
Boswell, Philip	Dowd, Peter
Bradshaw, rh Mr Ben	Dromey, Jack
Brennan, Kevin	Dugher, Michael
Brock, Deidre	Durkan, Mark
Brown, Alan	Eagle, Ms Angela
Brown, Lyn	Edwards, Jonathan
Brown, rh Mr Nicholas	Efford, Clive
Bryant, Chris	Elliott, Julie
Buck, Ms Karen	Elliott, Tom
Burden, Richard	Ellman, Mrs Louise
Burgon, Richard	Esterson, Bill
Burnham, rh Andy	Evans, Chris
Butler, Dawn	Farrelly, Paul
Cadbury, Ruth	Fellows, Marion
Campbell, rh Mr Alan	Field, rh Frank
Campbell, Mr Ronnie	Fletcher, Colleen
Champion, Sarah	Flint, rh Caroline
Chapman, Douglas	Flynn, Paul
Coaker, Vernon	Fovargue, Yvonne
Coffey, Ann	Gapes, Mike
Cooper, Julie	Gardiner, Barry
Cooper, rh Yvette	Gethins, Stephen
Corbyn, rh Jeremy	Glass, Pat
Cowan, Ronnie	Glindon, Mary
Cox, Jo	Godsiff, Mr Roger
Coyle, Neil	Goodman, Helen
Crausby, Mr David	Grady, Patrick
Crawley, Angela	Grant, Peter

Gray, Neil	Meale, Sir Alan
Green, Kate	Mearns, Ian
Greenwood, Lillian	Miliband, rh Edward
Greenwood, Margaret	Monaghan, Carol
Griffith, Nia	Monaghan, Dr Paul
Haigh, Louise	Moon, Mrs Madeleine
Hamilton, Fabian	Morden, Jessica
Hanson, rh Mr David	Morris, Grahame M.
Harman, rh Ms Harriet	Mullin, Roger
Harris, Carolyn	Murray, Ian
Hayes, Helen	Nandy, Lisa
Hayman, Sue	Nicolson, John
Healey, rh John	O'Hara, Brendan
Hendrick, Mr Mark	Onn, Melanie
Hendry, Drew	Onwurah, Chi
Hermon, Lady	Oswald, Kirsten
Hillier, Meg	Owen, Albert
Hodge, rh Dame Margaret	Paterson, Steven
Hodgson, Mrs Sharon	Pearce, Teresa
Hoey, Kate	Perkins, Toby
Hollern, Kate	Phillips, Jess
Hopkins, Kelvin	Pound, Stephen
Hosie, Stewart	Powell, Lucy
Howarth, rh Mr George	Qureshi, Yasmin
Hunt, Tristram	Reed, Mr Steve
Hussain, Imran	Rees, Christina
Jarvis, Dan	Reynolds, Emma
Johnson, Diana	Reynolds, Jonathan
Jones, Gerald	Rimmer, Marie
Jones, Graham	Ritchie, Ms Margaret
Jones, Helen	Robertson, rh Angus
Jones, Mr Kevan	Robinson, Mr Geoffrey
Jones, Susan Elan	Rotheram, Steve
Kane, Mike	Ryan, rh Joan
Kaufman, rh Sir Gerald	Salmond, rh Alex
Keeley, Barbara	Saville Roberts, Liz
Kerevan, George	Shah, Naz
Kinahan, Danny	Shannon, Jim
Kinnock, Stephen	Sharma, Mr Virendra
Lammy, rh Mr David	Sheppard, Tommy
Lavery, Ian	Sherriff, Paula
Law, Chris	Shuker, Mr Gavin
Leslie, Chris	Siddiq, Tulip
Lewell-Buck, Mrs Emma	Simpson, David
Lewis, Clive	Skinner, Mr Dennis
Lewis, Mr Ivan	Slaughter, Andy
Long Bailey, Rebecca	Smeeth, Ruth
Lucas, Caroline	Smith, rh Mr Andrew
Mactaggart, rh Fiona	Smith, Angela
Madders, Justin	Smith, Cat
Mahmood, Mr Khalid	Smith, Jeff
Mahmood, Shabana	Smith, Nick
Malhotra, Seema	Smith, Owen
Mann, John	Smyth, Karin
Marris, Rob	Spellar, rh Mr John
Marsden, Mr Gordon	Starmar, Keir
Maskell, Rachael	Stephens, Chris
Matheson, Christian	Stevens, Jo
Mc Nally, John	Streeting, Wes
McCabe, Steve	Stringer, Graham
McCaig, Callum	Stuart, rh Ms Gisela
McCarthy, Kerry	Tami, Mark
McDonagh, Siobhain	Thomas, Mr Gareth
McDonald, Andy	Thomas-Symonds, Nick
McDonald, Stuart C.	Thornberry, Emily
McDonnell, John	Timms, rh Stephen
McFadden, rh Mr Pat	Trickett, Jon
McGarry, Natalie	Turley, Anna
McGinn, Conor	Twigg, Derek
McInnes, Liz	Twigg, Stephen
McKinnell, Catherine	Umunna, Mr Chuka
McLaughlin, Anne	Vaz, Valerie

Watson, Mr Tom
West, Catherine
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Whitford, Dr Philippa
Williams, Hywel
Wilson, Phil
Wilson, Sammy
Winnick, Mr David

Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Wright, Mr Iain
Zeichner, Daniel

Tellers for the Ayes:
Vicky Foxcroft and
Holly Lynch

NOES

Adams, Nigel
Afrিয়ে, 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
Borwick, Victoria
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, rh Tom
Brazier, Mr Julian
Bridgen, Andrew
Brokenshire, rh James
Bruce, Fiona
Buckland, Robert
Burns, rh Sir Simon
Burrowes, Mr David
Burt, rh Alistair
Cairns, Alun
Carmichael, Neil
Cartlidge, James
Cash, Sir William
Caulfield, Maria
Chalk, Alex
Chishty, Rehman
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Cleverly, James
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colville, Oliver
Costa, Alberto
Cox, Mr Geoffrey
Crabb, rh Stephen
Crouch, Tracey
Davies, Byron

Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Dr James
Davies, Mims
Davies, Philip
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Donelan, Michelle
Dorries, Nadine
Double, Steve
Dowden, Oliver
Drax, Richard
Drummond, Mrs Flick
Duddridge, James
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evennett, rh Mr David
Fabricant, Michael
Fallon, rh Michael
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Fox, rh Dr Liam
Frazer, Lucy
Freeman, George
Freer, Mike
Fuller, Richard
Gale, Sir Roger
Garnier, rh Sir Edward
Gauke, Mr David
Ghani, Nusrat
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
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
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, Sir Oliver
Heaton-Harris, Chris
Heaton-Jones, Peter
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
Kirby, Simon
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lamb, rh Norman
Lancaster, Mark
Latham, Pauline
Lee, Dr Phillip
Lefroy, Jeremy
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, rh Dr Julian
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
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
Morgan, rh Nicky
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mowat, David
Mundell, rh David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Dr Matthew
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
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Mr Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robertson, Mr Laurence
Robinson, Mary
Rosindell, Andrew
Rudd, rh Amber
Rutley, David
Scully, Paul
Selous, Andrew
Sharma, Alok
Shelbrooke, Alec
Simpson, rh Mr Keith
Smith, Chloe
Smith, Henry
Smith, Julian
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
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
 Vickers, Martin
 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
 Williams, Craig
 Williamson, rh Gavin
 Wilson, Mr Rob
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Noes:
Guy Opperman and
Jackie Doyle-Price

Question accordingly negated.

Further Education

4.27 pm

Lucy Powell (Manchester Central) (Lab/Co-op): I beg to move,

That this House believes that a 21st century economy cannot be built on falling investment in education; notes that the 16-19 education budget fell by 14 per cent in real terms over the last Parliament, and that many colleges are reporting severe financial difficulties, including no longer offering courses in subjects key to our country's competitiveness; further notes that over 100 chairs of further education colleges have warned that further cuts to 16-19 funding will tip their colleges over the precipice, and risk the nation's productivity; believes that, given that the participation age has now risen to 18 years old, it makes no sense for the post-16 education budget to be treated with less importance than the 5-16 schools budget; further believes there should be a joined-up approach to education across departments; and calls on the Government to protect the education budget in real terms, from the early years through to 19 years old.

Thank you, Madam Deputy Speaker.

"A good education shouldn't be a luxury—the preserve of those living within a certain postcode or those who can afford it. It should be something everyone in this country can get...if we don't educate the next generation properly, we will not secure Britain's future."

Those are not my words; they are the words of the Prime Minister just before the election, and I wholeheartedly agree with them. Indeed, I am sure that every parent and member of the public would agree that the route to success for a country lies in ensuring the best possible education for our children. Education is a down payment on the future success of our economy. I do not doubt that the Secretary of State for Education agrees with me, too. Yet as we approach the comprehensive spending review next week, I am concerned that she is losing the argument with her Treasury colleagues. That is why we have called this debate: to give her a bit of moral support in her battle to stop further, damaging wrong-headed cuts to the education budget.

In all honesty, I am perplexed that we are having to have this debate at all today. Conservative rhetoric at the election may have fooled many parents that the whole education budget was being protected, when we all know that the reality is far from that. If the principle exists that education is so important that we should shield schools' budgets—and we absolutely should—why does the principle stop at GCSEs and not extend to A-levels and other post-16 qualifications? That is the central question, and I hope that we shall hear a real answer from the Secretary of State today. Why do the Government ascribe less value to the education of 16 to 19-year-olds?

Mr Stewart Jackson (Peterborough) (Con): Why does the hon. Lady think that, during a period of economic growth, her party presided over rising numbers of people who were not in education, employment or training and rising levels of youth unemployment? In contrast, the number of NEETs under this Government, both in my constituency and throughout the country, is the lowest for 15 years.

Lucy Powell: Well, we are not seeing the biggest investment in post-16 education; and we shall see what happens to those budgets in the forthcoming comprehensive spending review.

[Lucy Powell]

Let us look at the context. Over the last Parliament, 16-to-19 funding fell by 14% in real terms, and many efficiencies have already been delivered. Moreover, children must now remain in education or training until they are 18. We want young people to go on to study A-levels or take up high-quality apprenticeships, we want to raise attainment in literacy and numeracy, and we want to deliver a new curriculum. In that context, how does the Secretary of State imagine that school sixth forms, sixth-form colleges and further education colleges will be able to make further cuts of between 25% and 40% over the current Parliament?

Henry Smith (Crawley) (Con): Earlier this month, I was delighted to visit Central Sussex College, which is expanding its STEM subjects facility. Its new building will enable it to provide many more courses for local people. Does the hon. Lady not welcome that?

Lucy Powell: Absolutely, but it sounds like an exception to what is happening in many other parts of the country.

Paul Farrelly (Newcastle-under-Lyme) (Lab): Like my hon. Friend, I have received a letter from more than 120 chairs of further education colleges. As well as presenting the picture of funding cuts and increased responsibilities that my hon. Friend is painting, the letter laments sudden funding reductions which have taken place not once but twice this year, and which have made it impossible to plan. Does my hon. Friend agree that this is no way to run a wheel stall, let alone a further education sector?

Lucy Powell: I entirely agree with that very well-made point. Not just FE colleges but sixth-form colleges—some excellent institutions in this country—would say the same.

Mr Geoffrey Robinson (Coventry North West) (Lab): The scale of these cuts is huge. Two FE colleges in Coventry have written to me in the wake of the letter to the Secretary of State from, I think, 147 colleges. They speak of cuts of up to 40% in their budgets, 1,000 redundancies, and the elimination of whole courses—important courses for apprentices and courses in English for non-English-speaking students, which we desperately need. It is the scale of the cuts that is unprecedented and unmanageable.

Lucy Powell: Absolutely, and I shall say more about that shortly.

Dr Andrew Murrison (South West Wiltshire) (Con): Will the hon. Lady give way?

Lucy Powell: I shall make some progress before I give way again.

Cuts of between 25% and 40% over this Parliament would have a devastating impact on the opportunities that sixth forms and colleges offer young people, and on our ability to build a high-wage, highly skilled, productive economy. If the principle that education spending is critical to the future prospects of the country is right, that principle should reflect the whole education journey. All the evidence shows not only that investment in 16-to-19 education is right, but that it reaps economic dividends.

John Redwood (Wokingham) (Con): Will the hon. Lady give way?

Lucy Powell: No. I am going to make some progress.

High-wage, highly skilled and more productive economies have high levels of attainment and investment in 16-to-19 education. International evidence tells us that investing in the literacy and numeracy of students in post-16 education is directly linked to higher productivity, and research shows that the economic returns from investing in 16-to-19 education exceed £20 for every £1 spent.

John Redwood: What did the hon. Lady learn from the very high levels of youth unemployment that we saw in 2009-10, when Labour left office, and why were people unable to secure apprenticeships then? [Interruption.]

The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah): Answer the question.

Lucy Powell: Give me a chance!

The right hon. Member for Wokingham (John Redwood) will remember that when Labour left office, we were in the middle of a very difficult global recession, but for the vast majority of our time in office, our record on youth attainment and educational achievement was excellent.

Mary Creagh (Wakefield) (Lab): I am sure my hon. Friend will remember the landmark future jobs fund that was set up by Labour in government, in stark contrast to the Conservatives who when they came in in 2010 cut it off and cut off access to technician training, as they are doing for another generation of young people in 2015.

Lucy Powell: Absolutely.

I know we will hear from the Conservatives that these spending decisions are all necessary to deliver what they like to refer to—I hope this will get me some brownie points—as their long-term economic plan—[HON. MEMBERS: “Hooray.”]—and a strong economy, but, as the Prime Minister agrees, investing in education and skills helps our economy to grow and reduces the deficit. Indeed, the reverse is also true: slashing and burning education, whether in schools, sixth-forms or further education, will lead to greater reliance on the state for unqualified young people and lower tax returns for those in lower paid jobs. Cutting education spending at the altar of deficit reduction is a false choice, and it is economic stupidity.

Angela Smith (Penistone and Stocksbridge) (Lab): My hon. Friend is making some very important points about the impact on the economy of short-sighted cuts to the post-16 education budget. In the north, of course, we have our part to play in delivering the Chancellor's northern powerhouse—[HON. MEMBERS: “Hooray.”]—brownie points, again. What does my hon. Friend think the impact will be on progressing the northern powerhouse if we cut back significantly on the investments we need to see in productivity in places like Barnsley in south Yorkshire?

Lucy Powell: My hon. Friend makes an excellent point. If we speak to anybody overseeing some of the big infrastructure projects under way at the moment,

they will say their biggest problem is bridging the skills gap they face in delivering those infrastructure projects, so this is a very serious issue.

If the Conservative party, from the Prime Minister down, truly believes in the principle that education is a public good, it is baffling why provision for 16 to 19-year-olds is wholly unprotected and facing further massive reductions.

Let us look now in more detail at what is really happening on the ground and the potential impact of the forthcoming comprehensive spending review.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Will the hon. Lady join me in condemning the Labour Welsh Government's 6% cuts in this year's 2015-16 Welsh FE budgets—I speak as a former director of an FE college—and the likely loss of 1,000 jobs, which is leading to industrial action this week in Wales? This is no way to run a wheel stall, let alone a country.

Lucy Powell: Well, there are going to be devastating things coming further down the track, as the Barnett formula will have impacts for Wales, and for Scotland as well.

Let us look at the context. First, with the budget for provision for 16 to 19-year-olds down by 14% in real terms over the last Parliament, post-16 education is at breaking point. Principals are desperate to maintain provision and parents are worried about the narrowing opportunities for their children, and this is filtering down to our young people who feel this Government do not value their education. This is not scaremongering. As has already been said, 139 chairs of FE institutions wrote to the Chancellor recently warning that further Government cuts threaten the viability of their colleges.

Already we are hearing that sixth-form colleges and FE colleges are dropping courses and reducing classes and teaching hours, and it is not beauty courses or fashion courses that are going first, as many Conservative Members want to think; it is the expensive A-level courses such as science, maths and modern foreign languages. Let us repeat that for Conservative Members: we have a Government who are overseeing the loss of A-level courses in science and modern foreign languages. What modern-day Government have ever done that?

Secondly, the raising of the participation age to 18, which we legislated for and continue to support, comes with extra pressure on institutions, with an increase in student numbers. New requirements on compulsory resits and a new A-level curriculum also further increase expectations on sixth-forms and FE colleges. During a period of such significant change, we would expect the Government to support teachers in the transition to a new system. In New South Wales and Ontario, where the minimum school leaving age was increased recently, additional resources were provided to deal effectively with the extra numbers; instead, changes in our country are taking place in the context of significant reductions, with more severe cuts on the way. That will lead to poorer outcomes through fewer teaching hours and less support.

A recent report has found that, from next year, A-level students face the prospect of being taught for 15 hours a week—just three hours a day—because of the fall in funding since 2011. And that is before we have heard

the announcements in next week's comprehensive spending review. In Shanghai, Singapore and other high-performing education systems that the Secretary of State likes to talk about, sixth-formers are taught for more than 30 hours a week. This Government are downgrading our education system to part time, leaving our young people behind their counterparts abroad in the global economic race. I think I get brownie points for mentioning the global economic race, too.

The Government's area reviews also threaten the viability of some high-performing institutions in a sector that the Education Secretary herself has described as fragile. Yes, there are opportunities for joint working and efficiencies, but it is impossible for the area reviews not to be seen in the context of cuts to the sector, which further undermines the viability of those institutions. What is more, it is simply ridiculous to look at only half the provision and to ignore the many institutions that are in the greatest peril. Studio schools, school sixth forms, new free school sixth forms and university technical colleges are not included in the area reviews. They are the institutions that are most likely to be in danger of losing their viability, yet they are out of the mix. At the same time, the Government are content to put many high-performing and excellent colleges at risk. Our sixth-form colleges are outstanding providers of 16-to-19 education. They offer fantastic value for money by delivering strong outcomes for young people at a lower cost to the public purse than school and academy sixth forms.

Damian Green (Ashford) (Con): How much more money does the hon. Lady want to spend, and where is it going to come from?

Lucy Powell: The question we should be asking is: what will be the cost of these cuts? People will be getting lower-paid, lower-skilled jobs and drawing down on the state for longer periods of time.

There is excellent sixth-form provision in Greater Manchester, my own area, which is currently undergoing an area review. Winstanley College in Wigan and Loreto College in Manchester provide some of the best value-added in the country, and they outperform schools in getting kids from all backgrounds the highest grades in A-levels. I am sure that Conservative Members would be appalled to think their local sixth-form colleges could be under threat, but this is the reality in other parts of the country. Further massive reductions in funding will result in good sixth-form colleges and good school sixth forms closing. The 25% cut that the Chancellor has asked the Secretary of State's Department to find is equivalent to the loss of half of all sixth-form colleges and one third of FE colleges.

Rachael Maskell (York Central) (Lab/Co-op): Does my hon. Friend agree that FE colleges are further disadvantaged in that they have to pay VAT, whereas free schools and sixth forms do not?

Lucy Powell: My hon. Friend makes an excellent point; she is absolutely right.

Dr Sarah Wollaston (Totnes) (Con): South Devon College in my constituency is just such an example of a fantastic sixth-form college doing amazing work in the further education sector. Everyone in the House hopes that the Chancellor will be as generous as possible to

[Dr Sarah Wollaston]

further education, but another challenge that these institutions face is that they need multi-annual settlements so that they can make forward plans. Will the hon. Lady join me in asking for such a measure to be introduced?

Lucy Powell: Absolutely. That is a very sensible suggestion, and I hope that those on the hon. Lady's Front Bench will listen to it. The problem is not just the nature of the cuts but the fact that they are coming so late in the cycle.

On the figures that I have just outlined, sixth forms will no longer be the proud beacons of success that they are now, and Conservative Members will need to get their heads out of the sand if they do not want to see some of these valued institutions go to the wall.

David Rutley (Macclesfield) (Con): Will the hon. Lady give way?

Lucy Powell: I am not going to take any more interventions—oh, go on then! I will take one more.

David Rutley: I thank the hon. Lady, my near neighbour, for her generosity. It is much appreciated. She has talked repeatedly about the importance of budgets, and of course they make a contribution, but does she agree that more innovative practices need to be adopted, including forging stronger links with businesses and the community, to ensure relevance and the best possible outcomes for young people? Will she talk about that, too?

Lucy Powell: Absolutely. There is some really good best practice in this area, but as was suggested in previous comments, it is hard to innovate with such short budget settlement timelines—for only a few months later—in a difficult funding climate. We need to look at how we can ensure that innovation happens in the sector.

Joan Ryan (Enfield North) (Lab): My hon. Friend has referred to international experience. I am sure she is aware that investing in the literacy and numeracy of students post-16 is linked to higher productivity in their working lives. Does she therefore agree that the wrong-headed policy of the Government towards further education is threatening our economic success?

Lucy Powell: Absolutely. Raising productivity is the key challenge that our economy faces, and I do not understand a Government who say that the principle is right on protecting education spending up to 16, but not on doing so up to 18 and 19, given that such attendance is now compulsory. I do not understand that logic, and I hope that the Secretary of State can explain it to us today.

Dr Murrison *rose*—

Lucy Powell: I am not giving way as I want to make some progress.

In conclusion, I think we can all agree that investment in education is a good thing. I hope the Secretary of State can explain how further education and sixth-form colleges are to deal with further significant reductions, on top of the efficiencies they have already delivered. I hope she is fighting a rearguard action against the

Treasury, and in that she has my full support. I hope she will join us in supporting this motion, which recognises that an education journey for every child now continues up to 19. Good and outstanding sixth forms and FE colleges are under threat. Expensive courses such as A-levels in science and languages are being dropped. Teaching hours are half of those in our competitor countries. That is the reality of 16-to-19 education today. As a parent, it gives me a huge cause for concern, but as a politician I believe that cuts on this scale are a false economy which will damage our productivity, our economy and our ability to pay down the deficit. I commend the motion to the House.

4.47 pm

The Secretary of State for Education (Nicky Morgan): I thought at one point in the speech made by the hon. Member for Manchester Central (Lucy Powell) that we were in danger of having cross-party consensus break out, but she veered away from that when confronted by good news stories about the post-16 sector. I also liked the way she mentioned the long-term economic plan, even though she probably did so through gritted teeth.

It is a pleasure to respond to this debate on such an important area—we can genuinely all agree on that. A vibrant post-16 education sector gives young people the skills they need to succeed in life, and it is a key part of this Government's commitment to governing as one nation and extending opportunity throughout the country. I am sad to say, however, that it seems to be becoming an unfortunate habit of the hon. Lady to use all her public appearances to talk down the significant achievements and good things that are happening in our education system: first, we had the undermining of the achievements of academies, including one in her constituency; secondly, we had the scaremongering on teacher recruitment; and now the Opposition are trying to create a sense of panic in the post-16 sector. Yet again, an Opposition day motion reveals that, as we heard from the Labour leader at Prime Minister's questions, they still believe in the existence of the Labour party's magic money tree.

Angela Smith: I speak as somebody who got to university from FE as a mature student and who worked for 10 years as a lecturer in FE. Barnsley college in my constituency is outstanding—it is an excellent institution. Given what the Secretary of State has just said, can she guarantee that the services that it provides for local people will not be damaged in any way by Government cuts to the institution over the forthcoming period?

Nicky Morgan: The hon. Lady was doing a great and valiant job of talking about the excellence of a college in her constituency, but then immediately tipped off into the word “cuts”. She ought to wait to see what is in next week's spending review.

Several hon. Members *rose*—

Nicky Morgan: Let me make some arguments with which the Opposition can take issue, and then I will happily accept some interventions.

The shadow Secretary of State asked why, under this Government and the coalition Government, we have prioritised spending on five-to-16 education. The answer is extremely simple, and we have debated it before in this

House. One in three children was leaving primary school unable to read, write and add up properly and, in this difficult economic climate, we decided that that was where we should put our education investment. If a child is not literate or numerate by the time they leave primary school, they are far less likely to get good GCSEs, and to progress into higher education, an apprenticeship or the world of work.

Melanie Onn (Great Grimsby) (Lab): By taking away the funding now, the Government are damaging the children who do not have those skills and who rely on FE to achieve those level 1 and 2 qualifications.

Nicky Morgan: The reason why those children do not have those skills is that they were educated under a Labour Government.

Paul Farrelly: The Secretary of State said that the comprehensive spending review has not been announced yet, but it is not just magicked out of the ether, so can we cut to the chase? Will she tell the House what cuts she has said she will accept to the post-16 budget, and how she squares that with the treatment of funding for education up to 16?

Nicky Morgan: Nice try! That would be like the hon. Gentleman sending his election campaign leaflets to the opposition and saying, "These are the arguments I am going to make." He will know that, in any negotiation, no person reveals their hand before the final announcement, which, in this case, is next week.

Mr Geoffrey Robinson *rose—*

Christian Matheson (City of Chester) (Lab) *rose—*

Nicky Morgan: Let me make some progress, and then I will take further interventions.

The shadow Secretary of State asked why we prioritised spending on five to 16 rather than 16 to 19. I wonder whether she has checked out what her own party did when they were last in Government. What is interesting to note is that per pupil student funding increased twice as fast for those aged five to 16, between 2005-06 and 2010-11, as it did for those in 16-to-19 education. That is the very thing that she accuses us of doing.

Sir Oliver Heald (North East Hertfordshire) (Con): Has my right hon. Friend any information that will enable us to judge whether more children are now in a good or outstanding school, and what achievements are being made as a result of that vital investment put in at a very difficult time by the previous Government?

Nicky Morgan: My hon. and learned Friend looks at the achievements and the positives, which is important. I am delighted to say that 82% of schools across England and Wales are now rated good or outstanding. That is a significant increase since 2010. We have more students studying maths A-level, more students doing the EBacc and the core academic subjects, more students learning to read well and confidently by the end of the first stage of primary school, and more students doing better at the key stage 2 test at the end of primary school leading into secondary school. Clearly, despite the difficult economic climate of the previous Parliament, some really, really good progress has been made.

John Redwood: The Opposition were making the case that our colleges are not giving enough contact hours to students, which was a surprising criticism. Will the Secretary of State confirm that, when students undertake advanced level studies, they need time for private reading, research, writing and problem solving as well as time with teachers? I presume that that is what our colleges are doing.

Nicky Morgan: My right hon. Friend is absolutely right. Young people, post-16, will have a mixture of face-to-face tuition, study in smaller groups, study in larger groups and their own study time, which prepares them for the next stage. The funding that colleges receive is for 600 hours, which enables them to teach a number of A-levels or technical qualifications.

Paula Sherriff (Dewsbury) (Lab): How does the Secretary of State respond to the suggestion of Professor Alison Wolf that Britain's supply of skilled workers may vanish into history if looming cuts to further education go ahead?

Nicky Morgan: What I would say to the hon. Lady is that we helpfully had the support of Professor Alison Wolf in the last Parliament in getting rid of 3,000 qualifications that did not prepare our young people for the world of work at all. The EBacc subjects that I have been talking about—the core subjects of science, technology, engineering and maths: just what we need for the future of our country—are exactly what our education system is rightly focusing on.

The Minister for Skills (Nick Boles): She is on our panel that we announced last week.

Nicky Morgan: As my hon. Friend says, Professor Alison Wolf is also on our panel looking at technical and professional education.

I want to remind the House that the reason we spend almost the same amount on servicing our debt as we do on the entire schools budget is because of the financial mismanagement of the Labour party. Its recklessness means that we have been forced to make difficult decisions to balance the books and live within our means, because if we had not, our education system would have fallen into the chaos that we have seen in countries that have failed to balance the books—thousands of schools closed in Greece; teacher and lecturer pay slashed in Greece, Ireland, Portugal and Spain; an exodus of talent.

John Howell (Henley) (Con): Is my right hon. Friend surprised that nobody has yet mentioned our ambition to have 3 million apprenticeships by 2020? There has already been a significant increase in my constituency.

Nicky Morgan: My hon. Friend is pre-empting what I am coming to. I would like to say that I am surprised that Labour Members have not so far mentioned apprenticeships, but they would not want to bring attention to our track record in the last Parliament of delivering double the number of apprenticeship starts than that delivered by the last Labour Government.

Joan Ryan *rose—*

Ian Mearns (Gateshead) (Lab) *rose—*

Nicky Morgan: I am going to make some progress.

We heard from an Opposition Member about youth unemployment. In 2010, youth unemployment had risen by a staggering 40%, under the last Labour Government. That was the legacy of the Labour party when it comes to young people's life chances—a legacy that I am pleased to say we have painstakingly reversed, to the extent that we now have the lowest proportion of 16 to 18-year-old NEETs on record and the lowest NEET rate for 16 to 24-year-olds in a decade. Having seen the nonsense, back-of-a-fag-packet calculations about the spending review that the hon. Member for Manchester Central attempted to brief out last week, I am more relieved than ever that her hands are nowhere near the public finances. We have protected the schools budget because we know that education is the best investment we can make in the future of our country. Our analysis, backed—

Several hon. Members *rose*—

Nicky Morgan: I am not going to take any interventions for a while. I am going to make some more arguments and then Labour Members can come back and try to justify their track record in government, which is woeful.

Our analysis, backed by the Institute for Fiscal Studies, shows that the boost in the number of pupils getting good GCSE grades in England since 2010 is estimated to add around £1.3 billion to the country's economy. Pupils who achieve five or more good GCSEs including English and maths as their highest qualification will each add on average around £100,000 more to the economy over their lifetimes than someone with below level 2 or no qualifications.

Had the Opposition chosen this business for the week after next, we could have had an informed debate about the post-16 settlement for the next four years, but they did not choose that. They chose to have an opportunistic, scaremongering debate today.

Wes Streeting (Ilford North) (Lab) *rose*—

Catherine West (Hornsey and Wood Green) (Lab) *rose*—

Christian Matheson *rose*—

Nicky Morgan: I have said that I am not going to take any more interventions until I have made some more arguments.

As hon. Members decided not to do that, we cannot have a sensible debate—[*Interruption.*]

Madam Deputy Speaker (Mrs Eleanor Laing): Order. The debate has so far been well behaved. I was about to say that we are not in a sixth-form college, but my goodness, a sixth-form college would be better behaved than this. The right hon. Lady must be heard, otherwise no one will be able to argue against her.

Nicky Morgan: Thank you, Madam Deputy Speaker.

I want to start by recognising the enormous success, despite the financial constraints, of the post-16 sector in the last Parliament—2.4 million apprenticeship starts and more young people than ever going to university; 97% of young people now studying English and maths at 16 to 19 who did not achieve good passes at the age of 16; new gold-standard qualifications such as tech levels,

rather than thousands of worthless courses such as marzipan modelling and balloon artistry. That is the legacy of the last five years of this Government's approach to growth and skills, and it is a record I am proud to defend. Ensuring that our young people have the skills they need to succeed in an increasingly globalised labour market is vital to driving up national productivity.

Our plans for 16-to-19 education lie at the heart of our productivity drive. The plan published at the start of this Parliament by my right hon. Friends the Chancellor and the Secretary of State for Business, Innovation and Skills enshrine the role of an improved 16-plus skills system in driving up our nation's productivity. With rapid technological progress and greater global competition, the skills we give the next generation are fundamental to the UK's future growth.

Damian Green: On 16-to-19 skills, if the Education Secretary would like to see physical, palpable evidence that gives the lie to the Opposition's case that it is all going wrong, I invite her—and, indeed, the shadow Education Secretary—to Ashford, where, after years of delay, a new further education college is being built in the centre of town. It will open in 2017 and will provide precisely the kinds of skills that all our young children will need for the next generation. It was planned under the previous Government and it will be built under this Government.

Nicky Morgan: I am delighted to hear that. Only last week, I opened the newly refurbished sixth form at Loughborough college in my own constituency.

Helen Hayes (Dulwich and West Norwood) (Lab): If the Secretary of State is not prepared to talk about the forthcoming spending review, perhaps she could talk about some of the cuts that have already taken place. Lambeth college, which serves many of my constituents, has entirely stopped teaching English for speakers of other languages because of an in-year cut it did not know it was going to have to accommodate. It has stopped teaching ESOL to students who are mandated by Jobcentre Plus to take ESOL courses. Does the Secretary of State agree that this is an entirely false economy? It is preventing students—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. The hon. Lady is not making a speech; she is making an intervention. The Secretary of State has got the gist of it.

Nicky Morgan: The hon. Lady speaks with great passion. She is talking about the adult skills budget, but what we are debating today is 16-to-19 education. If she looks at the detail of that contract, she will see that it was not performing as well as expected. I think she would agree that every single pound of taxpayers' money spent by Government should work as hard and as effectively as possible.

Catherine West (Hornsey and Wood Green) (Lab) *rose*—

Mr Geoffrey Robinson *rose*—

Nicky Morgan: I am going to make some progress.

Throughout the globe, nations are investing in high-quality technical and professional skills, and reaping the rewards through higher productivity and living

standards. This Government's ambition is to develop a world-leading system to deliver the skills that the economy needs not just for today, but for the future. We will deliver a post-16 skills system that provides young people with clear and high-quality routes to skilled employment, either directly or via higher education. Apprentices are a key part of some of the most successful skills systems across the world.

Wendy Morton: My constituency of Aldridge-Brownhills has some great examples of apprenticeship schemes, which are run by a neighbouring college and by businesses and other providers. Will my right hon. Friend join me in thanking all those organisations for the fantastic job they are doing in creating apprenticeships, which are helping us to deliver the skills that we need for this country's productivity—

Madam Deputy Speaker: Order. It is not a speech.

Nicky Morgan: My hon. Friend speaks with passion and eloquence about her constituency. She is absolutely right to say that the 2.4 million apprenticeship starts in the last Parliament and the 3 million we have committed to in this Parliament are transforming the opportunities available to young people and employers.

Catherine West *rose*—

Mr Geoffrey Robinson *rose*—

Nicky Morgan: I am not going to take any further interventions for the moment.

Around the world, apprenticeships have long been recognised as a crucial way to develop the skills wanted by employers. We have committed to a significant increase in the quantity and quality of apprenticeships in England for 3 million starts in this Parliament, putting control of funding in the hands of employers. That step change in the scale of the programme needs a step change in funding. We will therefore introduce a levy on large employers to fund the new apprenticeships, ensuring that they invest in their future workforce. That follows examples of levies to fund training that are already in place in Germany, France, Denmark and more than 50 other countries, often supporting high-quality apprenticeship systems.

As Professor Alison Wolf, who has already been mentioned, set out in a recent report, it is now time for the UK to do that as well. We want young people to see apprenticeships as a high-quality and prestigious path to successful careers, and for those opportunities to be available across all sectors of the economy and at all levels.

Catherine West *rose*—

Nicky Morgan: The hon. Lady has been so persistent that I will give way to her.

Catherine West: I am grateful to the Secretary of State for giving me the opportunity to intervene. I am aware of an apprenticeship offer that involves going into a sandwich shop for two or three days a week to learn how to use a cash register. Does the Secretary of State consider that to be a high-quality apprenticeship?

Nicky Morgan: First, I do not think the hon. Lady should be undermining those who do that sort of work. They are serving our economy very well. More importantly,

those are the sort of apprenticeships that happened under her party when in government. We have reformed the framework, the incentives, the quality and the demands for training. That is why we have launched the trailblazer apprenticeships. Rather than knocking the start given to young people by apprenticeships, she should be talking them up.

Our reforms are leading to employer-led trailblazers, designing quality apprenticeships that provide exactly the skills, knowledge and behaviours required by the workforce of the future. In the previous Parliament we swept away the panoply of vocational qualifications that allowed politicians to trumpet ever-higher grades, but which were not respected by employers and did not lead to a job. Now we will go further, across both apprenticeships and classroom-based technical and professional education.

We will simplify the currently over-complex system, working in direct partnership with employers to ensure that the new system provides the skills most needed for the 21st-century economy. Up to 20 specific new professional and technical routes will be created, leading to employment or degree-level study, which will be as easy to understand as academic routes.

Mr Geoffrey Robinson: Will the Secretary of State give way?

Nicky Morgan: No. I am not giving way further.

These new routes will take young people from compulsory schooling into employment and the highest levels of technical competence, which for many will mean moving on to apprenticeships as quickly as possible. Young people taking one of these routes will be able to specialise over time in their chosen field, gain a work placement while in college, and then move into an apprenticeship when they are ready.

To deliver the reforms, we are delighted that we can work closely with an independent expert panel. I am sure that even the hon. Member for Manchester Central can bring herself to welcome it, as it is headed by Lord Sainsbury, former Minister for science and innovation in the Labour Government. We are grateful to the panel members, including, as we have heard, Professor Alison Wolf, Simon Blagden and Bev Robinson. The Government will work with the panel to improve technical and professional education, making sure that all young people follow a programme of study that allows them to see clearly how it leads to the world of work.

For many young people, an academic path will be the clear choice, so we are reforming A-levels. Giving universities a greater role in how A-levels are developed has been an important part of the Government's plans to reform the qualifications. Their involvement will ensure that A-levels provide the appropriate foundation for degree-level study. We have introduced linear A-levels, making sure that young people spend less time in exams and more time learning and studying. The new qualifications will return the A-level to the gold standard international status that it used to enjoy, undoing years of grade inflation and dumbing-down presided over by the Labour party.

All these reforms represent a major opportunity for post-16 institutions. The sector has the opportunity to seize hold of the agenda and shape its own future. Apprenticeships growth alone will represent a huge potential income stream for colleges.

Paul Farrelly: Will the Secretary of State give way?

Nicky Morgan: No. I said that I would not give way anymore.

Some colleges are already leading the charge, with up to 44% of their income coming from apprenticeships. Those post-16 institutions which do this and take control of the future of the system will be strong and resilient, and to support institutions to do this, we have announced a series of area reviews.

Paul Farrelly: On that point, Secretary of State.

Nicky Morgan: I said that I am not going to give way. The hon. Gentleman has already made one intervention, and he probably regretted that one.

We are protecting our post-16 sector, not just for today, but for years into the future. Area reviews will be driven by local leadership and will support collaboration and strengthen local partnerships, all to the benefit of the young people in these institutions. Throughout the provider base, these reviews will lead to improved engagement, with better incentives to share resources and achieve economies of scale. They will help to generate efficiency savings and put the sector on a stable financial footing for the long term. We have already begun several area reviews, and we are working closely with representatives of the sector to take them forward in a positive and collaborative way. We are grateful for the constructive engagement with a wide range of stakeholders and look forward to continued close joint working as we complete all reviews by March 2017.

I am proud to defend the work of the previous Government in improving the 16-plus skills system, but now we will go even further, ignoring the siren calls and doom and gloom from the Opposition. Whereas their plans for the economy would have wrecked our education and skills system, we will make it the envy of the world. Be it academic, professional or technical education, we will make sure it gives each and every student the chance to realise their full potential and be all that they can be. Post-16 education is fundamental to our aim to govern as one nation, extending opportunity and realising the full potential of every young person. We will ensure that all young people can get the best start in life, through the opportunity that high-quality education and training provides. I therefore ask the House to reject the motion.

Several hon. Members *rose*—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. It will be obvious to the House that a great many people wish to speak, and there is limited time available. Therefore, after the next speaker, who is the SNP spokesman, I will have to impose a time limit of six minutes.

5.9 pm

Carol Monaghan (Glasgow North West) (SNP): I do not think that anyone in this House would dispute the fact that colleges play a crucial role in providing employability skills for our young people. The cuts in funding for 16 to 19-year-olds' education are leading to cuts in courses that are key to productivity. That is a serious issue that must be addressed. This sector must be appropriately funded.

This morning I met Chris Keates from the NASUWT, and she painted a disturbing picture of post-16 education in England. She told me of her concern that the sector has been entirely unprotected and was specifically targeted for cuts in the 2010 comprehensive spending review, that 72% of sixth-form colleges have been forced to drop key courses as a result of the cuts to date, and that the area reviews are causing distress and disillusionment to staff in colleges.

Paul Farrelly: Of course, the Secretary of State has pre-empted the comprehensive spending review with her rapid area reviews. Does the hon. Lady agree that choice and competition often drive standards, and that therefore any enforced closures for budgetary reasons under the slash-and-burn approach may be detrimental to standards for post-16 education in future?

Carol Monaghan: I agree that a slash-and-burn approach is not the correct way to go, and that competition is healthy for our young people when they are making choices.

Dr Murrison: Will the hon. Lady give way?

Carol Monaghan: Not at the moment.

House of Commons Library research suggests that £1.6 billion could be wiped off the total FE budget next year if the proposed cuts are pushed through.

Over the past few months, I have met representatives from the Association of Colleges, representing sixth-form and FE colleges in England, and Members from both sides of this House, all of whom are concerned about the current state of FE in England and want to hear about what Scotland is doing. [*Interruption.*]

Dr Murrison: Will the hon. Lady give way on that point?

Carol Monaghan: I am not going to give way just now. [*Interruption.*]

I have told all those people the same thing: colleges in Scotland are about providing access, pathways and employment.

The Minister for Skills (Nick Boles) *rose*—

Carol Monaghan: Finally the Minister decides to stand; it seemed as though he wanted to intervene from a sedentary position.

Nick Boles: Does the hon. Lady not accept, first, that this whole area of policy is entirely devolved and therefore what the Scottish Government decide is entirely for them; and secondly, that her Government, whom she claims to represent, have closed colleges, which we have not done?

Carol Monaghan: First, education is devolved— [*Interruption.*] I think this House could possibly pay attention. Members from the Minister's own party have come to ask me what Scotland is doing—they are looking for advice and a new way of doing things.

Wes Streeting: I certainly agree with the hon. Lady that the Minister is not in a position to dish out lectures, but surely she has to look with some humility at the SNP's record, which is staff cuts of 10%, funding cuts

of 12%, 100,000 fewer students and 10 million fewer hours of learning. That is a record she should be ashamed of.

Carol Monaghan: In Scotland a well-publicised restructuring of the college sector has taken place over the past few years. We hear about these supposed cuts to places and hours, but what has been cut is short leisure courses of under five hours that do not lead to progression. In fact, in one area, college numbers were being made up from pupils at a local primary school who were subscribing to do a first aid course. These are not real college numbers. Let us look at the numbers involved and the hours spent on these short courses: 142 hours of those short courses account for one full-time place. These students are not real students; they do not exist. Short courses that lead to progression have continued to be maintained and are still delivered in our colleges.

Dr Murrison: May I say that I welcome the hon. Lady's interest in English post-16 education? It is very generous of her to interest herself in such affairs. Will she, however, respond to the point made by my hon. Friend the Member for Peterborough (Mr Jackson) about the number of people not in education, employment or training post-16 in this country, which is of course at an all-time low? Does she welcome that and share my disappointment that the hon. Member for Manchester Central (Lucy Powell) did not touch on it?

Carol Monaghan: The number of young people not in education, employment or training in Scotland is even lower still.

There have been challenges in the college sector in Scotland. That was necessary to produce a sector that focuses on employability. In the past, courses were over-subscribed. Young people subsequently flooded the jobs market searching for positions that simply did not exist. We do not want to serve our young people badly by allowing them to waste several years of study only to be thrown on the scrapheap at the end of their course.

Marion Fellows (Motherwell and Wishaw) (SNP): Does my hon. Friend agree that a lot of good work is done by colleges in Scotland in cases of mass redundancies? Under PACE—Partnership Action for Continuing Employment, the Scottish Government's partnership on access and employability—Scottish colleges play an important role and are mandated to do such work on employability and retraining.

Carol Monaghan: Absolutely. I agree 100% that colleges in Scotland serve not just young people, but a wide sector of society.

The Scottish Government are determined that young people should leave college with the skills that employers want, so the right thing to do is to prioritise full-time courses for recognised qualifications to match true market need. In 2013-14, there were nearly 120,000 full-time equivalent college places in Scotland, exceeding every target since 2011.

Marion Fellows: Does my hon. Friend agree that further education provides a valuable second chance for adult returners, especially women, who did not achieve at school?

Carol Monaghan: Absolutely. Since 2006, we have seen an increase in the number of full-time students under 25.

Nick Boles: On a point of order, Madam Deputy Speaker. May I ask for your advice about the debate on a matter that is entirely devolved? SNP Members are welcome to contribute to that debate, but they need to talk about the subject of that debate, which is further education—16-to-19 education—in England.

Madam Deputy Speaker (Mrs Eleanor Laing): I thank the hon. Gentleman for his point of order. I am listening very carefully to what the hon. Lady is saying. So far, my interpretation of what she is saying is that she hopes to inform the House about matters in Scotland that might be helpful when considering similar matters in England. However, I am quite certain that she will bear in mind that the motion is specifically about further education in England, and that she will appreciate that a lot of Members whose constituents are affected by the subject of the motion are waiting to speak.

Carol Monaghan: I will of course do so, Madam Deputy Speaker. As hon. Members from both sides of the House—and colleges—have sought my advice, it might be worth their taking account of what I have to say.

To ensure access to and inclusion in colleges, the Scottish Government have provided an additional £6.6 million for part-time places. Further education students can get bursaries of up to £93 a week. The Scottish Government have retained the education maintenance allowance to enable more young people to stay in education. Colleges offer our young people pathways. In August, I visited Glasgow Clyde college to see the range and quality of courses on offer. The new purpose-built facility was bursting with students engaged in their studies. Local employers are working with the college—

Mrs Anne Main (St Albans) (Con): Will the hon. Lady give way?

Carol Monaghan: No, I will not give way because I have been encouraged by Madam Deputy Speaker to be quick, so I will be.

Local employers such as BAE—[*Interruption.*] Perhaps the hon. Member for Peterborough (Mr Jackson), who is making interventions from the Bench, could learn something from the picture in Scotland. Local employers such as BAE are working with the college, doing day releases with apprentices. There is a nursery on site for students with caring responsibilities. The number of women on full-time courses has increased. There is also a programme for students with additional support needs that prepares them for the world of work.

Certain school pupils benefit from attending local colleges for two or three afternoons a week. I am sure that the situation is similar in England. That allows them to follow vocational courses that the school cannot provide. Often, these are disaffected or challenging students for whom academic routes are not working. I keep hearing about how colleges provide routes for students to do their A-levels. Some students follow vocational routes and get vocational qualifications, and those must be viewed as the equals of academic subjects.

[Carol Monaghan]

One challenge that colleges experience is the way in which they are perceived by society. It is important that we, as legislators, recognise the vital role that they play in providing positive destinations. A few years ago, I had a student whose parents were very keen for him to go to university, but he was not emotionally or academically ready. When he saw what the college had on offer, he decided to sign up. He has flourished and now has two job offers for when he finishes in June, but he also has the option of entering the third year at university.

Colleges provide an excellent educational opportunity for our young people. Their role in providing routes to employment must be recognised and appropriately funded. It is no coincidence that Scotland has a higher rate of positive destinations and a higher rate of youth employment than the UK as a whole.

5.22 pm

Neil Carmichael (Stroud) (Con): It is a great pleasure to speak in this debate because I have a long-standing interest in the FE sector. As Chair of the Education Committee, I am interested in ensuring that we drive through the apprenticeship programme, making sure that people have choices post-16 and tackling the productivity challenge in this country during this Parliament.

I am pleased to say that my Committee and the Business, Innovation and Skills Committee held a successful conference on productivity, which identified the need for an innovative FE sector. That is at the core of this discussion: we need to encourage innovation in the FE sector and to ensure that it is of a scale and scope that matches the demands of employers and professions. "Technical, professional and higher" is a good way of describing the FE sector that we need for tomorrow. I will make my contribution with that theme in mind.

We must ensure that apprenticeships have traction and that they have parity with academic learning. It seems to me that the gold standard award approach is absolutely right. The Government should extend that to make it a national apprenticeship award so that there is consistency across the field and a recognition that quality is the hallmark of a good apprenticeship scheme. We should encourage the FE sector to engage in that.

We need to think carefully about sixth-form colleges. The shadow Secretary of State suggested that UTCs and other things were excluded from the area reviews, but, actually, through the regional schools commissioner mechanism, they are not. There will be engagement. I think it would be extremely advantageous were we to allow sixth-form colleges to become academies and part of multi-academy trusts.

Kelvin Hopkins (Luton North) (Lab): I am pleased the hon. Gentleman has mentioned sixth-form colleges. As chair of the all-party group on sixth-form colleges and governor of a sixth-form college, I consider them to be the most brilliant institutions in the country. Will he use his influence to get the Government to create more of them?

Neil Carmichael: I am keen to use my influence, as Chair of the Education Committee, for a lot of things, and that is certainly one direction of travel in which I am sure we will be going.

We must ensure greater employer engagement, which can and should come through governance, and we have already seen changes bringing that about, but something else needs to happen: the education sector needs to engage more effectively and readily with the world of work. I mean not just businesses, but the professional sectors, such as the care sector. It is critical that we know how many people there are with the types of skills that are needed. We need to know more about how the labour market works, and the education system needs to know more about how skills and the labour market are developing. That interface is crucial, and I see it coming through in various changes in the FE sector.

We have a good example of that in my constituency, where Stroud and Filton colleges merged to create an innovative college structure with characteristics that colleges need to think about when going through the area review. The first characteristic is precise, strong and courageous leadership. It is critical that we articulate a vision about where our colleges should go, and that is best done by a leadership with the capacity and willingness to do exactly that.

Marie Rimmer (St Helens South and Whiston) (Lab): St Helens college has shown good, strong and innovative leadership, but it gets funding now only where there are job opportunities and training. Teachers from my college went to the Liverpool docks, to Dock road, to provide education, at 7 o'clock in the morning, to some 200 Chinese speakers who did not speak English. It was a huge success. There are no bounds to what that college does. It has the inside of a plane to train people in flight hospitality—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. It might be a valid point, but it is not a speech.

Neil Carmichael: I nearly made an intervention myself. I listened to the thrust, however, and obviously I agree that strong leadership should be combined with the good management of resources.

The second characteristic is an ability to embrace other mechanisms and other types of FE colleges within the wider framework of an overarching body. It is important to note here the success of UTCs being run in conjunction with an FE college. This is going to happen in my own constituency. We have a UTC, with a training centre making use of a decommissioned nuclear power station, that is bringing together the kind of training we need, specifically for renewable and nuclear energy. So we have to be more innovative in how we structure these things.

Kelvin Hopkins: I agree entirely that we need to plan education to meet the economy's needs, yet sixth-form colleges have been under such financial pressure that one quarter have had to cut STEM courses. Is that not a tragic mistake?

Neil Carmichael: It is absolutely right that we need to increase the number of STEM courses, as is happening in mainstream education. We need more young people taking STEM subjects, as it is central to our long-term goal of increasing productivity.

Is it wise to allow students and pupils to stop taking maths post-16? We must put that critical question on the table. There is an argument to be made about a post-16 national baccalaureate that contain maths, English,

and either technical or further academic study, and it would help the FE sector generally if that option were brought to the table. As a country we have a big problem with maths, because we do not have enough people who are capable in that subject.

Marion Fellows (Motherwell and Wishaw) (SNP): On comparators and looking abroad and at other places, does the hon. Gentleman agree that as a member of the Education Committee I can help by providing information and background on further education and other education sectors?

Neil Carmichael: I am often acquainted with the Scottish view. It has its merits, but I will not address that issue further because I have only 58 seconds left. The National Numeracy charity is rightly concerned that we have a problem with numeracy in the adult population, 78% of whom scarcely reach level 2. That is not a good commentary on our situation, and we must improve it. It is right that the FE sector tackles maths, but it is worth asking whether that should be done through repeated attempts at GCSE retakes or through some other form of numeracy measurement. In short, we need an innovative FE sector that is clearly and properly led, that engages with the world of work, and that considers new ways of delivering the courses, assessments and awards that are so necessary for our young people today.

5.31 pm

Karin Smyth (Bristol South) (Lab): Of all 650 constituencies in the country, Bristol South sends the second lowest number of its young people to university. More than 5,500 people in my constituency attend a college, and around 3,500 of those attend City of Bristol college, part of which is located in my constituency.

Further education is crucial for the life chances of young people in my constituency, and the problems in the sector have been mentioned often and were recently discussed in the Public Accounts Committee on 19 October—the hon. Member for Peterborough (Mr Jackson) is also a member of that Committee. The Skills Funding Agency also participated, and highlighted the fact that around 70 colleges could be rated as “financially inadequate” by the end of this financial year. Financially inadequate means that a college is unable to fulfil its contractual arrangements, and the number of colleges operating a deficit by the end of the year will be much higher at about 110.

The Committee discussed the process for area reviews, and a great deal of uncertainty about those reviews remains. In my constituency, I understand that the area review will take place at the beginning of 2016 in the west of England, and will include City of Bristol college, Bath college, Weston college, the Filton campus of South Gloucestershire and Stroud college—that was mentioned by the hon. Member for Stroud (Neil Carmichael)—as well as St Brendan’s sixth-form college. Now, however, it seems that it will not include sixth forms, or Bristol technology and engineering academy, which educates 14 to 18-year-olds, or private providers. Far from being a comprehensive picture of post-16 education across the west of England, it seems as if the area review will miss that opportunity.

I would like to be positive about the Government’s review because it will be externally provided, based on evidence, and will consider all colleges. That is to be welcomed, as is the fact that it covers a good geographical patch. However, no money is attached for reviews of colleges, and I urge the Government to consider trying to support colleges in the onerous task of involving themselves in those area reviews. As independent organisations, colleges will not be made to implement the review’s recommendations.

The West of England partnership has produced its own bid for devolution to manage all post-16 skills funding. I support that approach because I think it will help to integrate some of the post-16 skills, but I am concerned that further uncertainty around that aspect for colleges will further impede opportunities for my constituents to have a clear pathway post-16. The two things together may create further confusion, and I would like the Government to look at bringing some of those strands together.

This has become a critical issue for Bristol South, because every time I canvassed before the election I heard from parents and grandparents of young people who are now finding it almost impossible to navigate through the choices and pathways post-16. This part of the west of England has a skills deficit, especially for people with NVQ 1s, and I suggest that the process needs more cohesion and accountability in the future.

5.35 pm

Caroline Nokes (Romsey and Southampton North) (Con): It is a pleasure to follow the hon. Member for Bristol South (Karin Smyth). I must first declare an interest as an advisory governor of Eastleigh college, a brilliant general FE college and one of the leading providers of apprenticeships in the area. I can say that with proper knowledge, as the business admin apprentice in my office attended the college one day a week. As the Secretary of State will appreciate, it is a leading champion in ensuring a good charge towards apprenticeships in the area.

As we have heard from the Chairman of the Education Committee, we and BIS are working together on productivity and it was great to hear from apprentices at the seminar held a few weeks ago how they were enjoying and benefiting from the training that they were getting on the job. It was worrying to hear from them, however, that they were not learning about apprenticeships in schools. In many cases, apprentices are themselves the best advocates for apprenticeships, but we need to find a way to get them into schools to talk about what they are doing and to give others the opportunity to follow in their footsteps.

Mr Jackson: Does my hon. Friend agree that the very best FE institutions not only discharge their responsibilities for apprenticeships and even sponsor university technical colleges, but work with bodies such as Jobcentre Plus to help youngsters with work-readiness, so that they are ready with their skills to start employment after they have concluded their studies?

Caroline Nokes: My hon. Friend is of course right. The best colleges are working with business and schools to make sure that when young people go into the world of work they are ready for it.

[*Caroline Nokes*]

My constituency has no 16-19 provision in the state sector, which means that every single teenager is exported somewhere else to go to college. But that is great, because it gives me an opportunity to talk to college principals across the region. I may stray on to the territory of some of my neighbours today, but I have a broad perspective from many college leaders across the south of Hampshire. We are lucky: we have great sixth-form and FE colleges that have worked over the years to make sure that they are as efficient as possible. In many cases, they are as large as possible—they have worked hard to get more students through their doors—but big is not always best. What is crucial is that we have a range of colleges that provide different offers. The transition from school to college can be difficult for some young people, and we should not assume that just because a college is large, efficient and getting great results it will give the best outcomes for every student.

Peter Symonds college, which I was lucky enough to attend—a few years ago now—and Barton Peveril, two of the biggest colleges in the area, have brilliant academic records. They are some of the best in the country, but we also have Richard Taunton college in Southampton on the edge of my constituency, which is far smaller. It has only 1,250 students and it has specialised in attracting a broad and diverse range of students, many of whom have come from other institutions and found their home in a much smaller college, taking three years to complete their A-level education.

Kelvin Hopkins (Luton North) (Lab): I am listening with interest to what the hon. Lady says about the size of colleges. Does she agree that one of the advantages of large—but not too large—colleges is that they give students a maximum choice of A-level subjects as well as unusual combinations of subjects that might best suit their needs?

Caroline Nokes: Of course what economies of scale and large colleges also provide is fantastic enrichment programmes, additional courses and provision that goes so far to prepare young people for the world of work—experiences such as volunteering in different parts of the world, the Combined Cadet Force and a wide range of sports. We desperately want young people not to drop off in their participation in sport at 16, but to carry on and make sure that they are fit and healthy for life. It is those enrichment programmes that I worry might start to fall by the wayside, but they are the very programmes that make sure that young people from the state sector have the same opportunities and chances when filling in their personal statements for university that we see in the independent sector. That sector has been great at ensuring that its young people have every advantage and are given a broad curriculum as well as experiences and activities. It is critical to keep ensuring that there is wider access to higher education, and it is imperative that students from the great sixth forms we have in Hampshire, which have a brilliant track record of getting pupils into Oxbridge, have exactly the same advantages when they are filling in their personal statements as those from the independent sector.

The area-based review under way in south Hampshire—the Solent-based review—has won an exclusion which, to my mind and to those of college principals, is significant:

it does not include the in-school sixth forms. Way back in the 1970s, Hampshire introduced the tertiary model of education, but a few school sixth forms have lingered on, and indeed there have been some new ones. The area-based review will not look at those schools, and the principals of the colleges feel, probably rightly, aggrieved about that. They do not think it is fair. They already pay VAT, yet the schools do not. They do not have the opportunity to cross-subsidise. We all know that the funding for years 7 to 11 is protected and significantly more generous than the funding for 16-to-19 education. Within a school setting, it is possible to use the funding for years 7 to 11 to assist in the provision of A-level education, but the colleges do not have that choice. They are paying VAT, cannot cross-subsidise and now face this situation, about which they understandably feel pretty cross, because it is unfair on them, as they tell me.

We know from the Sixth Form Colleges Association that sixth-form colleges are out-performing school sixth forms. We know that they are helping higher numbers of more disadvantaged students, and we know that they are getting better results. In Hampshire, the colleges have consistently delivered high-quality education cost-effectively.

Kelvin Hopkins: I strongly agree with the hon. Lady. In Luton, we have a relatively disadvantaged population, but simply because of the sixth-form college we have above the national average number of young people going to university.

Caroline Nokes: I commend the hon. Gentleman's work as chairman of the all-party parliamentary group for sixth-form colleges.

To conclude, we all know that the average funding for 14 to 16-year-olds is £5,600 a year, but that it drops to £3,600 after 16. That means a reduction in contact time with teachers. That might work for young people preparing for university and learning about independent study, gaining skills that they are going to use in higher education, but it will not work for those with special educational needs or those who require additional support. It will not necessarily work for the students at Brockenhurst college in the New Forest, which has worked so hard to increase access to further education and keep young people with special educational needs in college and in education. For them, unsupervised study is simply not a realistic prospect.

I know that the Minister has probably heard more than enough from me, and will be preparing to respond with facts on funding and by telling us that we all have to learn to live within our means. I get that, I really do. I am not opposed to the area-based reviews, and having seen the issues at Totton college just outside my constituency, I know how important it is that young people have confidence in their college's ability to provide them with a qualification at the end of their course, provided that they have worked hard enough to get it. I know that there is logic in exploring whether stronger partnerships or collaborative and strategic thinking might further enhance the effectiveness of the college system. However, how about a more level playing field for colleges that are already doing an outstanding job providing strong programmes of study and preparing young people for university, for apprenticeships and for the world of work?

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. From now on, the speaking limit is five minutes.

5.43 pm

John Pugh (Southport) (LD): It is just as well that our Scottish nationalist colleagues have left us at this point and are no longer interested in the development of the debate.

One has to feel sorry for the FE sector in the UK. This is a country—Tomlinson notwithstanding—that does not really value technical education. Technical is normally seen as the opposite to academic, and being academic is not seen to require any technical skill. You are either a classicist or a plumber and you simply cannot be both. At the end of the day, the country is run by people who have received an academic education and who fundamentally have a patrician view. That is why it is so difficult to get parity in this field. It is almost the destiny of FE to be messed around again and again largely by those who neither understand nor rate it. I would suggest that that has happened in some form or another.

Most of the sector started life as local colleges training local students in local crafts and disciplines allied to them, and was strategically—and, I think, helpfully—controlled by local authorities. They then added to the mix general studies of wider cultural interest and opportunities to retake school-based exams. That is where they started, but successive Governments—I include the previous Government—weakened the local link and made them autonomous, with corporate providers alongside other providers outside the public sector. The colleges ended up chasing down perplexing streams of funding from an ever varying set of quangos and outside bodies. The theory, which I suppose is quite sound, was that it would make them sensitive to the needs of the market. It did not do that: it made them sensitive to student demand and funding streams. Frankly, much game-changing technical education bit the dust at that point, to be replaced by courses of lesser value. We had more performing arts, and less gas fitting and all the other things we really need.

Feeling that something was wrong, the previous Labour Government under Gordon Brown decided to endow the colleges with new buildings under the Building Schools for the Future programme, which, I think we can all recall, crashed and burned. It either left colleges with severe financial liabilities they had not expected—the National Audit Office report illustrates that—or severely disappointed, because promises were not delivered on. I have very vivid memories of watching Siôn Simon, the Minister at the time, sitting hollowed out, worn out and punch drunk in Portcullis House after the latest Adjournment debate in which Labour Members had tasked him with not having delivered what had been promised.

Under the coalition Government, I have to say that things did improve under the wise guidance of Vince Cable. Further education was charged to make up for the deficiencies of British industry by providing ever more apprenticeships, and to make up for the deficiencies of schools by giving people an opportunity to retake English and maths. Laudably, colleges were allowed to develop links with universities. All of that was done

against a declining budgetary environment. Now, however, we are going to cull them to save money. I take that to be the basic premise of the area-based reviews. They have to reach a bottom line and that bottom line has to be less than the current bottom line.

I suggest that there is a better way forward. We need to integrate FE colleges better with local industry and business, integrate them better with local schools and communities, and give them a proper strategic role. That is not happening, or, if it is happening, it is not happening everywhere. Colleges, particularly on Merseyside, have no tools to intervene or assist downstream with school and academy failure, but they are expected to sweep up after them when children finish those schools without GCSEs in English and maths. Communities are not being empowered to address the skill deficiencies they face.

The Liverpool city region deal has recently been concluded. The councils bid for control over the skills budget but did not get it, due, I would suggest, to resistance from the Minister's Department. Nothing has been a more intractable problem for Liverpool and the Merseyside area than the skills gap and nothing would be more effective in addressing it than giving local power over the needs we have, but local further education colleges are not even on the skills committee of the local enterprise partnership. Their budgets are not devolved to the city region and they simply await the axe of the area review. They wonder why it is they, and not the academies and schools, that are in the frame.

5.48 pm

Michelle Donelan (Chippenham) (Con): I want to make two points in response to the motion. First, it is not quite as simple as just funding. Secondly, we need to have a plan to afford an increase in funding.

Wiltshire college recently invested £21 million in a new Chippenham campus, which will bring long-term local economic benefits. It is a fantastic space for students to learn in. It has an excellent reputation and I am sure it will go from strength to strength, but it needs more pupil funding. Sixth-form colleges in my constituency are also suffering, in particular Abbeyfield school, which I share with my hon. Friend the Member for North Wiltshire (Mr Gray). Like countless others, it suffers from the burden of private finance initiative funding of its sixth-form building.

Bob Stewart (Beckenham) (Con): May I make a brief intervention to say that my own further and higher education college, Bromley college, is in dire need of funding?

Michelle Donelan: I thank my hon. Friend for echoing my comments.

The school is also running a growing deficit, which is putting a real strain on its finances.

Spending on 16 and 17-year-olds is 22% lower than spending on 11 to 16-year-olds, and spending on 18-year-olds is a further 17.5% lower. I urge the Chancellor to address that in the spending review, and to ensure that funding for 16 to 18-year-olds is brought into line with the Department's ring-fencing. It is a shame that the

[Michelle Donelan]

debate was not delayed until after the spending review, when we could have had a more productive and informed discussion.

We must bear in mind, however—and I do not think this point has been stressed enough by Opposition Members—that a good FE offering is not just about funding. We need to consider far broader issues in our education system, and think about its links with our national productivity. I therefore welcome the Government's productivity plan. Increasing funds will not fix everything. Today's debate only serves to highlight the fact that Labour seriously believes that simply throwing money at a problem will be a cure-all when it really will not. The truth is that we have a crisis in our career education system. We still have no tangible link between the education system and the workforce, because our school funding system is still a postcode lottery. The Government are trying to resolve deep-rooted, complex issues, and the topic of the debate is therefore far too simplistic.

Having spoken to local businesses throughout my constituency, I am well aware of the recruitment challenges that they face, given the lack of appropriate skills. According to a recent survey by the Institution of Engineering and Technology, six out of 10 companies said that skills shortage was a threat to their business in the United Kingdom. Simply pumping money into FE will not resolve the problem. It is true that courses have been removed because of a lack of funding, but because students may opt for other courses, they are not always financially viable. So what is the answer? Do we pump money to them to prop them up, or do we encourage our students to opt for the courses that will lead to jobs?

Melanie Onn: Might not guidance at an earlier stage, in the form of appropriate careers advice, help young people to make the right FE choices? I should remind the House that that service has been slashed, and now barely exists in any part of the country.

Michelle Donelan: I entirely agree. I think that career education is one of the key issues that we need to address, and that is one of the reasons why I became a member of the Education Committee.

Yes, we should ring-fence further education funding, but we also need to recognise the true utility of vocational courses. We need to stop pushing students towards the traditional academic routes, we need to start treating children as individuals rather than mass statistics, and we need to work to shift the stereotypes that are attached to jobs and courses. Otherwise, the true value of any money that is spent will never really be utilised.

I believe that the best way to reform further education is to bring together local businesses, further education colleges and universities, and enable them to shape curriculums to the needs of local economies. University technical colleges make that leap, and we need more of them, but we also need to apply the same approach to schools and further education colleges. If we are to do more to support businesses and build a workforce for tomorrow, we must reform education today, and I welcome the Department's recognition of the need for such reform. I welcome the introduction of area reviews, and the move towards institutes of technology and specialisation in colleges.

No one would oppose more investment in our further education system, but the question the Opposition have yet to answer is, "Where will we get the money from?" Will we get it from the NHS, secondary or primary education, or the police? We cannot "magic" money, and we need to stop using the education system as a political football. I urge the Minister to do even more, and to explore creative opportunities that would enrich our educational offering by working with businesses and community consortiums to fund courses and resources, and, in particular, helping local economies with specific needs. Wiltshire, for instance, is crying out for more support for science, technology, engineering and maths subjects and design and technology. That would enable us to help with the supply and demand of our local labour markets and our education system.

Simply pumping money into a system is a very simplistic answer to a complex question. If we are to improve and better fund our education system, it is vital for us to improve the link with business and the stake that business has in the system, and we need to look for new ways to boost funding from that link. After all, business and the economy have the most to gain from a productive, highly educated and skilled work force.

5.54 pm

Jo Cox (Batley and Spen) (Lab): There has been much consensus here today on education being the best down-payment a country can make to secure its economic future. There is much to agree on, and indeed a thriving FE sector is directly linked to a higher-wage, higher-skilled and more productive economy, yet sadly, as the Secretary of State has admitted, post-16 education is in a fragile state. Following funding cuts in the last Parliament, colleges are being forced to survive on starvation rations. As I discussed with Yorkshire businesses just this week, these cuts mean young people are leaving further education without the qualifications employers desperately require, and firms are unable to develop, expand and grow.

In Kirklees, our sixth-form colleges are doing some amazing work despite the funding constraints imposed on them. We have sixth-form colleges of high repute achieving great things academically and vocationally, and of course the FE sector also offers unique provision and is indeed sometimes a lifeline for some of the most vulnerable people in society—people who did not achieve their potential at school and for whom FE is a second or third chance. If we cut FE, these children and adults are in danger of being even more disengaged and excluded from education and society. However, this Government's failure to protect FE funding has meant that, in west Yorkshire, for example, three colleges have had to accumulate a combined capital debt of over £100 million to provide the modern facilities employers and students deserve. As someone with friends and family working in the FE sector in west Yorkshire, I know first-hand that morale is at an all-time low and talented and committed professionals are leaving the profession in droves.

In addition, I share the concerns of many other Members here today about the narrowness of the Government's proposed post-16 area reviews, which mean that FE providers are being asked to compete in a deeply unfair environment. In Kirklees, we are in the opening stages of our review, but ostensibly we will only consider sixth-form colleges. I am very worried that a review that does not take account of the provision that

exists in secondary schools will be incomplete and therefore fundamentally flawed. Therefore, I believe the Government urgently need to re-examine these area reviews and include all current and proposed post-16 providers, and not simply colleges.

What will become of FE opportunities for post-16s is at best unclear at the moment—we obviously await next week's announcements—but if we are demanding that young people remain in education beyond 16, we must ensure they have somewhere to go to study. The Government must stop treating post-16 education as if it is an add-on. Access to further education is shrinking for many at precisely the wrong time, just as demand for further education places starts to increase.

That is certainly the case in my neck of the woods. If we compare the number of schools with sixth-forms in Batley and Spennings today with the number 10 years ago, we notice a stark difference: the provision has shrunk by more than half. There are seven secondary schools in my constituency; only two have sixth-forms. Incidentally, both are now academies. There is also now no sixth-form college provision in my constituency; the world renowned Batley art college is, sadly, no longer to be found in Batley. These days, the majority of post-16 education for young people from Batley and Spennings is outside the constituency. That means many young people from my constituency have to travel in excess of two hours to the opposite end of the district to attend college. This is piecemeal provision in which access and locations are based not on the needs of students, but on financial considerations.

To conclude, the FE sector is in a parlous financial state and there is growing concern from the people in my neck of the woods who work in FE that further cuts will tip colleges over the precipice. FE provision has been disproportionately affected by Government cuts to the public sector and has not been afforded the same protection offered to schools over the last six years. The Government's decisions regarding further education are too often influenced solely by financial considerations, not on what really matters: providing our young people with the very best and most accessible form of academic or vocational education. This is what we want. This is what the FE sector wants. This is what students want. It is what parents want. It is also what universities and employers want. I fully support the motion.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Because of all the interventions, I am going to have to drop the time limit down to four minutes in order to get everyone in. I do not want to have to drop it any further, so let us see if we can keep everything going.

5.59 pm

Lucy Frazer (South East Cambridgeshire) (Con): Yesterday, I was at an all-day seminar with the Education Select Committee in Coventry, where we had the opportunity to meet the heads of primary and secondary schools, the regional schools commissioner and local government education officials. It was clear to me that our education providers understood the importance of working together and learning from one another and that they understood the link between education and

jobs. I would therefore like to highlight one part of the motion before the House and to challenge it. The motion states that

“many colleges are...no longer offering courses in subjects key to our country's competitiveness”.

I want to focus on that assumption, because I think it undermines the valuable work that our sixth-form colleges are doing.

I want to highlight three very different further education colleges that serve my constituency and that are doing extremely valuable work. First, we have the Cambridge regional college, which has more than 5,500 apprentices in training and works with more than 800 local employers to provide apprenticeships. Yesterday, it held a science, technology, engineering and maths—or STEM—seminar for year 10 and 11 students from the village colleges around my constituency. Secondly, we have the Cambridge university technical college, which opened in September 2014 and which specialises in biomedical and environmental science and technology. It teaches core GCSEs alongside technical qualifications. Thirdly, there is Hills Road, a highly academic sixth-form college that specialises in STEM subjects. In its A-level provision this year, it had 1,000 students in year 13, 92% of whom got grades between A* and C. For the 22nd successive year, it is at the head of the sixth-form college A-level league table for points per entry. The motion is therefore wrong to suggest that we are no longer offering courses that are key to our country's competitiveness. In my area, we are offering precisely that.

Daniel Zeichner (Cambridge) (Lab): The hon. and learned Lady has pointed out that the Cambridge regional college is very successful, but will she acknowledge that it took a big hit financially when the changes made by the UK Visas and Immigration service stopped it recruiting international students for a period? That cost the college some £1.5 million. Will she join me in making representations to the Home Secretary to ask her to sort this out?

Lucy Frazer: I must declare an interest in this matter. There is an issue with international students, which we need to address.

The hon. Gentleman and I share some fantastic colleges in our constituencies, and it is also wrong to suggest that the Government are not supporting education that leads to employment. They are undertaking a review of sixth-form education to ensure that it meets the needs of the regions it serves. They are also encouraging maths and physics through bursary schemes, and they are working to expand the apprenticeship programme, making £1.5 billion available for apprenticeships this year. Of course we can always do more. We should be encouraging not only teachers and businesses but students. The Government should look at ways to incentivise students to study the courses that will give them the right skills, so that we can continue to compete in the international markets in which our country operates.

6.4 pm

Mr David Lammy (Tottenham) (Lab): It was a great honour, as a Minister, to be responsible for skills under Tony Blair's Government and for universities under Gordon Brown. I learned two things in those two different posts. First, when I put out a press release

[Mr David Lammy]

challenging Oxford and Cambridge as to why more people from the London boroughs of Richmond and Barnet went to those universities than went there from the entirety of Scotland and Wales put together it reached all the headlines—everyone wanted to write about universities. Secondly, when I wanted to talk about skills and FE, I struggled.

That is why this debate is so important and why we must focus on a couple of things. First, many deprived areas across the country—areas suffering different degrees of poverty and areas that would traditionally be described as working class—do not have particularly thriving sixth forms in school. What these areas have are sixth-form colleges and FE. This is often where the working-class children find themselves by virtue of history, and it is why this debate is important. Much has been made of the spending review, but it comes on top of a huge 16% cut in funding to the FE sector.

Secondly, the Minister said a lot about apprenticeship starts but very little about completions. She did not say that a lot of the growth in apprenticeships is in the over-35 age group. She did not talk about the quality of apprenticeships and where those apprenticeships are. In London, the increase in apprenticeships is in hairdressing. People can say, “What is wrong with hairdressing?”, but too often it is not her children who are going into those apprenticeships. That is why it is important that we get serious about what an apprenticeship is. Around the country, a lot of working-class kids are saying, “It is not worth the paper it is written on. I didn’t get a job after it. I cannot get the income I wanted.” That is the real discussion to have when FE budgets are cut.

My main point this evening, however, is that if we are to have a debate about FE, let us concentrate on the real collapse in FE in this country. The huge collapse is in adult learning. It is a disgrace and it is why our productivity is floundering. Bring back the night school. Where is it? When we get to this time of the evening, where is that thriving environment in our FE colleges across the country? It does not exist. On a Saturday and a Sunday, where can working people go? We have gaps in IT and green technology. We have huge new sectors of the economy, but how are working people to get access to jobs in them if the Government cut the funding and cut the central purpose of further education?

Our first night school was in Edinburgh in 1821, and we had wonderful working men’s colleges in our major cities. I remember films such as “Educating Rita” when I was growing up that looked at the context: professors and others who came alongside women and working people and got them into education. That has been cut under this Government and lost entirely in this country. That is why people are turning to parties such as the UK Independence party—they have nowhere else to go. Let us bring back night school and fund FE properly. It is a shame and an outrage that this is not being covered in a much bigger way across the country, because it is what people are talking about in local communities.

6.8 pm

Mrs Anne Main (St Albans) (Con): It is interesting to follow the right hon. Member for Tottenham (Mr Lammy), who says we should bring back night school. I would like to know where he would get the funding for it. It has been gone for a long time in a lot of areas.

Mr Deputy Speaker, you missed being lectured for 15 minutes by the Scottish National party spokesperson in a debate that its Members did not even bother to sit around to participate in afterwards. That is a real shame, given that we have an Opposition day debate today. I feel sorry that we were lectured like that when they could not be bothered to stay to listen to the meat of the debate.

I want to focus on apprenticeships, because the motion says that this Government are risking the country’s prosperity, yet it leaves out apprenticeships. The right hon. Gentleman did refer to them, but I was disappointed to hear him say that they are not worth the paper they are written on. I have been working with my local college, Oaklands college, which has apprenticeship week in March; I met many providers who were encouraged to make sure that apprenticeships are worth while. That is why I wanted to speak in this debate. I cringed when I heard the hon. Member for Hornsey and Wood Green (Catherine West) sneer—I can use no other word—about an apprenticeship; she seemed to be saying that using the till in a bakery was not worth while.

Catherine West *rose*—

Mrs Main: I am not giving way to the hon. Lady, because she has plenty on her own side who wish to speak. Many young people, my own son included, want to go into an apprenticeship and they will be feeling today, “If I take up an apprenticeship at the lower level and learn some of the skills of interacting with other people, using the till, and learning to get up to get to work on time, to make myself presentable and to make myself work-ready, somehow I am not—

Catherine West: On a point of order, Mr Deputy Speaker. Is it possible to come back on a particular point?

Mr Deputy Speaker (Mr Lindsay Hoyle): It is up to each Member to decide whether to give way.

Mrs Main: As I have said, I did try to intervene when this matter was under discussion. I want to speak on this because young people will feel that it is not worth learning some of the softer skills, such as how to deal with customers, how to be pleasant, how to be work ready, and how to turn up on time in the morning. I worry that we are going down a route of saying that being academic—I am sure that you absolutely were, Mr Deputy Speaker—is the only thing that is worth pursuing. I wish to speak up for the work that this Government have done in bringing up the value for everybody regardless of their educational attainment at school. I am talking about bringing up the value for those people who are learning to get into the job of work.

Karin Smyth *rose*—

Mrs Main: No, I will not give way.

Karin Smyth: On that point—

Mrs Main: Okay, I will give way, but the hon. Lady is taking time from her own side.

Karin Smyth: The hon. Lady has misrepresented what was said. There was no attempt to degrade lower skilled jobs or say that they were not important, or that the

people going into those jobs were not important, but those jobs are not what we think of as high-skilled apprenticeships. That was the point that my hon. Friend was trying to make, and she has been misrepresented.

Mrs Main: The hon. Member for Hornsey and Wood Green (Catherine West) made her point very clearly. Effectively, she was saying, “What was that worth?” I am saying that, for many young people, getting to work on time, being presentable, using soft skills, and learning how to use a till, particularly if they are not mathematically literate, are valuable. I have met young people with disabilities who find those opportunities valuable. We must stop degrading those opportunities by saying that they are not worth the paper they are written on—the right hon. Member for Tottenham (Mr Lammy) said that. We have to ensure that apprenticeships are worth the paper they are written on. It is a different matter if they are not. I am not aware of any apprenticeships in my constituency that are not worth the paper they are written on, and I am seeing young people benefiting from them.

I pay tribute to the Minister for encouraging people. I wish to remove any sneering about people who do not have high academic attainment and say, “If you are serving me in my local Greggs in St Albans, I value you. I value the fact that you are engaging with me properly and that you are someone who has taken the trouble to skill up.” I would not like to see that young person being put off from taking on any further education.

Let me mention Naomi. She was a young person who had not done well at school, who was not good at attending and who was not good in the world of work. She was picked up by Barclays, and she has become an absolute credit to it. It trained her up, got her work ready, got her studying qualifications alongside being trained up on the job. Now Naomi is a high achiever for Barclays. That first chance to get on the rung of an apprenticeship—our Government should be proud of what it is offering—is not just a throwaway that should not even be considered in the motion. It is something that is hugely valuable and sets many young people like Naomi on the right path into work and gets it into their head that there is something worth studying for. They realise that they can make something of their lives.

I value apprenticeships at all levels. For some young people, they click in a way that school did not. It is not always right to get everybody going into more education. Many can absorb a lot, learn a lot and change their lives by taking up some of those more modest offerings that the hon. Member for Hornsey and Wood Green and others sneer about and refer to as not being worth the paper they are written on.

6.13 pm

Mr Geoffrey Robinson (Coventry North West) (Lab): May I draw Members’ attention to my declaration in the register? I do not intend to give way in view of the fact that so many Labour Members still wish to participate in this debate.

The central contention of the Opposition motion, which seems to have got lost in many of the speeches that we have heard, is that

“given that the participation age has now risen to 18 years old, it makes no sense for the post-16 education budget to be treated with less importance than the 5-16 schools budget”.

That is the central contention, to which we have not yet had an adequate reply from the Government. Indeed, the impression that they may have inadvertently given today and that they certainly have given over the preceding months if not years is that this matter is a poor relation. One of the leading principals of Coventry’s colleges has said that the Government do not treat post-16 education with the respect and priority that it deserves. Certainly, what we have heard today tends to enforce that unfortunate view.

I wish to talk briefly about Coventry, because we have two major FE colleges, City college and Henley college. In the case of City college, it is not a question of what will or will not come out of the spending review, which not just those involved in post-16 education but everybody is awaiting with trepidation. Rather, it is the fact that this year the Skills Funding Agency reviewed the college’s budget and promised it around £100,000 extra, against which it has committed resources and money to provide apprenticeships—the very area in which I know the Minister of State is most interested. The college looks like delivering and perhaps even over-delivering because of that increase in the budget, but because of the delays in the budgets and in approving them—not for future education spending, but for the current year—to which Members on both sides of the House have referred, the college still does not have any certainty. Can the Minister reply to City further education college in Coventry and let us know the situation?

The other major college—they both do tremendous work in Coventry—is Henley college. I want to quote the principal, who reinforces, I regret to say, the general impression that the Government have given. He speaks as someone who has been in further education for 38 years. He ends his letter to me by referring to the letter, which the Minister must have seen by now, from the principals of well over 100 colleges—I thought at one point it was 140—to the Government and his Secretary of State. After 38 years in the further education profession, the principal of Henley college says:

“I feel that the manner of this government’s treatment of local further education colleges shows a deep contempt and equally deep ignorance of the invaluable work they do to improve their communities”.

The cuts that FE colleges face and the cuts they are undergoing—14% in the last Parliament—bear that out. From somebody as deeply committed as the principal of Henley college in Coventry, that seems a very sad epitaph to the record of this Government and this Secretary of State and their attitude towards further education.

6.17 pm

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): I have been meeting black country FE college principals pretty regularly ever since I was elected, and in the last 18 months I have noticed a significant change in their approach. My previous meetings addressed their problems, some of which were to do with funding, but now there is an almost apocalyptic feeling about the representations they are making. They have been badly hit recently with the cuts to adult education funding. That has been compounded by the sudden withdrawal of funding for ESOL—English for speakers of other languages—which has had a significant effect on colleges with high ethnic minority populations. This is not just a party political

[Mr Adrian Bailey]

issue; it comes from the college principals themselves and is recognised throughout the sector. The National Audit Office agrees, and so does Professor Wolf.

The second point I want to make is that if FE colleges are closed down and their numbers reduced, there will not just be implications for local education provision, but a profound impact on the Government's stated long-term economic objectives. The Chancellor's current mantra is the creation of a high-wage, high-productivity, skilled economy. What are the key elements of a high-wage, high-skilled economy? They are construction, manufacturing and engineering. Who are the education providers that provide the apprentices and, often, the intermediate education of those who take higher education in those areas? Why, it is the FE colleges. Over 50% of manufacturing and construction apprenticeships come through the FE colleges. If their numbers are reduced, the capacity to provide enough apprentices to strengthen those elements of our economy, which are vital to the creation of a high-wage, highly productive, export-led economy, will be degraded.

Jo Churchill (Bury St Edmunds) (Con): Will the hon. Gentleman give way?

Mr Bailey: No, I will not give way, because there is not enough time.

Manufacturing is crucial to the future of our country, and FE colleges play a vital role in the supply of skills necessary to sustain it.

Finally, it is reasonable to expect area reviews to be based on consulting all concerned and understanding local skills issues and skills provision—including in-house sixth-form provision, which is excluded from the reviews—in order to see how best to meet the skills requirements through structures that will also minimise the costs involved. The exclusion of in-house sixth-form provision, UTCs and so on has left the FE sector feeling discriminated against and worried that there is a political objective behind it. That should be overcome. I support the suggestion of the Association of Colleges for outcome-based reviews involving consultation of both business and education right across the board.

6.21 pm

Liz McInnes (Heywood and Middleton) (Lab): I am beginning to wonder what this Government have got against young people. When I spoke in this Chamber yesterday I asked why on earth we should not give 16 and 17-year-olds the ability to vote in local elections, and today I am talking about cuts to post-16 education.

The Prime Minister said today that decisions we make now are not just for the present, but for the future and for our children and our children's children. He should not have to say that—it is entirely self-evident—but the fact that he said it on the same day as this Opposition day debate on cuts to post-16 education funding is particularly ironic.

Hopwood Hall college in my constituency does not offer, and never has offered, courses in balloon artistry, yet the Secretary of State cites such courses. In so doing, she repeats the misinformation spread in March 2014 by the then Skills Minister, the right hon. Member for West Suffolk (Matthew Hancock), when he, too,

claimed that courses such as balloon artistry would no longer be paid for by the taxpayer. The Department for Business, Innovation and Skills then revealed that such a course had never been listed for Government money anyway. It is disappointing in the extreme to hear the Secretary of State for Education incorporating such myths into her arguments. In this case I would suggest that she herself is guilty of scaremongering.

Hopwood Hall college is one of more than 100 colleges to write recently to the Prime Minister to urge a rethink of his Government's proposals. They have highlighted many major problems with the current and planned system of funding, including repeated year-on-year cuts to adult funding, which now total about 40%; a significant reduction in funding for students aged 18; and large reductions in annual funding allocations being announced to colleges only weeks before a new academic year, severely harming their ability to plan and to invest in staff and resources. The letter was signed by the chair of Hopwood Hall college, Robert Clegg OBE, who is also a Tory councillor in Rochdale. I wonder whether the Secretary of State would accuse him of scaremongering.

The further education sector has taken a kicking over the past few years. I remember the sadness and anger in my constituency when the coalition Government withdrew the education maintenance allowance and poorer students were forced to withdraw from their courses as they simply could not afford to attend them anymore.

The principal of the college wrote to me last year, expressing his concerns about last year's round of cuts and the detrimental effect they would have on the provision of adult further education. He said:

"Cuts of this magnitude could mean the end of this essential education in every city, town and community in England and the consequences will be felt by individuals and the economy for years to come."

That was last year. Now it seems that FE and sixth-form colleges are staring another round of swingeing cuts in the face. There is a real fear that further funding cuts in the next comprehensive spending review will tip our sixth-form and FE colleges over the precipice. Colleges are asking that this Government give consistent and equitable funding to all 16 to 18-year-olds, and that this should be the same as that given to 14 to 16-year-olds. They want more certainty and predictability of funding to enable planning and investment to occur with certainty and confidence. I urge the Secretary of State to take seriously the problems stated in the letter signed by over 100 chairs of FE colleges and listen to their warnings—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order.

6.25 pm

Rebecca Long Bailey (Salford and Eccles) (Lab): Today's debate is particularly important to me as Salford city college and other further education institutions in my constituency have had to battle savage cuts over the past five years. The college is under review as part of the Government's post-16 areas review policy. Indeed, Salford city college was one of the 129 colleges to sign the open letter sent to the Chancellor earlier this month. I wish to make clear my support for them.

In the previous Parliament the education budget for 16 to 19-year-olds fell by 14% in real terms. Funding for 18 and 19-year-olds was cut further, so provision for

these students is 17.5% lower than for students aged 16 and 17. In July the National Audit Office reported that the

“financial health of the FE college sector had been declining since 2010”.

In addition, the Further Education Commissioner warned that over 55% of colleges will be in financial difficulty by the end of next year.

Despite these clear warnings, I fear that the Chancellor appears to be gearing up for another round of cuts to further education in the spending review next week. Let me be clear. Colleges in my constituency cannot cope with further cuts to their budgets. The city college has already had to lose teachers and support staff, make cuts in pastoral care and extracurricular activities, and drop a number of courses just to survive. These services were not a luxury. They were integral to ensuring that the young people of Salford participated and excelled in education. A person who comes from a poor background and whose family has suffered the savage effects of a lack of education and poor employment prospects for generations could be forgiven for feeling that aspiration was not for them, but only for a select few. Pastoral care and a wide range of courses are key to lifting these people out of poverty and breaking the cycle for their future children.

Without this support, how many young people will fall through the cracks of our education system? This is not just a bad thing in and of itself, but economically short-sighted. Education is critical for employment, especially in constituencies such as mine that have suffered from de-industrialisation and need both new jobs and a workforce equipped to do them. MediaCityUK, for example, is the hub of media creativity in the UK and is a fantastic asset to our city, but when it opened hardly anybody there came from Salford, and we have had to work hard and fight tooth and nail locally to ensure that we have educational courses to upskill our young people and make sure that they can be employed there. This is all under threat.

From the Conservative Government’s rhetoric, one would think that they support the institutions that allow people who work hard to get on, but the cuts already inflicted on further education services and the threat of more to come tell a completely different story. How do the Government expect people to improve their skills when the vehicle for doing so is breaking down? How do they expect these young people when they grow older to gain well-paid employment that will ensure that they do not have to depend on financial assistance from the Government? This is not long-term economic planning, as the Chancellor would have us believe, and it does not lend itself to a sustainable welfare system in the future.

6.28 pm

Julie Cooper (Burnley) (Lab): I support the motion. I have experience of FE college. As someone who went to a school that did not have a sixth form and who benefited personally from FE, I know first-hand how useful that can be in getting on in life. I am also a former governor of the FE college in Burnley.

At the beginning of the debate, much was made by the Minister about the Labour Government’s legacy in education. Let me share with the House the education legacy in Burnley. Burnley has a brand-spanking-new FE college built by the previous Labour Government

that is an inspiring learning environment. As a governor, I watched it go from strength to strength, providing excellent academic, vocational and educational training, and supporting local apprenticeships and the local economy. It had a 100% pass rate at A-level and it was judged by Ofsted to be “outstanding”. The principal tells me that this is all now at risk. Recent cuts—this is before we consider any that might be announced next week—mean that our college is struggling to continue that excellent work giving life opportunities to young people across the constituency from academic and other skilled backgrounds. All those opportunities will be denied if the college cannot be sustained.

I know that strictly speaking adult education provision is not the subject of this debate, but FE provides excellent opportunities to deliver it. In the current climate, where we are seeking to prevent radicalisation and extremism, it is extremely unhelpful when budgets to deliver English language training to those whose first language is not English are slashed, already, by 40%. The Minister seemed to think it was funny that we were all worrying about what funding cuts might be announced next week, but the institutions know what they have seen since 2010, so they are understandably very nervous.

Those cuts have been administered to the sixth form and FE sector in a way that shows total disrespect to staff, governors and students. The short notice allows for no planning whatsoever for restructuring and long-term, effective savings. This year, funding cuts were announced in March, with a further round announced in July, for implementation in August. That shows absolutely outrageous disrespect to the sector.

This is not a case for political argument. People in all parts of the House have said today how much they support giving young people opportunities for apprenticeships, vocational training and academic training. The motion merely seeks to ensure that that provision is protected. The contribution of such training to our local and national economies cannot be overestimated. Funds invested in this sector are never wasted.

6.32 pm

Marie Rimmer (St Helens South and Whiston) (Lab): I will not go into funding, because we have heard much about that during this debate.

Earlier today, Members in this Chamber heard my hon. Friend the Member for Middlesbrough South and East Cleveland (Tom Blenkinsop) read a list of hundreds of job losses additional to those caused by the devastating cessation of steel production. This country continues to de-industrialise, with manufacturing going to countries that subsidise such production. Generations of families in Middlesbrough will have worked in the British steel industry. Education and skills retraining will be necessary to assist them in searching for employment and in attracting alternative employment opportunities. My constituency has suffered the same experience, and I feel for those people. I also know of numerous success stories. Deep coal miners and glass workers have gone on to achieve degrees, including master’s degrees. Some have become entrepreneurs and some have set up businesses providing services.

I want to talk about adult education and training. The Workers Educational Association is under threat. It has been educating adults for over 100 years, and

[Marie Rimmer]

millions have benefited from the programmes and courses that it has provided. The WEA provides opportunities for many for whom school was not a positive experience, and that can be, and has been, a real and effective second chance. It is imperative to maintain the vital service provided by the WEA, and I sincerely hope that it survives the BIS review.

Sixth-form colleges are an educational success story. Sixth-form college associations representing colleges across England tell us of those that are outstanding providers of 16-to-19 education, outperforming academy sixth forms and educating more disadvantaged students, yet receiving less funding. Sixth-form colleges also offer superior value for money by delivering better outcomes than academies at a lower cost to the public purse. All that is achieved with a greater proportion of students eligible for free school meals: 11% of sixth-form college students are eligible for this benefit at the age of 15, compared with only 8% of students in academies.

The Government need to address the indefensible VAT anomaly from which sixth-form colleges suffer. I have listened to what further education colleges have said in condemnation of the previous Labour Government, but they funded the St Helens FE college. It is a wonderful piece of architecture and I invite hon. Members to come along to see it. This excellent college is innovative, providing education and training where and when it is needed. For instance, a course ran at 7 am in Dock Road, Liverpool and was paid for by employers for 200 Chinese-speaking adult pupils. However, the course did not meet the tight criteria set by this Government.

Flight Hospitality chartered a plane for the use of the college. However, like many FE colleges, the college struggles to hire maths and English tutors as it cannot compete with schools. The Government need to support FE colleges to recruit such tutors, rather than making further cuts to their budgets. Mr Speaker, thank you for the opportunity to speak.

6.36 pm

Jo Churchill (Bury St Edmunds) (Con): In the last Parliament, the Government committed themselves to and delivered quality and rigour in post-16 education by driving forward 2.4 million apprenticeships. I am dedicated to that scheme, and over the years I have enjoyed employing apprentices and seeing them thrive. I am keen to see the Minister for Skills get to 5 million apprenticeships by 2020, because that is a brilliant aspiration.

West Suffolk college in my constituency of Bury St Edmunds is an exemplar of what the Government are striving to achieve. It is a high-achieving, highly collaborative education forum that works with successful local businesses—Greene King and British Sugar among others—the local Suffolk chamber of commerce, which is embedded in the heart of the college, and, most importantly, the local enterprise partnership. Only recently, the LEP supported the college with £7 million for a STEM centre.

The college concentrates on student opportunities, in accordance with the Government's drive, and it delivers hundreds of highly skilled apprentices in East Anglia. Jack, whom I have met there, is an apprentice on a welding course. His aspiration is to have his own business,

which I applaud. Working with the apprenticeship trailblazers the Secretary of State mentioned earlier, the college offers a skills pipeline to empower young people and combat socioeconomic barriers in the region.

In its pursuit of the Government's ambitious plans, that college in my constituency is flourishing, so much so—this is a plug—that it has ambitions to become an institute of technology, in recognition of its standards in apprenticeships and its professional sponsorship. However, West Suffolk college, like the Association of Colleges, is asking us to look carefully at how to move forward. It is asking for parity between schools and colleges. We have formed an academy with a sixth-form college, and it seems slightly ironic that the two funding models are not treated the same. I echo the comments of my hon. Friend the Member for Stroud (Neil Carmichael) that we should look at a better entry level for maths and English because it is important to encourage people to move up to a higher level.

The college in my constituency wants to be able to plan for the future with confidence, and it is looking to the Government to allow a three-year funding packing, if possible, so that it can do so. Colleges such as mine are keen to help the Government to meet their ambitions for skills and productivity, and to deliver the Government's commitment to have more apprenticeships. If the Government can give them certainty in further education funding, colleges will enable the Government to achieve the ambitions they want for our young people and others.

6.39 pm

Mr Gordon Marsden (Blackpool South) (Lab): The best of today's debate has been the powerful advocacy we have heard from Members from all parts of the House for further education in their constituencies and colleges.

I praise in particular the Labour Members who have spoken. My hon. Friend the Member for Bristol South (Karin Smyth) said that we were right to consider the devolution issues. My hon. Friend the Member for Batley and Spen (Jo Cox) gave practical examples of good work in her sixth forms and FE colleges.

There was a powerful speech from my right hon. Friend the Member for Tottenham (Mr Lammy), who drew on his experience as a former skills Minister. He pointed out that the Government have said very little about the completion figures for apprenticeships and the calibre of apprenticeships. He also touched on the huge collapse in adult learning. Although that is not central to the motion, it is another symptom of the failure of the Government to address this issue holistically.

My hon. Friend the Member for Coventry North West (Mr Robinson) talked about the funding uncertainties. My hon. Friend the Member for West Bromwich West (Mr Bailey) talked about the almost apocalyptic feeling among many FE colleges. My hon. Friend the Member for Heywood and Middleton (Liz McInnes) cited the situation in her college and rightly shamed the Secretary of State for her reliance on scaremongering balloon artistry in her speech. My hon. Friend the Member for Salford and Eccles (Rebecca Long Bailey) asked how we can deal with the savage cuts to colleges. My hon. Friend the Member for Burnley (Julie Cooper) said that FE had helped to transfer—[*Interruption.*] The Secretary

of State chunters from a sedentary position. If she wants to claim that she did not refer to balloon artistry, she is welcome to do so.

Nicky Morgan: I am happy to say that I mentioned courses such as marzipan modelling and balloon artistry, which were funded by the Labour Government. Young people were led to think that they were gaining qualifications that would stand them in good stead in their education, but they did not.

Mr Marsden: If the Secretary of State checks the facts, she might find that they are rather different.

My hon. Friend the Member for St Helens South and Whiston (Marie Rimmer) is a powerful advocate for the role of FE in her empowering sixth-form colleges. As a former WEA tutor, I was pleased that she spoke about the importance of the WEA.

Regardless of her artistry, balloon or otherwise, I found the Secretary of State's speech rather sad and waffly, with a dash of Europhobia thrown in. [*Interruption.*] I am sorry that Ministers do not like that, but it is true. The Secretary of State talked about not showing her hand before the spending review. The problem is that most of us do not believe that she had a hand to show in the first place. The way in which she talked about apprenticeships without mentioning any of the difficulties or complexities reminded me of the old sitcom, "Never Mind the Quality, Feel the Width".

The Secretary of State did not look at the unsustainable division between school education, which has ring-fenced funding, and FE, which faces growing marginalisation and an ever-greater burden of cuts. The area review of local FE provision is adding to the instability in the sector and there is unclear information from the Government on funding applications. Further education for 16 to 19-year-olds was the most cut area of education in the last Parliament, with its funding falling by 14% in real terms. That was a combination of lower budgets to support 16 to 19-year-olds after the scrapping of the EMA and a direct funding cut to colleges of about 10% in real terms. This year, per-student funding in colleges and sixth forms has faced a real-terms cut and stands at £4,000.

It is a pity that the Secretary of State did not come out of her press release bubble a little more and talk about what other people in the sector are saying. Many Members referred to the open letter that warned about further funding cuts in the spending review, as was reported in Monday's *FE Week*. Colleges and courses do not exist in silos. If there are funding cuts for 16 to 19-year-olds, it will have a knock-on effect on other age groups. Earlier in the week, the shadow Chancellor and I spoke to hundreds of FE staff in London. There was genuine fury not just because they will be less able to help students, but about the life chances that will go astray.

The National Audit Office rightly reported on the problems in FE earlier in the year. My hon. Friend the Member for Hackney South and Shoreditch (Meg Hillier), in her role as Chair of the Public Accounts Committee, described it as a "deeply alarming report".

It is not just in Department for Education policy that the Government are failing to support the skills and growth that we need. There is a failure of joined-up thinking across the Departments and there is no

acknowledgement of the impact that the Government 'cuts are having on post-school education. The Minister knows that business and the budget for further education are closely linked, but the new higher education Green Paper threatens to stack the deck against FE colleges that derive precious revenue from providing degree-level skills. If he plans to ensure that colleges that do not immediately meet the desired standards are supported to improve and bounce back, rather than starting on a cycle of decline, fair enough, but the Green Paper has no answers to that question.

The analysis by our shadow Education team showed just what the cuts would mean for 16 to 19-year-olds. Assuming the Department met the lower target of 25%, spending on 16-to-19 provision could fall by £1.6 billion a year by 2020. No wonder the alarm bells have been rung all across the sector. No wonder the Association of Employment and Learning Providers, in its spending review submission, said that funding for 16-to-18 education should be maintained. The Government need to realise that people from across the sector, including the Association of Colleges, which has spoken out strongly, and the University and College Union, which has said that colleges

"cater for the learning needs of a wide range of people, including many from vulnerable or disadvantaged groups",

are saying that colleges should not lose out to schools but that the Government are in danger of allowing that to happen.

We have heard a lot from the sixth-form college sector. Research by the Sixth Form Colleges Association at the beginning of August painted a picture of a beleaguered sector under serious threat from three separate funding cuts since 2011—never mind what might come up next week. Only this week, the principal of my sixth-form college said to me:

"Last year 81.42% of our students progressed to HE, a further 12.21% to employment with training...and only 0.94% remained NEET... Another cut in funding threatens all this. Not only will the college have to seek significant savings in its day to day operation, we will also have to consider...reducing the curriculum offer...to students"

and

"removing key specialist subjects from our portfolio".

He also said the college risks not meeting its work experience requirements or the local needs of the community. A paper from the Sixth Form Colleges Association has made the same point. The principal of the excellent Blackpool and The Fylde further education college, which teaches 3,000 under-18s, has said to me: "Given the attainment in schools in the locality, post-16 providers have to compensate for poor performance and need to be remunerated accordingly. I hope you will continue your support for the college in the forthcoming year, particularly by offering robust challenges to any further funding cuts in the autumn spending review."

Even on their most clearly stated aims, the Government cannot help shooting themselves in the foot. Ministers proclaim that they protected schools from cuts by ring-fencing funding, but they do not recognise the effects of cuts on schools with a sixth-form attached, many of which use the secondary education budget to cover the huge cuts. Ministers have encouraged 169 new school sixth forms to open since 2010, but there are now 1,200 with fewer than 100 students. There are already indications that pressures on the sector mean that providers cannot offer the service our young people need, even in core

[Mr Marsden]

areas such as maths. In answer to a parliamentary question, the Minister told me that 150 graduates would be offered bursaries to train this year, but that figure represents only about 3% of the current maths teaching force. Some 25% of experienced teachers are approaching retirement, and those older teachers are three times more likely to have a maths qualification than younger recruits.

Government Members who think that these FE cuts and area reviews will pass them by should listen to the warning given by the hon. Member for East Worthing and Shoreham (Tim Loughton) last week in Question Time, when he asked the Minister to assure him

“that the area reviews are not just a cover for further, unrealistic cuts that will threaten their viability altogether”.—[*Official Report*, 10 November 2015; Vol. 602, c. 213.]

The Government claim that they want to energise technical and professional skills, but then they fail to deliver level 4 work experience in schools. They claim they want to boost productivity, but then, in their area reviews, ignore the vital role that colleges and providers play. They claim they want to give everyone a proper chance, but then produce cuts with unforeseen consequences. They claim that they want to talk about equalities, but as we have heard, colleges and schools are short of funding, which often means that support for disabled young people is not forthcoming or co-ordinated. They do not understand—or they do not care to understand—the cumulative effects of those cuts, just as they did not understand the awful damage that was done by cutting the education maintenance allowance and aid for social mobility.

Further education must no longer be the whipping boy when the spending review is delivered. If the Government will the ends, they must will the means. Otherwise, meanness and lack of focus will leave thousands of young people at risk of having their life chances shredded by the ignorance or incompetence of this Government.

6.50 pm

The Minister for Skills (Nick Boles): It is, as always, a pleasure to debate in this House education for 16 to 19-year-olds, and particularly further education and sixth-form colleges. It is a subject on which I can bore for Britain. Unfortunately, the debate got off to a bad start, because the hon. Member for Glasgow North West (Carol Monaghan) detained the House for 13 minutes on a question that does not affect her constituents in any way.

Carol Monaghan *rose*—

Nick Boles: I will not give way to the hon. Lady. We heard quite enough from her earlier on. She strangely failed to mention that her party's Government in Edinburgh have slashed funding for further education and closed colleges in order to subsidise free university education for students who will go on to earn far more than many who graduate from further education colleges. She should be ashamed and keep quiet in our debate.

Alex Salmond (Gordon) (SNP): Will the Minister give way?

Nick Boles: I will not give way to the right hon. Gentleman. [*Interruption.*] I will not give way.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. The right hon. Member for Gordon (Alex Salmond) knows that he cannot just remain standing. If the Minister wishes to give way, I am sure he will; if he does not, that is his choice.

Nick Boles: I might well have given way to the right hon. Gentleman if he had attended any of the debate apart from his own intervention.

Alex Salmond: On a point of order, Mr Deputy Speaker. I am sure that the Minister—if he is that—did not mean to mislead the House, but if he checks the record, I think he will find that funding for further education in Scotland is immeasurably superior to funding for further education in England.

Mr Deputy Speaker: The right hon. Gentleman has been here over many years. He is back, and I know that he will never ever forget what is, and what is not, a point of order. That was not.

Nick Boles: When any question is asked in this House, from the Government side we hear about reforms—reforms to institutions, standards, leadership and incentives. In this debate my hon. Friend the Member for Stroud (Neil Carmichael), Chair of the Education Committee, made an extremely interesting proposal for sixth-form colleges to be allowed to convert to academy status, and I know that Ministers will have listened to that.

My hon. Friend the Member for Romsey and Southampton North (Caroline Nokes) spoke about the economies of scale that large college groups can enjoy, and which enable them to support enrichment programmes. My hon. Friend the Member for Bury St Edmunds (Jo Churchill) spoke passionately about apprenticeships and applauded Jack's ambition to set up his own business. I have no doubt that that ambition will be fulfilled. We heard from my hon. Friend the Member for Chippenham (Michelle Donelan), and I enjoyed visiting a college with her before she was elected. She made a good argument that we must encourage students to opt for courses that will help them to get good jobs, and that is exactly what the introduction of destination measures will achieve.

My hon. and learned Friend the Member for South East Cambridgeshire (Lucy Frazer) spoke of Cambridge Regional college, which educates more than 5,000 apprentices. I point out to her and the House that colleges currently win only 37% of the funding for apprenticeship training, and there is no reason why they should not win more of that growing funding stream. Yesterday, I suggested to the Association of Colleges annual conference that we should work together with colleges to help them to achieve two thirds of the much larger budget for apprenticeship funding that will be in place once the apprenticeship levy has been introduced.

In what was without doubt the best speech of this debate, my hon. Friend the Member for St Albans (Mrs Main) rightly said that Opposition Members should be careful before they sneer at apprenticeships in hairdressing and retail. We know that level 2 and level 3 apprenticeships increase people's incomes by, on average, 11% and 16%, and Conservative Members will not sneer at those people and their hard work.

From the Opposition side of the House, we hear about money. It is their stock answer to everything. Indeed, it is their only answer to anything. The shadow Secretary of State waved a bloody shroud based on nothing more than her wild speculation about the spending review. The hon. Member for Bristol South (Karin Smyth) made a reasonable point about the need for some funding to support the implementation of the conclusions of area reviews, and she will be aware that we already provide interim funding for colleges in financial difficulties. We are absolutely aware of the need to provide funding to support the implementation of area reviews.

Melanie Onn: Will the Minister give way?

Nick Boles: I am not going to give way to the hon. Lady.

The hon. Member for Batley and Spen (Jo Cox) seemed to regret the fact that colleges can borrow money to invest in new facilities, whereas that is a key freedom that I know colleges enjoy and make use of. The right hon. Member for Tottenham (Mr Lammy) decried cuts in adult learning budgets, but then criticised the inclusion of 35-year-olds in apprenticeships. I have to admit that I was confused by his argument. If apprenticeships are not right for adults, why is adult learning so much better?

The hon. Member for Coventry North West (Mr Robinson) said that Coventry City college, which is indeed a fine college, wants to bid for more apprenticeship funding this year. I can tell him that fortunately we will be able to meet some bids for growth funding for apprenticeships in the remainder of this financial year. I hope that the college has made such a bid. I cannot promise that it will be successful, but if the college is as good as he says it is, it has a very good chance. We heard further contributions from the hon. Members for West Bromwich West (Mr Bailey), for Heywood and Middleton (Liz McInnes) and others.

This debate has distilled the essential difference between the Government and the Opposition. The Government stand for, and propose, reform—reform to institutions to make them stronger, and reform to technical and professional courses to make them more valuable. That is why I am so delighted that an excellent former Labour Minister, Lord Sainsbury, will chair our independent panel, along with Professor Alison Wolf and Bev Robinson, the principal from the local college of the hon. Member for Blackpool South (Mr Marsden), to ensure that we improve technical and professional courses. We propose reform to apprenticeships to increase their number, quality and impact on the future earnings of our constituents.

What the Opposition stand for, and propose, is money—from higher taxes, from higher borrowing and from higher debts that the next generation will have to pay. I will ask the House to reject the motion tonight because there is a clear choice. We will invest in the future generation and their capacity to earn money for themselves by investing in apprenticeships and making apprenticeships better, longer and more rigorous. The Opposition will load more debt on the next generation's backs. The Opposition will ask future generations, the people who will attend these colleges that the Opposition want to support, to pay for their decisions now, and for their

failure to get borrowing under control. We will not go down that path: we will invest in reform and improvement, and I therefore reject the motion.

Question put.

The House divided: Ayes 203, Noes 292.

Division No. 128]

[6.58 pm

AYES

Abbott, Ms Diane	Evans, Chris
Abrahams, Debbie	Farrelly, Paul
Alexander, Heidi	Farron, Tim
Allen, Mr Graham	Field, rh Frank
Anderson, Mr David	Fletcher, Colleen
Austin, Ian	Flint, rh Caroline
Bailey, Mr Adrian	Flynn, Paul
Barron, rh Kevin	Fovargue, Yvonne
Beckett, rh Margaret	Gapes, Mike
Benn, rh Hilary	Gardiner, Barry
Berger, Luciana	Glass, Pat
Betts, Mr Clive	Glindon, Mary
Blackman-Woods, Dr Roberta	Godsiff, Mr Roger
Blenkinsop, Tom	Goodman, Helen
Blomfield, Paul	Green, Kate
Bradshaw, rh Mr Ben	Greenwood, Lilian
Brennan, Kevin	Greenwood, Margaret
Brown, Lyn	Griffith, Nia
Brown, rh Mr Nicholas	Haigh, Louise
Buck, Ms Karen	Hamilton, Fabian
Burden, Richard	Hanson, rh Mr David
Burgon, Richard	Harman, rh Ms Harriet
Burnham, rh Andy	Harris, Carolyn
Butler, Dawn	Hayes, Helen
Cadbury, Ruth	Hayman, Sue
Campbell, rh Mr Alan	Healey, rh John
Campbell, Mr Ronnie	Hendrick, Mr Mark
Champion, Sarah	Hodgson, Mrs Sharon
Coaker, Vernon	Hoey, Kate
Coffey, Ann	Hollern, Kate
Cooper, Julie	Hopkins, Kelvin
Cooper, rh Yvette	Howarth, rh Mr George
Corbyn, rh Jeremy	Hunt, Tristram
Cox, Jo	Hussain, Imran
Coyle, Neil	Jarvis, Dan
Crausby, Mr David	Johnson, Diana
Creagh, Mary	Jones, Gerald
Creasy, Stella	Jones, Graham
Cryer, John	Jones, Helen
Cummins, Judith	Jones, Susan Elan
Cunningham, Alex	Kane, Mike
Cunningham, Mr Jim	Kaufman, rh Sir Gerald
Dakin, Nic	Keeley, Barbara
Danczuk, Simon	Khan, rh Sadiq
David, Wayne	Kinahan, Danny
Davies, Geraint	Kinnock, Stephen
Dodds, rh Mr Nigel	Lamb, rh Norman
Donaldson, rh Mr Jeffrey M.	Lammy, rh Mr David
Doughty, Stephen	Lavery, Ian
Dowd, Jim	Leslie, Chris
Dowd, Peter	Lewell-Buck, Mrs Emma
Dromey, Jack	Lewis, Clive
Dugher, Michael	Lewis, Mr Ivan
Durkan, Mark	Long Bailey, Rebecca
Eagle, Ms Angela	Mactaggart, rh Fiona
Edwards, Jonathan	Madders, Justin
Efford, Clive	Mahmood, Mr Khalid
Elliott, Julie	Mahmood, Shabana
Ellman, Mrs Louise	Malhotra, Seema
Esterson, Bill	Mann, John
	Marris, Rob
	Marsden, Mr Gordon

Maskell, Rachael
 Matheson, Christian
 McCabe, Steve
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonnell, John
 McGinn, Conor
 McInnes, Liz
 Meale, Sir Alan
 Mearns, Ian
 Miliband, rh Edward
 Moon, Mrs Madeleine
 Morden, Jessica
 Morris, Grahame
 M.
 Mulholland, Greg
 Murray, Ian
 Nandy, Lisa
 Onn, Melanie
 Onwurah, Chi
 Owen, Albert
 Pearce, Teresa
 Perkins, Toby
 Phillips, Jess
 Pound, Stephen
 Powell, Lucy
 Pugh, John
 Qureshi, Yasmin
 Reed, Mr Steve
 Rees, Christina
 Reynolds, Emma
 Reynolds, Jonathan
 Rimmer, Marie
 Ritchie, Ms Margaret
 Robinson, Mr Geoffrey
 Rotheram, Steve
 Ryan, rh Joan
 Saville Roberts, Liz
 Shah, Naz
 Shannon, Jim
 Sharma, Mr Virendra
 Sherriff, Paula
 Shuker, Mr Gavin

Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, rh Mr Andrew
 Smith, Angela
 Smith, Cat
 Smith, Jeff
 Smith, Nick
 Smith, Owen
 Smyth, Karin
 Spellar, rh Mr John
 Starmer, Keir
 Stevens, Jo
 Streeting, Wes
 Stuart, rh Ms Gisela
 Tami, Mark
 Thomas, Mr Gareth
 Thomas-Symonds,
 Nick
 Thornberry, Emily
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Twigg, Derek
 Umunna, Mr Chuka
 Vaz, rh Keith
 Vaz, Valerie
 Watson, Mr Tom
 West, Catherine
 Whitehead, Dr Alan
 Williams, Hywel
 Williams, Mr Mark
 Wilson, Phil
 Winnick, Mr David
 Winterton, rh Ms
 Rosie
 Woodcock, John
 Wright, Mr Iain
 Zeichner, Daniel

Tellers for the Ayes:
Vicky Foxcroft and
Holly Lynch

NOES

Adams, Nigel
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Amess, Sir David
 Andrew, Stuart
 Ansell, Caroline
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, Stephen
 Baron, Mr John
 Barwell, Gavin
 Bebb, Guto
 Bellingham, Mr Henry
 Benyon, Richard
 Beresford, Sir Paul
 Berry, Jake
 Berry, James
 Bingham, Andrew
 Blackman, Bob
 Blackwood, Nicola

Blunt, Crispin
 Boles, Nick
 Borwick, Victoria
 Bottomley, Sir Peter
 Bradley, Karen
 Brady, Mr Graham
 Brazier, Mr Julian
 Bridgen, Andrew
 Brokenshire, rh
 James
 Bruce, Fiona
 Buckland, Robert
 Burns, rh Sir Simon
 Burrowes, Mr David
 Burt, rh Alistair
 Carmichael, Neil
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishty, Rehman
 Chope, Mr Christopher
 Churchill, Jo
 Clark, rh Greg
 Cleverly, James

Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Colville, Oliver
 Costa, Alberto
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Byron
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Dr James
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Donelan, Michelle
 Dorries, Nadine
 Double, Steve
 Dowden, Oliver
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, James
 Duncan Smith, rh Mr
 Iain
 Dunne, Mr Philip
 Ellis, Michael
 Ellison, Jane
 Ellwood, Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evans, Graham
 Evans, Mr Nigel
 Evennett, rh Mr David
 Fabricant, Michael
 Fallon, rh Michael
 Fernandes, Suella
 Field, rh Mark
 Foster, Kevin
 Fox, rh Dr Liam
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fuller, Richard
 Fysh, Marcus
 Gale, Sir Roger
 Garnier, rh Sir Edward
 Gauke, Mr David
 Ghani, Nusrat
 Gibb, Mr Nick
 Gillan, rh Mrs Cheryl
 Glen, John
 Goldsmith, Zac
 Goodwill, Mr Robert
 Gove, rh Michael
 Grant, Mrs Helen
 Gray, Mr James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gummer, Ben
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matthew
 Hands, rh Greg
 Harper, rh Mr Mark

Harris, Rebecca
 Hart, Simon
 Haselhurst, rh Sir Alan
 Hayes, rh Mr John
 Heald, Sir Oliver
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 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
 Kirby, Simon
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lancaster, Mark
 Latham, Pauline
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Letwin, rh Mr Oliver
 Lewis, Brandon
 Lewis, rh Dr Julian
 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, Karl
 McLoughlin, rh Mr
 Patrick
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria

Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mordaunt, Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mowat, David
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, Caroline
 Norman, Jesse
 Nuttall, Mr David
 Offord, Dr Matthew
 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
 Pow, Rebecca
 Prentis, Victoria
 Prisk, Mr Mark
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Mr Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Mary
 Rosindell, Andrew
 Rudd, rh Amber
 Rutley, David
 Scully, Paul
 Selous, Andrew
 Sharma, Alok

Shelbrooke, Alec
 Simpson, rh Mr Keith
 Smith, Chloe
 Smith, Henry
 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
 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
 Vaizey, Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 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
 Williams, Craig

Williamson, rh Gavin
 Wilson, Mr Rob
 Wood, Mike
 Wragg, William
 Wright, rh Jeremy

Zahawi, Nadhim

Tellers for the Noes:
Guy Opperman and
Jackie Doyle-Price

Question accordingly negated.

Business without Debate

Mr Deputy Speaker (Mr Lindsay Hoyle): With the leave of the House, we shall take motions 3 and 4 together.

Motion made, and Question put forthwith (Standing Order No. 119(11)),

EUROPEAN UNION DOCUMENTS

EUROPEAN DEFENCE: IMPLEMENTATION ROAD MAP

That this House takes note of European Union Document No. 11358/14, a Commission Report: A New Deal for European Defence: Implementation Roadmap for Communication COM(2013)542: Towards a more competitive and efficient defence and security sector; agrees that any further development of the Commission's proposals in the defence sector must be in close cooperation with EU Member States; and shares the Government's view that the focus for any Commission action should be on improving competitiveness and economic growth, while avoiding any activity that could constrain the UK's ability to obtain the best capability for its Armed Forces, conflict with NATO, or otherwise impinge upon the UK's national security interests.

USE OF GENETICALLY MODIFIED FOOD AND FEED

That this House takes note of European Union Documents No. 8344/15 and Addendum, a Commission Communication: Reviewing the decision-making process on genetically modified organisms (GMOs), and No. 8356/15, a Proposal for a Regulation amending Regulation (EC) No. 1829/2003 as regards the possibility for Member States to restrict or prohibit the use of genetically modified food and feed on their territory; and endorses the Government's approach not to support the proposal because of its negative implications for international trade, the single market and science based regulation.—(*Margot James.*)

Question agreed to.

Employee Pay (DWP)

Motion made, and Question proposed, That this House do now adjourn.—(Margot James.)

7.11 pm

Chris Stephens (Glasgow South West) (SNP): I wish to raise the important issue of the pay of employees in the Department for Work and Pensions—or, perhaps more accurately, the low pay of those employees.

As we know, pay throughout the public sector has been subject to restraint for a number of years, and the pay in the DWP is no exception. A TUC report published in 2014 showed that public sector workers were, on average, £2,245 worse off in real terms than they had been before the previous Government took office. However, the issue of low pay is felt particularly acutely in the DWP, as it is one of the lowest paid civil service Departments, and staff now struggle to make ends meet.

Some 87% of DWP staff—74,701 employees—now earn less than the UK mean average wage of £27,200 a year, and 47% of staff—39,526 employees—earn less than £20,000. The Public and Commercial Services Union estimates that thousands who are at the bottom of the DWP pay scale will not even earn the national living wage that was announced by the Chancellor in the Budget if their pay rises by only 1% a year until 2020. DWP pay increases have been heavily capped for the last six years, and in 2010 and 2011 there was a 0% increase for staff earning over £21,000.

Alex Salmond (Gordon) (SNP): As my hon. Friend knows, in 2011, when we were in the very depths of the recession, the Scottish Government were able to introduce a living wage for all civil service staff in Scotland, along with a non-redundancy clause agreement. Why was such a move not possible for either the Labour Government or the coalition Government—or, for that matter, the present Conservative Government?

Chris Stephens: I do not know the reasons for that, but I think that it should have been possible. As my right hon. Friend will know, in Scotland those earning less than £21,000 a year have received a £250 pay rise over the last couple of years.

Between 2012 and 2015, all DWP staff received a 1% increase, and the Chancellor has announced his intention to limit civil service pay increases to 1% for the next four years.

Mr Jim Cunningham (Coventry South) (Lab): I am sure the hon. Gentleman agrees that, if inflation is taken into account, that 1% increase effectively amounts to a 6% or 7% wage cut, and women in particular are bearing the burden.

Chris Stephens: The hon. Gentleman is correct, and I will come on to the fact that it is estimated that what has taken place in the DWP is effectively a cut of £2,245.

There is also the issue of no pay progression within the Department. Since 2009 there has been no mechanism for DWP staff to move from the bottom towards the top of the pay range for their grade. This has meant staff have become frozen at the bottom of the pay range with no means of ever progressing further. Around 70% of DWP staff are in this position.

Jim Shannon (Strangford) (DUP): I thank the hon. Gentleman for bringing this matter to the House. The issue he has just mentioned is very important. Surely it is right to reward people as they progress and achieve goals and standards of knowledge and expertise, which is very important in the DWP, and move from one level to the next. Does he think that the Government should consider retraining people so that they can step up the wage scale?

Chris Stephens: I agree with that, because if there is a pay range and scale, there should be natural progression through experience and training.

With pay increases limited to 1% year on year, simply not enough money is available to create meaningful pay progression and give all staff some annual pay increase. The Treasury has consistently prescribed that any pay progression must be funded from the 1% increase and no additional funds have been made available. My first question to the Department is this: will the DWP change its attitude towards pay progression and allow employees to move up the pay grades and scales?

Let me turn to the increase in pensions and national insurance contributions. DWP staff are members of one of the civil service pension schemes and since 2010 members' contributions to the pension schemes have been steadily increasing, averaging 3.2% by 2015. These increases have, effectively, eroded the value of the recent 1% pay rise. This has meant that DWP staff take-home pay now has hardly increased at all since 2012. DWP staff also expect to see an increase of around 1.4% in their national insurance contributions in 2016, when the new state pension comes into effect.

Some 40% of DWP staff are on tax credits. The DWP has told the PCS that 40% of DWP staff have to rely on tax credits to supplement their low rates of pay. This is clear evidence of how low pay rates are in the DWP. If the measures to reduce tax credits that were announced in the July Budget were ever to be implemented, there would be a significant impact on DWP staff.

The Government have made many public statements saying that employers should pay a living wage and not make their employees rely on tax credits to supplement low pay. It is ironic, therefore, that so many DWP employees are made to rely on tax credits because the Government will not pay their own staff a decent salary. Furthermore, the Government have justified tax credit cuts by declaring that when their employees lose their tax credits, employers will naturally pay higher wages. However, if the Government rely on tax credits to subsidise the low pay of their own workforce and they are unwilling to compensate these workers who stand to lose from changes to tax credits and the 1% pay cap, it is hard to see how other employers can be expected to practice anything different.

DWP pay is an equality issue. Some 69% of staff are female, predominantly employed in the lower grades.

Mr Jim Cunningham: There is a contradiction. On the one hand, Government policy is equal pay for women, but on the other hand they reduce women's wages at the DWP and other Departments.

Chris Stephens: I entirely agree, and I am sure the hon. Gentleman will agree with me that we are seeing an increase in the pay gap between male and female workers.

Low pay in the DWP therefore has a detrimental effect on women. As the highest paid grades in the DWP have a majority of male staff, this has created a significant gender pay gap in the DWP. My next question is this, therefore: what equality impact assessment has been carried out to ensure the DWP complies with the Equal Pay Act 1970 and is not at risk of equal pay claims?

There have been increased workloads and efficiency, but no reward. Time and again, Ministers and those running the Department thank DWP staff for their hard work in keeping the Department afloat and delivering welfare reform. Recognition is always welcome, but DWP staff feel that the thanks need to be translated from mere words into a form of recognition visible in their pay packets.

Furthermore, the DWP workforce has been cut by 30% since 2010, so the pressure on those remaining has increased. In March 2015, the Secretary of State told DWP staff that productivity had increased significantly. He cited record levels of employment, faster processing, fewer calls chasing progress, and an annual operating cost £2.5 billion lower than in 2009-10, yet none of those improvements in productivity has been reflected in increases in DWP pay.

The DWP is one of the lowest paid Departments in the civil service. Prior to civil service pay being delegated to individual Departments, all civil service grades were paid the same, irrespective of which Department they worked in. However, as a consequence of pay delegation, pay levels now vary greatly from one Department to another, and DWP pay is particularly low. There are now well over 100 pay bargaining units across the civil service, and the DWP, as the largest Department, does not do well compared with other civil service Departments.

This will be brought into sharp focus with the roll-out of universal credit, when 2,000 HMRC colleagues, earning considerably more than DWP staff, will transfer into the DWP and will be earning a lot more for doing the same work. For example, 40% of staff in the administrative officer grade in the DWP earn less than the HMRC administrative officer grade minimum. Anyone who joins HMRC on its administrative officer minimum will come in more than halfway up the DWP administrative officer pay scale at £18,415.

People who work in the private sector are better off. This Government seek to justify public sector pay restraint by spreading the myth that life in the public sector is altogether cosier than in the private sector, but the truth is that pay for those in the DWP is now so low that some people in the private sector employed on civil service contracts are leaving them behind. For example, in Steria, the company that won the contract for HR shared services, where some DWP workers saw their work privatised, members have just been awarded a 2.3% pay increase. In Maximus, another DWP contractor, members have recently accepted an offer that will give the majority of them increases of over 15%, with the lowest paid receiving an increase of nearly £5,000.

Increases for private sector workers on DWP contracts are therefore considerably in excess of the 1% awarded to DWP staff. Of course, those pay increases in private sector contracts are funded by the taxpayer every bit as much as DWP pay is funded by the taxpayer. We commend the pay increases for those staff, but we fail to see the logic of the 1% pay cap being so rigidly imposed

on public sector workers when that is not the case for private sector workers delivering Government contracts.

We fear that there is discriminatory performance-related pay in the DWP. The Department also pays some staff a non-consolidated payment each year. This is worth 1.9% of the annual pay bill—around £44 million. The payments are distributed based on performance appraisal markings and grade. Staff who have received a “must improve” box marking—around 8% of DWP staff—receive no non-consolidated payment. Other non-consolidated payments vary from £450 for an administrative assistant to £1,750 for a grade 6 employee. These non-consolidated payments have been shown to be discriminatory in many ways. You are more likely to receive the higher award if you are full time, white and under 60, and more likely to receive no non-consolidated payment if you are over 60, BME or part time.

Terms and conditions are also diminishing. At the same time as pay increases in the DWP have been subject to central Government pay restraint and caps, DWP staff have seen a gradual erosion of other terms and conditions. This has taken the form of increased pension contributions and changes to pension entitlements, repeated attacks on the civil service compensation scheme, restricted access to flexitime, a draconian approach to attendance management, and cuts in staffing.

The sense of anger among DWP staff is high. When the 1% pay award was imposed on DWP staff in July, more than 5,700 protest letters were sent to the Secretary of State and the permanent secretary. The PCS receives constant feedback from its members on the impact of pay restraint. My next question therefore is: what assessment has been carried out to ensure that DWP staff reach the so-called living wage target? Or will steps be taken to ensure that this is delivered earlier? Some DWP staff reported regularly borrowing from credit cards to make up the shortfall in their wages and being unable to afford to tax their cars.

My last question is: do Ministers believe that the enormous improvements in productivity that DWP staff have achieved under their watch should be rewarded with an additional pay increase above the 1% cap?

7.25 pm

The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson): I congratulate the hon. Member for Glasgow South West (Chris Stephens) on securing this important Adjournment debate and all the other Members who have contributed in it. My office took particular interest in this one. I also congratulate him on his 25 years of work in public service, his role as vice-chair of the PCS parliamentary group, and his interest in DWP and its valuable work.

DWP is the largest Government Department, with a pay bill of £2.5 billion in 2015-16. The Department employs more than 84,000 staff, who work in various locations across the country and serve more than 22 million claimants and customers, some of whom are the most vulnerable in society. When I have spoken about that before, many of my colleagues have been surprised, because a lot of MPs are not aware of just how vast the organisation is and the diversity of work we do in job centre networks, benefit centres and the corporate services. For example, we support people to find work, develop policy, pay pensions and investigate fraud. The Department is delivering substantial welfare reform changes, including

[Justin Tomlinson]

the roll-out of universal credit, the introduction of personal independent payment and pension reforms, while meeting our efficiency challenges.

We appreciate the professionalism and contribution of DWP employees in continuing to deliver those changes. The results of their efforts have included a new record high UK employment rate of 73.7%; unemployment at a seven-year low of 5.3%; an employment rate for young people who have left full-time education up at 74.3%, the highest in more than a decade; and a reduction in operating cost of £1.9 billion since 2009-10. I have made many trips around the country to meet those front-line DWP staff and to see the great work that they do, with great professionalism. Tomorrow I am off to Blackpool as part of my visits, when I am going to see the work being done on PIP. I am sure that hon. Members from all parts of the House will join me in acknowledging the hard work and contribution of the dedicated DWP staff.

In 2010, the country was facing tough economic challenges, and the Government had to make some difficult decisions in order to address the country's huge budget deficit. As was the case across Europe, public sector pay restraint was part of the overall approach taken to reducing the deficit. That was not unique to the public sector; not only did many workers in the private sector also face pay freezes, but some faced pay cuts. As a Government Department, DWP has to comply with the Government public sector pay policy to set pay awards in line with Her Majesty's Treasury and Cabinet Office guidelines.

Let me now deal specifically with our Department's approach. Since 2010, DWP has focused on increasing the pay of its lowest paid. In the emergency Budget of 2010 the Chancellor of the Exchequer announced a two-year pay freeze for those in the civil service earning more than £21,000. But, crucially, for those earning under £21,000, DWP took advantage of the flexibility and opted to pay more than the minimum £250 flat-rate increase proposed in HMT guidance. DWP actually provided awards ranging from £400 to £540. In 2010, it also increased the base salary of the lowest grade by £890. The pay freeze was followed by an annual pay remit of 1% on consolidated pay increases for the remainder of the last Parliament. During that time, DWP pay negotiations included discussions on how best to distribute the available funding. DWP opted to pay the majority of its staff a 1% increase each year, but continued to focus on increasing the pay of its lowest paid through higher base salary increases—for example, 3% in 2014 and 2.5% in 2015.

In addition, Departments have flexibility over how they allocate their non-consolidated performance payments. DWP is the only large Department that pays this to the majority of its employees, distributing on the basis of grade and performance marking. This year, DWP allocated performance awards of between £450 to £750 to junior staff.

Alex Salmond: I am listening carefully to the Minister, but the reality is that the Government have been rumbled on tax credits. They have been rumbled on payments to junior doctors, and now they are going to be rumbled on the treatment of DWP staff. When will the Minister

address the very specific questions that my hon. Friend asked him in this Adjournment debate?

Justin Tomlinson: I thank the right hon. Gentleman for his intervention, but all good things come to those who wait patiently. I am only part way through my contribution, and I have already addressed some of the points, but more is to come.

Pay and allowances are part of the total reward package. Employees also benefit from a package including a staff discount scheme, generous annual leave entitlement and a defined benefit pension scheme.

On the point about equality, DWP has one of the lowest gender pay gaps in Whitehall. It currently stands at 3.4%. Typically, it is rated at 5%. If an organisation or body is below 5%, they are making progress. The Department is committed further to improve that through the introduction of a range of measures including name-blind recruitment and female representation on senior recruitment panels. This is something that we take very seriously, and we are proud to be leading as a Department in that area.

Let me turn now to the future. The Chancellor of the Exchequer announced in this year's Budget that the Government will fund the public sector workforce for a pay award of 1% for the length of this Parliament. Each year, DWP negotiates with PCS and other unions on their pay awards and that will continue for future pay deals.

Jim Shannon: Very quickly on that, can the Minister give us some indication of the wastage among the staff—those who move on to other jobs? I do not expect an answer now, but could he give me a response later? I ask my question because the hon. Member for Glasgow South West (Chris Stephens) referred to the wage increase for those in similar jobs in different companies. The increase in their wages was significant. I was wondering whether the Minister's Department was holding on to its staff. If it is not, what steps is he taking to address that?

Justin Tomlinson: I will have to come back on those specific details.

The Chancellor also announced in the Budget earlier this year the very welcome introduction of a statutory national living wage for those aged 25 plus from April 2016. Our Secretary of State has long championed the principle that, if people work hard, they should be rewarded. He welcomed the introduction of the national living wage as

“perhaps the most significant measure in all the Budgets that I have listened to during my many years in this House.”—[*Official Report*, 9 July 2015; Vol. 598, c. 482.]

Chris Stephens: Will the Minister also provide us with an assessment of DWP staff who are younger than 25 years of age, because they will not get access to that living wage? If there is a 1% pay increase year on year, DWP staff will be earning 36p more than that national living wage.

Justin Tomlinson: I thank the hon. Gentleman for his intervention. My next bit will specifically address the under-25s. Our pledge is that the national living wage will go over £9 by 2020. From my recollection at the general election, the Scottish National party pledged to

pay about £8.60 or £8.80, and Labour pledged £8. I think that we can all support our decision to get the figure to over £9 by 2020.

Crucially, on the point about the under-25s, DWP will meet its statutory requirement and pay the national living wage to all employees regardless of age. That will include those under the age of 25. All Members will welcome that.

DWP will raise the pay of around 600—0.7% of our staff—who will fall just below this level from April 2016. The Department is ensuring that our contracted staff will also be paid at the new national living wage from April 2016 onwards, as we are conscious that we have large supply chains and people with whom we have direct work. For the remainder of the Parliament, all increases in employees' salaries will be in line with the guidance from Her Majesty's Treasury.

Mr Jim Cunningham: Can the hon. Gentleman tell me how many agency people the Department employs, how many consultants it does business with and how much that costs?

Justin Tomlinson: I thank the hon. Gentleman; I will be providing a written update in answer to that very good question.

I was asked about pensions. As changes are made to pensions, we have made sure that the lowest paid see the smallest increase and that those paid more contribute

more progressively, but it remains a good pension scheme, with a defined end. As for promotion through the pay scales, for those who can get promoted through the bands—there is typically a 10% difference between them—that remains in place.

Chris Stephens: The Minister is being very generous in giving way. Can I ask him about Her Majesty's Revenue and Customs staff coming into the DWP as part of the roll-out of universal credit? That will expose a lot of differences in civil service pay.

Justin Tomlinson: I cannot give a specific answer, but we are aware of that issue, which is something we continuously look at, because it is a significant point that has been raised.

In conclusion, while endeavouring to provide increases for all, the DWP has focused on its most junior grades, and that will remain our focus—again, I think we have cross-party support for that. We are proud that the DWP's gender pay gap has consistently been one of the lowest in Whitehall and we are committed to continue to focus on this. I thank the hon. Gentleman for raising this very important debate.

Question put and agreed to.

7.35 pm

House adjourned.

Westminster Hall

Wednesday 18 November 2015

[MR GEORGE HOWARTH *in the Chair*]

Women and Low Pay

9.30 am

Mr George Howarth (in the Chair): A digital debate has taken place on Twitter ahead of today's debate on women and low pay, and Mr Speaker has granted a derogation to allow the use of electronic devices in the Public Gallery for the duration of the debate. Devices should, however, be silent, and no photos can be taken.

Ruth Cadbury (Brentford and Isleworth) (Lab): I beg to move,

That this House has considered women and low pay.

The work that women do is crucial to the functioning of society, but their pay does not reflect that. Despite the fact that their qualifications are as good as, or better than, men's, their skills are not rewarded to the same level as men's, and their career progression is slower. We need to ensure equal pay for work of equal value.

This subject is vital for millions of women, and for their families and employers. Living on low pay means that women do not have enough money to give their children nutritious food, let them go on a school journey or take them on holiday. It means not being able to escape a violent relationship, losing much of their pay on the cost of fares to and from work, and not being able to save enough to cover even minor crises, such as the washing machine or car breaking down.

Forty-five years after Parliament passed the Equal Pay Act 1970, we are still to achieve equal pay. Forty-five years later, a 19% gender pay gap still exists. That is 3% higher than the EU average, despite the figure having reduced by a third under the last Labour Government.

When talking about women and pay, we often focus on high-paid jobs and the lack of women occupying positions in FTSE 100 company boardrooms. It is important to ensure that women have career progression, especially when the TUC has reported that the pay divide between men and women is nearly 55% among top earners.

Mr Jim Cunningham (Coventry South) (Lab): I congratulate my hon. Friend on securing this Adjournment debate. She is right: equal pay issues have been around for about 50 years—it is 45 years since the Act was introduced—and that is far too long in my book. More importantly, when women on zero-hours contracts apply for tax credits, they cannot get them, because they are not in steady employment. What does my hon. Friend think about that? Equally, women are discriminated against when it comes to pensions, because a lot of them spend most of their lives being housewives.

Ruth Cadbury: My hon. Friend is absolutely correct: this is about not just the low pay women receive, but the interconnection with zero-hours contracts, the benefits regime, tax credits and, of course, pensions, because a working life on low pay means a retirement on a low income.

Although the pay gap among top earners is nearly 55%, we also need to ensure, as my hon. Friend said, that we address women's pay at the other end of the spectrum, among those who are stuck in low-paid minimum wage jobs, who are, too often, on a zero-hours contract. Indeed, the majority of low-paid workers are women, and three in five minimum wage jobs are held by women.

Every major piece of legislation that has improved the lives of women has been introduced by the Labour party. From the National Minimum Wage Act 1998 to the Equality Act 2010, Labour has always been at the forefront of the fight for equality. The Government certainly know how to talk the talk on equality, and the Prime Minister pledged to end the gender pay gap "within a generation", but with 85% of Government tax and benefit cuts hitting women, Ministers are giving with one hand and taking from women with the other.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Lady on securing the debate. She alluded to the Prime Minister's comments about dealing with the issue within a generation. Does she agree that although successive Governments, including the Labour Government, have made marginal progress—some have made more significant progress than others—our ambition should be about much more than dealing with this issue within a generation? It should be dealt with immediately—within the lifetime of this Parliament.

Ruth Cadbury: The hon. Gentleman is absolutely right: we need action, not words. One of those actions is the living wage—or should I call it the true living wage, so as not to confuse it with the rebranded minimum wage? The true living wage is an hourly rate set independently and accredited annually. It is calculated according to the basic cost of living, not median earnings, unlike the new national living wage. The current living wage is £8.25 an hour, with the London living wage at £9.40 an hour. Employers choose voluntarily to pay the living wage.

Labour local authorities are taking the lead in rolling out the living wage. I am proud of the role I played in Hounslow Council in implementing it for the staff of not only the council, but its contractors, many of whom are women. That is making a difference locally to many women's lives and workplaces.

During the recent living wage week, my hon. Friend the Member for Stretford and Urmston (Kate Green)—the shadow Women and Equalities Minister—highlighted the importance of fair pay for women on a visit to a group of school meal staff in Camden who had recently been awarded the London living wage. That pay rise was due to a sustained campaign by the *Camden New Journal* and Unison, which put pressure on the company that employed the women so that it would give them the living wage they deserved. On receiving her pay increase, one of the women was delighted. She said the extra few pounds a week meant she would be able to save a bit of money each month and eventually have enough to go on a family holiday—her first. That made such a difference to her.

That is good for not just the employees, but their employer, which has seen increased staff satisfaction, leading to higher retention rates. Indeed, it previously had high staff turnover, with 40 vacancies to fill last summer; this year, it had only two. That is the point: having a large section of our workforce on a low wage is

[*Ruth Cadbury*]

bad for business and bad for the economy. The Government consultation on the gender pay gap discovered that equalising women's productivity and employment with men's could add almost £600 billion to the economy.

The Government have taken some lessons from the last Labour Government. One is that, for most women, childcare is a barrier to labour market participation, and that is even truer of women on low pay. The Sure Start initiative was introduced because Labour recognised that women were more likely to be in low-paid jobs and, therefore, that childcare needed to be subsidised to help them back into work.

It frustrates me that, to help women back into the workforce, there has to be recognition that women's employment is, on average, less well paid and of less value. Although it is good to see more women able to participate in the labour market, TUC research has shown that more than half the job growth for women since 2010 has been in low-paying sectors. Why is women's work less well paid? The work that women do is crucial to the functioning of society, but their pay does not reflect that.

Despite the fact that women's qualifications are as good as, or better than, men's, they are not rewarded. Women occupy 78% of jobs in health and social care—a sector where the average salary is £40 per week less than the UK economy average. By comparison, men account for 88% of those working in more lucrative sectors, such as science, technology and engineering.

It is harder for women to find good-quality jobs. Evidence suggests that women become “discouraged workers”, resulting in fewer of them working or actively seeking work. They are discouraged workers because they face real challenges in finding decent-quality work, and the work they traditionally carry out, such as catering, cleaning and caring, is too often low paid and undervalued.

Margaret Greenwood (Wirral West) (Lab): I congratulate my hon. Friend on securing this important debate. Does she agree that, with 4.1 million children now living in poverty, tackling women's low pay is a crucial part of improving the opportunities of those young people?

Ruth Cadbury: My hon. Friend is right. Children growing up in poverty do not have the same advantages and opportunities as many in their peer group. We cannot have a situation in which the adults of the future are not able to develop as they should in an equal, fair society.

Among examples discovered by the TUC of how brazen companies can be when they employ women was an advertisement in Wales for two seasonal roles—Santa Claus and Mrs Claus. Santa was to be paid a fair wage of £12 per hour, while Mrs Claus was paid the national minimum wage of £6.70 per hour. There was no difference in their job descriptions, and they both did the same amount of work, but the woman's role was deemed to be of less value. That may seem like an interesting one-off, but it perfectly demonstrates how differently men's and women's work is valued 45 years after the implementation of the Equal Pay Act 1970.

Occupational segregation and the devaluing of work traditionally carried out by women, such as caring, directly contributes to the gender pay gap. That must be tackled and the Government must do more to diversify

the labour market. As I have said, UK women earn on average 91% of what men earn. To put it another way, as of 9 November, just over a week ago, women are effectively working for free for the rest of the year. That is simply not acceptable in the 21st century. Progress has not been quick enough. Under Labour the gender pay gap reduced by a third—a trend that has, I admit, since continued; but while the gap has narrowed for full-time workers, it has widened for part-time workers and we must not be complacent.

Mr Jim Cunningham: My hon. Friend is very generous in giving way. It is difficult to see how Government policy can narrow the pay gap in the public sector when wage increases are held at 1%. Will my hon. Friend comment on that?

Ruth Cadbury: The public sector is in particular difficulties, but the reason for that is the incredibly tight constraints on its budgets. Having been a local authority lead member, I know the pressure and how difficult it is to juggle overdue pay increases and the need to retain jobs wherever possible, particularly in such vital sectors as social care.

The gender pay gap affects women from the day when they start work, and for the rest of their lives. Forty-five years after the passing of the Equal Pay Act 1970, we still have that gap. Earlier in the year Labour called for a new equal pay Act, acknowledging that the current one has simply not prevented inequality between genders. Indeed, the current Act puts responsibility for enforcing equal pay on women, by allowing a woman to take her employer to a tribunal, rather than making it a collective responsibility. Going to an employment tribunal is a difficult process, and it is now a costly one. First, the employee must be a member of a trade union if she cannot pay for a lawyer or represent herself, and many people are put off at that stage. However, if an employee is successful, the tribunal will instruct the company to do an equal pay audit; but how many women even get to that stage? Yesterday I participated in a Parliament outreach initiative on Twitter, and there was some debate. Women talked about their experiences, and many said they would not challenge an employer, even if they thought they were being paid less than their male counterparts. They feared being sacked. One woman said that equal pay audits might be useful, but that she feared many women would

“stay silent for fear of losing their jobs”.

The Government cannot simply point to the existing measures and say they are tackling the gender pay gap, when people do not have access to the tools that are provided. More needs to be done to make the tribunal process accessible, and to give women the confidence to challenge their employers about fair pay. There is also a need to move away from putting the responsibility on the employee to fight for equal pay, and towards collective responsibility. That is what Labour argued for at the beginning of the year. It is impossible for a woman to demand equal pay if she does not know what her male counterpart is earning. An equal pay audit should come at the beginning, not the end, of the process.

Where can we go next? In July, the Prime Minister proclaimed that he would end the gender pay gap in a generation. I welcome any efforts to address the hopeless situation we are in, but we need more attention paid to

women on low pay, rather than simply focusing, as I fear the Prime Minister may have done, on women in highly paid jobs. I recognise recent efforts to address the pay gap between men and women, which are commendable. Legislating for companies that employ more than 250 people to publish the difference between men and women employees' pay is a good way to push companies to pay men and women equally, to avoid embarrassment and public naming and shaming. However, traditional women's employment in the five Cs—clerical, catering, caring, cashiering and cleaning—is often in smaller companies, which will not need to publish that information.

We must also acknowledge the need to address not simply the discrepancy between wages but the value of women's work. The Government need a strategy to boost the esteem and pay of the jobs typically undertaken by women. Raising the minimum wage by the end of this Parliament and rebranding it does not fool me, or those women working for wages below the true living wage—the wage calculated as enough to live on. Cutting tax credits for millions of working families does not fool them either. The Government may talk the talk on equality but, while 85% of their tax and benefit changes fall on women, the cuts agenda compromises any chances of improvement for women on the lowest pay.

9.46 am

Barbara Keeley (Worsley and Eccles South) (Lab): It is a pleasure to serve under your chairmanship, Mr Howarth.

I thank my hon. Friend the Member for Brentford and Isleworth (Ruth Cadbury) for securing this important debate. It provides an opportunity to discuss how low pay affects women's lives. As we have heard, there are many reasons why women are more likely to receive low pay. They are likely to be paid less than a male colleague for doing the same job, and many women work in low-paid sectors. Of course, more women work part-time.

It is interesting to think about the impact of age on women's pay. Women in their 60s earn nearly 14% less than men, and women in their 50s earn 18% less than men, which is the highest difference for any working-age group. That has a significant impact on women's income during their working lives, but also on their income in retirement. That is what I want to talk about. Low pay means that fewer women can save for retirement. If they take time out to have children or care for close relatives and friends, that affects the contributions that they can make to a pension, which means that women face additional disadvantages with retirement income.

I have recently been working with the campaigning group Women Against State Pension Inequality, which campaigns against the way state pension age equalisation has been imposed on women born in the 1950s. For many women reaching retirement age, the state pension will be the main or only source of income. Until 1995, women who worked part time could not join their company pension schemes, or they did not qualify because of time taken out of the workforce for ill health or to fulfil caring responsibilities. Even when a court judgment in 2000 apparently meant that access to employers' pension schemes was possible, legal technicalities meant that it was too late for thousands of women to benefit. Women who worked part time between 1976 and 1995 should have been allowed access to company pension schemes,

but they needed to claim within six months of leaving a job, and many women left jobs without knowing that they could claim. Also, women who worked for less than two years for the same employer did not qualify.

Despite such unfairness continuing to 1995 and beyond, state pension equalisation was started with the Pensions Act 1995 and accelerated with the Pensions Act 2011. Women born in the 1950s have been hit particularly hard, and changes have been enacted without appropriate notification. Many women received little or no personal notification of the changes to the state pension age, so they were left with inadequate time to plan for the change in their financial circumstances. As I have said, older women are more likely than men to be in lower-paid, insecure or part-time work. I have met women in their 60s who are now struggling on zero-hours contracts or jobseeker's allowance, when they had expected to be able to retire at the age of 60. I met a group of women campaigning about this on Saturday, and one woman told me how, at the age of 62, she had been placed on the Work programme. Some women and their families are now experiencing real hardship because of the changes.

Members of Women Against State Pension Inequality shared with me their experiences, which include partners being unable to retire together due to the changes. Others discussed how they have struggled financially because they have given up work to care but have no income with which to support themselves. It is also a struggle for women in their 60s who have been self-employed, as that is often work that comes and goes. In one case, a woman caring for her husband, who has a terminal cancer diagnosis, will not be entitled to his pension after his death, and will not receive her state pension for a further four years. She said:

“It's disgraceful to get to this time of life with loads of worries ahead.”

It is unjust that so many women have had their retirement income altered significantly with such little notice, meaning there is not enough time to plan for the changes.

The date at which the changes take effect is also unfair. Those born on or after 6 April 1951 will now have to wait until a later age to claim their pension, whereas friends born just before that date are not affected, which can mean that there will be a number of years' difference between when women who are born a few months apart—probably people who were in the same class at school—begin to receive their state pension.

It is worth making it clear that the campaign group WASPI is against not the equalisation of the pension age but how the changes have been enacted. Many of those women have already spent their working lives being disadvantaged in pay compared with their male counterparts. The way the changes to the state pension have been enacted is a major injustice for these women, who have already lived with and overcome significant barriers in the workplace and now face even more barriers in their 60s.

It is time we looked again at low pay, but it is also time we looked at the other barriers faced by women of all age groups, particularly the additional hardship faced by women born in the 1950s. That is almost entirely due to the Government making changes to the state pension age without offering transitional protections, which were promised by the Work and Pensions Secretary in the debate on the Pensions Act 2011 but have not materialised.

9.52 am

Angela Crawley (Lanark and Hamilton East) (SNP): It is an honour to serve under your chairmanship, Mr Howarth. I congratulate the hon. Member for Brentford and Isleworth (Ruth Cadbury) on securing such an important debate.

Gender equality is not a dream, or at least it should not be. Often when we debate gender inequality in the workplace, we hear the usual apologist grumbles from Members. We are told that, in many ways, it is a fact of life; it is the way the world works and we cannot continue to complain because it will not change—“Life is unfair. Men are men and women are women. That’s it. Accept it and get on with it.” Well, I will not accept it. That response, which I have come to expect, is not only lazy but wrong, and it does not address the real issues women face. If we think along those lines, of course nothing will change. Inequality will continue. Women will continue to be discriminated against for having children. They will continue to be refused access to justice and will always be paid considerably less than men. We cannot, should not and must not allow that attitude to go unchallenged, because it is that attitude that put us in the position we are in today and it is that attitude that will keep us here.

On 9 November, we marked equal pay day, when women across the United Kingdom started working for free, while men continued earning—a day that we should be talking about in history lessons, not in the 21st century. Forty-five years after the passing of the Equal Pay Act, men still earn two months’ more wages than women every year. The gap between men and women stands at a staggering 19% in the UK, with women earning 81p for every £1 that a man earns. Even in professions dominated by women—hairdressing, catering and cleaning—the pay gap still exists, while women in skilled trades, including plumbing and mechanics, suffer the biggest pay gap, earning close to 30% less than their male counterparts. That is a damaging indictment of successive UK Governments, employers and industry, and it is something we should be collectively ashamed of.

In Scotland, the gender pay gap is substantially lower than across the UK, which is welcome, but it still exists and it should not. More work must be done across these islands. In my constituency, gender inequality has been at the heart of the political debate for years. In my own local authority, South Lanarkshire Council, hundreds of women have fought for equal pay for equal work, and many of them have now received a payout, totalling the massive amount of £70 million. However, just a few months ago, figures published for South Lanarkshire Council showed that the gender pay gap was a staggering 16%, and many more women continue to fight for equal pay, so we are not there yet. I say that not to play politics but to show that the gender pay gap still exists, particularly in the public sector.

Scotland is one of the leading countries in Europe for reducing female unemployment, and we have done it through practical policies such as expanding childcare for two, three and four-year-olds and paying all Government employees the real living wage. We continue to move closer to the goal of equality. Scotland’s First Minister has made the business of redressing inequality a priority for her Government. Labour market figures show that female employment in Scotland has reached a record high, while youth unemployment is at its lowest level in

six years and the number of people in work continues to grow. That is a testament to the strong actions taken by the Scottish National party in government, with the economic powers it currently holds, but women should not have to wait another 45 years—or 70 years, as the UN has estimated—for equal pay in Britain.

We have heard from Members about the campaign group Women Against State Pension Inequality and the impact of this issue on the entire generation of women born in the 1950s. What do the Government intend to do to address the issue of those women’s pensions? How will they rectify that, to ensure that women do not continue to experience inequality?

Barbara Keeley: I am glad to hear the hon. Lady raise the same point I did. Is she aware how much it rankles with and angers the women affected that they have not received the transitional protection the Government promised them? It is very harsh to impose the change on people without the protection the Secretary of State promised.

Angela Crawley: I absolutely agree with the hon. Lady and thank her for that point. I hope the Minister will address that in his remarks.

This fight is not reserved to half of the population. We do not fight against injustice for one sex; we fight for everyone. No man wants his wife, daughter, sister or mother to earn less simply because they are women. We need to send a strong message to employers, Governments, local authorities and industry that there is simply no excuse for discrimination. As things stand, we are damaging families, diluting gender equality and doing no favours to the economy that is so important to this Government. Now is not the time for excuses; we have heard them all before. Let us take strong, decisive action and put gender inequality where it belongs: in the history books.

9.58 am

Colleen Fletcher (Coventry North East) (Lab): I congratulate my hon. Friend the Member for Brentford and Isleworth (Ruth Cadbury) on securing this important debate on a subject that affects women in every constituency the length and breadth of the country, my own included. I intend to keep my contribution brief, focusing on low pay in Coventry and the impact on women locally.

Nearly one fifth of all jobs in Coventry, equivalent to 26,000 roles across the city, paid less than the living wage last year. The majority of those low-paid jobs are concentrated in sectors and roles within the labour market that are overwhelmingly dominated by women, such as care assistants, cleaners, caterers and those working in the leisure and service industry. Although we know those types of job are crucial and help to hold the fabric of society together, they are all too often part time and low skilled, with few progression opportunities.

Mr Cunningham: My hon. Friend will be as aware as I am that Coventry was one of the leading authorities in implementing the living wage. More important, she mentioned that carers are among the lowest paid. If a carer wants to go to a tribunal without trade union support—I have seen cases of this—on average it costs £1,200, and most carers cannot afford that. That is a direct result of this Government’s policies.

Colleen Fletcher: I agree with my hon. Friend on that point, which was also raised by our hon. Friend the Member for Brentford and Isleworth.

As I was saying although the types of job I describe are crucial and help to hold the fabric of society together, they are all too often part-time, low-skilled jobs with few progression opportunities, and are viewed and derogatively dismissed as “women’s work”. Consequently, they are undervalued and underpaid relative to comparable jobs in male-dominated sectors. As a result, low, unequal pay for work of equal value is the bleak reality for many of Coventry’s working women in this divided and divisive labour market.

Margaret Greenwood: Does my hon. Friend agree that the fact that women in their 50s earn 18% less than men not only is an injustice for those women, but really reflects a failure of our society to harness all the expertise and knowledge of those women? That shortcoming as a society has an impact on our economy.

Colleen Fletcher: I absolutely agree with my hon. Friend. I have had experience of that, and constituents have written to me about those very things.

One of the clearest examples of this inequity is the widening gender pay gap in the city, which last year increased to 16.2%, up from 15% the previous year. It reached an astonishing 20.6% in my constituency. That means that on average, women in my local area took home just 79p for every £1 earned by a man. That rising inequality and resultant deterioration in the financial position of women across Coventry is extremely worrying and wholly unacceptable in equal measure, but of course the most fundamental and obvious problem facing women in these less valued and less well paid jobs is their inability to earn enough to provide themselves and their family with a decent standard of living, and in some circumstances even to keep their heads above water.

We know that low income as a result of reliance on low-paid work and in-work benefits limits access to adequate housing, education and other services or facilities, as well as to essentials such as food, fuel and clothing. That socio-economic disadvantage is inextricably linked to the significant health and social inequalities seen in Coventry and in my constituency, which impact upon some of the poorest and most vulnerable of my constituents. That is why we simply cannot continue to allow less valued and less well paid work to be the fate of generation after generation of women. We need fundamentally to tackle the undervaluation of so-called “women’s work”, while simultaneously challenging gender stereotyping within the labour market, expanding opportunities for quality flexible and part-time working, increasing affordable childcare provision, and raising pay across the board, particularly within traditionally feminised work sectors.

Coventry City Council has taken a lead on the issue locally by becoming a living wage employer—like my hon. Friend the Member for Brentford and Isleworth, I was directly involved in that as a councillor some time ago. Such a move ensures improved income levels for a substantial number of low-paid individuals, the majority of whom are women. In addition, the council has also implemented a social value policy, which includes payment of a living wage as one of the criteria that the council will consider in its procurement process. That will benefit all workers on low pay, but particularly women, as they make up the majority of those on low pay in my city.

10.4 am

Neil Gray (Airdrie and Shotts) (SNP): It is a pleasure to serve under your chairmanship, Mr Howarth. I congratulate the hon. Member for Brentford and Isleworth (Ruth Cadbury) on securing this important Westminster Hall debate. I welcome her noteworthy and impressive contribution, as well as the contributions from other Members who have spoken.

The hon. Lady said that there has been a focus on high-paid jobs. It is important that women are given equal representation in high-paid jobs—and in boardrooms, political parties and Government Cabinets—so I can understand why she makes the point, but I think it is important that we focus on both high-paid and low-paid jobs. She highlighted the fact that three out of five jobs in minimum wage work are held by women. I have to admit that I was not aware of that startling figure, but I am glad that she raised it. That is why sorting equal pay claims from councils across the country is so important.

The hon. Lady highlighted the issue of the damaging branding of the Chancellor’s minimum wage premium as a national living wage. It is not national—it is only available to over-25s—and it is not a living wage; it falls way short of the Living Wage Foundation’s independently set living wage, which is calculated based on the cost of living. She mentioned that having a gender pay gap is bad for business. The statistic that she used to highlight that is absolutely correct and it is worth sharing it again: if we were to equalise the gender pay gap, we would boost productivity by an estimated £600 billion in this country. Frankly, that is astonishing. I thank her again for securing the debate.

The hon. Member for Worsley and Eccles South (Barbara Keeley) raised a number of very important points about problems with pensions, particularly for women born in the 1950s. Those issues were discussed just yesterday in a Westminster Hall debate secured by my hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford). The hon. Member for Coventry South (Mr Cunningham) made very important points during that debate, as well as during this one. The hon. Lady, on behalf of the WASPI campaign group, made some very important points, which I welcome and which are supported by SNP Members.

My hon. Friend the Member for Lanark and Hamilton East (Angela Crawley) made a typically powerful speech. She made the point that gender equality is not a dream and should not be a dream. It needs to be a reality. She also said that women get paid two months short compared with their male counterparts.

Margaret Greenwood: Some years ago, I was fortunate enough to have a job teaching on a “women back to work” programme. The vast majority of the women were divorced. It was a really fantastic experience for me to see how quickly they improved their skills and educational base in a very short space of time. Does the hon. Gentleman agree that it is very important to provide training and educational opportunities for women—not just women in employment, but those who are unemployed, so that they can get back to work and generate the kind of economic activity that will boost their life chances?

Neil Gray: Absolutely. There is nothing that I can disagree with in that intervention, and I will come to some of those issues later in my speech.

[Neil Gray]

Returning to the contribution from my hon. Friend the Member for Lanark and Hamilton East, the gender pay gap still exists even in what would be traditionally or stereotypically described as “female jobs”. That is still wrong and needs to be addressed. No man wants to see his daughter suffering a gender pay gap—that is absolutely right. I speak as a the father of a one-year-old daughter who I hope will go on to employment where she will earn the same as her male counterparts, so I stand here today on that basis.

The hon. Member for Coventry North East (Colleen Fletcher) effectively highlighted the issues of gender inequality in her city of Coventry. Again, I highlight the contribution made by the hon. Member for Coventry South, who, as I said, also made noteworthy contributions to the debate on pensions yesterday.

It is disappointing that in 2015 we are still discussing matters of gender equality. Nevertheless, it is important to take cognisance of the fact that a real pay gap between men and women remains. Low pay affects women disproportionately. In 1999, the gender pay gap for full-time employees in Scotland stood at 16.7%, but by 2014 it had been reduced to 9%, and it is 9.4% in the rest of the UK. This year, the Scottish Government launched the Partnership for Change programme, wherein public, private and third-sector organisations make a voluntary commitment to work toward a 50:50 gender balance on their boards by 2020. As of 9 November, 160 organisations and businesses have signed up, which I am delighted to see, although more work is clearly needed. On this year’s equal pay day, 9 November, First Minister Nicola Sturgeon pledged to do everything she can to advance equal pay and gender equality in Scotland as part of the Fawcett Society’s pay gap pledge campaign. The First Minister has been leading the way on the issues, starting clearly and publicly with her 50:50 gender balanced Cabinet.

Many women shoulder a disproportionate amount of childcare or family responsibilities, and they are unable to take up promotion and other opportunities because they do not have alternative care arrangements. The Children and Young People (Scotland) Act 2014 provides further assistance to women and young families by providing that all three and four-year-olds and the most disadvantaged two year-olds are entitled to 600 hours of early learning and childcare. By the end of the next Parliament, the Scottish Government will have doubled the hours from 16 to 30 per week. Increasing childcare will not only improve outcomes for children, but support more women into work.

The Scottish Government have also provided Skills Development Scotland with additional funding as part of a wider £3 million allocation in 2014-15 to develop a range of equality activities, including tackling gender segregation. The Scottish Government are doing all they can with the tools on offer to provide tangible improvements.

Angela Crawley: Does my hon. Friend agree that providing Scotland with powers over the minimum wage and welfare, which still sit with this House, would allow Scotland to address needs and ensure that inequality is abolished in Scotland?

Neil Gray: Absolutely—I wholeheartedly agree with my hon. Friend.

In Scotland, councils are now responsible for meeting legal obligations to their employees, including on equal pay, but clearly more work needs to be done. My hon. Friend highlighted the issues in South Lanarkshire. My constituency falls under North Lanarkshire Council’s jurisdiction. The council has been embroiled in a long-running and legally very costly equal pay dispute in which the council has dragged equal pay claims through the courts for several years. That is utterly shameful and needs to be addressed urgently. All equal pay cases need to be resolved with urgency and commitment, so that those affected receive their legal entitlement. Again, I am making the point not on a party political basis, but on the basis of doing what is right by our workers.

To conclude, despite the passage of the Equal Pay Act 45 years ago more work needs to be done to address low pay. Although it is important to recognise that female employment in Scotland is at record levels, that the gap between male and female employment is at its smallest ever, and that the gender pay gap is smaller than in the rest of the UK, a great deal of work remains to be done to ensure women receive parity with their male colleagues. Low pay for women is both a symptom and a cause of gender inequality. We must do all we can to eradicate the gap between men and women to create a fairer and more prosperous society.

10.13 am

Cat Smith (Lancaster and Fleetwood) (Lab): It is a pleasure to serve under your chairship, Mr Howarth. I congratulate my hon. Friend the Member for Brentford and Isleworth (Ruth Cadbury) on securing this important debate, and I pay tribute to the many people on Twitter who are tweeting this morning on #WomenandLowPay, and are contributing to this debate as part of the digital opening up of Parliament.

We have heard this morning that the gender pay gap in the UK remains, and that women earn 81p for every pound that men earn. Many reasons have been given for that, including a system of occupational segregation in the UK; all too often, women find themselves in low-paid sectors such as retail, hospitality and care, and work part time because they have caring responsibilities. Women face barriers in going to employment tribunals because of maternity discrimination. They face barriers to training and development, including apprenticeships. Sadly, this Government have failed to build on Labour’s achievements, and their cuts are hitting women hardest.

My hon. Friend gave a good example of women’s work being valued less than men’s. She referred to a Father Christmas earning £12 an hour and a Mrs Claus earning the national minimum wage—half the hourly wage of Father Christmas. That got me thinking about a few things, including the message that sends to the children who visit that Father Christmas—that we value his work more than Mrs Claus’s. Frankly, I doubt whether Father Christmas could get round the world in one night without the support of a wife like Mrs Claus.

The majority of low-paid workers in this country are women. Three in five national minimum wage jobs are held by women, and over a quarter earn less than the living wage; the figure for men is one in six. Women are pushed into clerical, caring, catering, cashiering and cleaning occupations, as we have heard, and I will add another “c” to the list: classroom assistant. That brings

me to my mother, who was born in the 1950s and works as a classroom assistant. With her union, she challenged her employer on equal pay legislation and on why classroom assistants were earning far less than men who were working for the council in similar jobs of equal worth.

My hon. Friend the Member for Worsley and Eccles South (Barbara Keeley) referred to pensions discrimination. I call on the Minister to outline what transitional protection he will introduce for women who have been caught in that trap.

The Resolution Foundation estimates that care workers, 78% of whom are women, are collectively paid £130 million below the national minimum wage, because employers fail to pay for travel time between appointments, and make deductions for items necessary for their job, such as uniforms, mobile phones and petrol. Women are forced into work in which they are undervalued and low paid. For example, 63% of those in retail and customer service are women.

What are the Government doing to end gender segregation and undervaluation of women's work? Will the Minister give a commitment to take action to encourage women to consider traditionally male-dominated jobs, especially in science, technology, engineering and maths—STEM careers—as well as encouraging men to consider, for example, the caring professions, to ensure that these careers are properly valued and paid at the rate they deserve? We should ask ourselves as a society why we do not value the work that women do to the same extent as that done by men. Some 42% of women are employed part time, but the average part-time hourly rate is less than a third of the full-time hourly wage.

Angela Crawley: Does the hon. Lady agree that zero-hours contracts only exacerbate inequality? Will she join me in calling on the Government to ban exploitative zero-hours contracts, particularly as we are coming up to Christmas, when the retail industry in particular exploits such contracts?

Cat Smith: The hon. Lady predicts where I am going. I agree that zero-hours contracts make it very difficult—for women, predominantly—to plan, especially at this time of year. Reference has been made to Father Christmas; this is an important time of year for families to come together. It can be an expensive time of year. Budgeting when on low pay is essential, but if someone does not know what wage they will take home at the end of the month, it is very difficult to budget at all.

What are the Government doing to create more well-paid jobs with reduced hours or flexibility? The TUC has researched the issue of single-parent families, who are twice as likely as couple-parent families to live in poverty, and 90% of single parents are women. Women's low pay arises hugely from the fact that they are often a single parent in a household. Single mothers are more likely than mothers in couples to be in low-skilled work, reflecting the difficulties in finding well-paid work that fits around caring responsibilities.

Research from 2005 showed that 30,000 women were forced out of work through pregnancy discrimination, but 10 years later, that figure has almost doubled to 54,000. What are the Government doing to tackle maternity discrimination, and to ensure that women who are victims of such discrimination have access to justice?

As part of my research for the debate, I contacted the National Union of Students and asked it for the information that it has about apprenticeships as part of the work that it is doing. I pay tribute to Shelly Asquith, its vice-president, welfare, who provided me with the information. On average, young men earn 21% more than young women while doing an apprenticeship. According to the poll, female apprentices earn just £4.82 an hour, compared with £5.85 an hour for male apprentices. What steps are the Government taking to improve training opportunities for women, and to ensure that apprenticeships do not discriminate by gender?

My hon. Friend the Member for Brentford and Isleworth set out Labour's record on equality issues. The Equal Pay Act 1970, the minimum wage, the Sex Discrimination Act 1975 and the Equality Act 2010 were all introduced by a Labour Government. In government, we have also strengthened maternity and paternity rights. What we have seen from the current Government is a lot of job losses in the public sector. Of the local government job losses since 2010, 96,000 have fallen on men, while 141,000 have fallen on women. With the pay for low-paid work being 8% higher in the public sector than in the private sector, how many of these women are being forced out of their public sector jobs into equivalent private sector jobs and in effect receiving a pay cut?

Will the Minister commit to developing all tax and spending in a way that takes on board the likely impact on women's equality? I ask that because 85% of the tax credit and benefit changes have fallen on women, and 70% of the savings made by cuts to tax credits have fallen on women. Will the Minister include in the new gender pay gap reporting regulations a requirement for employers to publish information on the earnings distribution of men and women in their workforce? I ask that because unless women know that they are receiving less pay for an equal-value job, it is very difficult for them ever to take any action to challenge that.

The full-time gender pay gap is 9.4%, but that masks the adverse experience of those working part time, where pay is typically lower, resulting in an overall gender pay gap of 19.1%. Indeed, the UK's gender pay gap is above the EU average, and at the current rate of progress, it will take 50 years to close it. Although I am a young MP, I plan to be retired in 50 years' time. I am not prepared to wait that long, and I am sure that the Minister is not, either. I therefore hope that he will have positive answers to my questions. I leave him with this thought: why do we value women's work so much less than we value the work that men do?

10.23 am

The Minister for Skills (Nick Boles): It is a pleasure to serve under your chairmanship, Mr Howarth. I congratulate the hon. Member for Brentford and Isleworth (Ruth Cadbury) on securing this important debate on an issue that concerns us all. I come from a family where the only thing controversial about gender equality was the suggestion that us men were anything other than inferior, so it has always been a mystery to me why the prejudices and discrimination against women, and indeed any other groups in society, persist, but sadly persist they do.

[Nick Boles]

I suspect that the hon. Lady was not in the hall, but I am sure that she was pleased to hear my right hon. Friend the Prime Minister, in one of the most effective and powerful passages in his party conference speech in October, say:

“I’m a dad of two daughters—opportunity won’t mean anything to them if they grow up in a country where they get paid less because of their gender rather than how good they are at their work.

The point is this: you can’t have true opportunity without real equality.”

As well as paying tribute to the Prime Minister’s leadership on this issue, I would like to take this opportunity to pay tribute to the right hon. and learned Member for Camberwell and Peckham (Ms Harman), who, throughout her career in Parliament, in government and on repeated occasions as acting leader of the Labour party, has led the way on equality, including on women’s pay. All of us should salute her persistence and leadership on this issue.

The fact is that the pay gap, although smaller than it was, is too big, is unacceptable and must not be allowed to survive into the next generation. We can acknowledge that some progress has been made without in any way undermining the assertion that the gap as it remains is unacceptable. There has been some progress. The pay gap has decreased for full-time earners, but it is still too high at, I think, 6 and a bit per cent for full-time earners, and much less progress is being made for part-time workers and those in low-paid jobs. We can all agree that that position is not one that we should tolerate, so the question is what we can do to ensure not only that progress continues to be made, but that it is made more rapidly and made across the board, for part-time as well as full-time work.

I shall explain what the Government have long believed to be one of the most powerful tools in this respect. The laws were passed, as many hon. Members pointed out, by previous Labour Governments a long time ago, but once the necessary laws are passed, progress is often most rapidly achieved as a result of transparency—as a result of making it absolutely clear to everyone, not just the people who work for an employer but customers, partners or neighbours of the employer, what their record is on paying people equally. That is why we have decided to require employers of more than 250 people to publish information about the pay of men and women in their employ, so that they can demonstrate whether they are properly paying people equally. Driving through that transparency and adding to it, as we do with the enforcement of the national minimum wage, and a certain element of naming and shaming, whether formal or informal, both as MPs in respect of employers in our constituencies and as a Government in respect of larger employers nationally, will have a powerful impact on progress.

The second most powerful way to achieve change is to ensure a change in leadership. The Government’s focus on the representation of women on boards is not so much a result or a reflection of our interest in equality being greater in relation to high earnings than low earnings, although equality should be in place across the spectrum. It is more the fact that we are convinced that the more women there are on boards,

the more voices there will be insisting that equality be achieved and not putting up with any persistence of inequality, however well disguised.

That is why we are delighted that we have more than met the original target set by Lord Davies of Abersoch to achieve 25% female representation on the boards of FTSE 100 companies. The figure is now at 26%. We now have more women on FTSE boards than ever before. I believe that there is not a single FTSE 100 company left that has no women on its board, but again, although that is welcome progress, it is not nearly enough, because many of the women who have been brought on to FTSE 100 and 250 boards are in non-executive roles. Our next challenge is to ensure that there is an equal increase in the representation of women in senior executive positions, because it is through the leadership roles in every employer that we will drive the change in employment practices down through all the employers in the country.

After leadership, the third most important step is to make it easier for women to get work, to stay in work and to return to work as soon as they choose to do so—it should always be their choice—after having children. That is why, at a time of very difficult decisions on the public finances, we have nevertheless made it a priority to invest in the provision of 30 hours of free childcare for three and four-year-olds for all families who work, because only when there is that significant number of hours of free childcare will we make it possible for more mothers of young children to go to work as soon as it is right for them to do so.

The final and most important measure is more broadly to increase the rate of pay, particularly in low-paid jobs. We have heard from many hon. Members that women unfortunately occupy more low-paid positions than men do. If we can increase pay in low-paid jobs, we will disproportionately help women. I understand the unwillingness of Opposition Members to acknowledge the substantial and significant step that the Government have taken by introducing the national living wage for people over the age of 25, and I accept that the Opposition want to continue to preserve the concept of a living wage as something distinct from our new national living wage. Leaving aside the nomenclature for a moment, the minimum wage that will be paid to every 25-year-old in the country, including in the great kingdom of Scotland, will go up by an amount far greater than any Opposition party suggested in the general election campaign.

Barbara Keeley Will the Minister give way?

Nick Boles: I will not give way right now, but I will do so in a second. We have plenty of time, so the hon. Lady need not worry. The minimum wage will go up by an amount far greater than was recommended by the Low Pay Commission. We have strong evidence not only from internal Government estimates but from the Resolution Foundation that women over the age of 25 will disproportionately benefit from the increase in the minimum wage. For all that Opposition Members want to retain some scepticism about the brand that we are putting on the new, higher minimum wage, I hope that they will welcome that significant step in improving the pay of many women in this country.

Barbara Keeley: I do not think that the Minister needs to lecture the Opposition on the national minimum wage. Opposition Members brought in the national minimum wage in the teeth of a fight from the Conservative

party. I know that he was not in the House at the time, but he must know that. None of us needs to be lectured on that. Will he say whether he will address the issue that several Opposition Members have raised about transitional arrangements for the state pension age inequality for women born in the 1950s?

Nick Boles: I say gently to the hon. Lady that I was not lecturing her at all. I was resisting the suggestion that the national living wage—I accept that Opposition Members do not like its brand—is anything other than a dramatically positive step for low-paid workers, especially women, in this country. I did not hear a single member of any Opposition party welcome the increase that will happen in April for every worker over the age of 25 who is in a national minimum wage job. If the Opposition want the Government—for better or for worse, we are likely to be in government for the next four and a half years—to take on board some of their excellent suggestions for further progress, they should give us a little acknowledgement for that real achievement. It absolutely builds on the national minimum wage, which the Labour party introduced, and I am always happy to acknowledge, as I did earlier, the Labour party's role in the Equal Pay Act 1970, but acknowledgement of each other's achievements is a two-way street. It would be good for Opposition Members to acknowledge our achievement.

Several hon. Members *rose*—

Nick Boles: I will answer the other point made by the hon. Member for Worsley and Eccles South (Barbara Keeley) before I give way again. She asked an important question on a subject that was also raised by the hon. Member for Lancaster and Fleetwood (Cat Smith). As I have said, I come from a family that is entirely dominated by women, and two of my sisters are in the age bracket that the hon. Ladies referred to. I have also had some pretty difficult conversations in my constituency surgery with many women who are affected.

The equal pension age is being introduced at the same time as the new state pension, which, compared with the current two-tier state pension, improves the amount of state pension for many women whose national insurance records are incomplete as a result of career breaks or a great deal of part-time work. I am not implying that it makes up all the loss, but there is a countervailing improvement. I am advised by the Department for Work and Pensions that there will be a review of the state pension age. The Pensions Act 2014 provides for a six-yearly review to take into account up-to-date life expectancy data and the findings of an independently led review. The first review will conclude by May 2017 and will consider, among a number of other factors, the impact of the state pension age change on women. That will be an opportunity to consider the issues that the hon. Member for Worsley and Eccles South raises.

Barbara Keeley: I would like to repeat what the Secretary of State for Work and Pensions said in 2011 on Second Reading of the Pensions Bill:

“Let me simply repeat what I said earlier... we have no plans to change equalisation in 2018, or the age of 66 for both men and women in 2020, but we will consider transitional arrangements.”—*[Official Report, 20 June 2011; Vol. 530, c. 52.]*

There were no transitional arrangements. Women who now do not get their pensions until 66 get nothing—no pensioner benefits or bus passes—and, as I have said,

many of them are on jobseeker's allowance or employment and support allowance. Some are even being forced, at the age of 62, on to the Work programme. That injustice will keep coming back. The Secretary of State in that debate promised transitional arrangements.

Nick Boles: I do not want to get into a discussion about what another Minister said in a debate that I was not part of, but the quote that the hon. Lady read out indicated that the Secretary of State would consider transitional arrangements. It did not sound to me like a clear pledge to bring in any particular transitional arrangement. I have described the position and the fact that there will be a further review in 2017, which will allow those issues to be revisited.

Margaret Greenwood: What analysis has the Minister made of the impact of the cuts to local authorities that the Government are considering on low-paid women working in councils up and down the country?

Nick Boles: As the hon. Lady is aware, all decisions, legislation and regulations are subject to equality impact assessments, in which all those things are considered. Her intervention leads me neatly to my conclusion. For all that the steps that I described—transparency, leadership, childcare provision and increasing the national minimum wage through the introduction of the national living wage—are powerful, the most important source of opportunity to improve the pay of women and close the pay gap is a strong economy that creates lots of new jobs. Those new jobs and employment opportunities give women the opportunity to go out and command better wages.

Although I understand that the hon. Lady opposes public spending cuts, it is nevertheless the case that as a result of the consistent policy of slow but steady deficit reduction, this economy has created more jobs than any other country in Europe, and more women are in work than ever before. It might have been possible for Opposition Members, while properly opposing the Government on specifics, to give some acknowledgement of the fundamental achievement of creating jobs, which create opportunities, including the opportunity for women to improve the wages that they earn.

Cat Smith: Will the Minister give way?

Nick Boles: I have concluded.

10.38 am

Ruth Cadbury: Thank you, Mr Howarth, for chairing the debate and for your understanding. This is the first Westminster Hall debate that I have secured, and my speech was the first I have made in which I have not been severely time-constrained. Like many new Members, I am still getting used to the procedures and practices in this place, so I thank you for your generosity and your support. I have been particularly pleased to serve under your chairmanship.

In concluding the debate, I thank those who helped me in the preparation of my speech, in particular the TUC, the staff of the Women and Equalities Committee, Oxfam and Age UK. They all provided useful, informative material. I thank fellow Members who have contributed to the debate. I notice that there has been only one

[*Ruth Cadbury*]

contributor from the Conservative party—the Minister. I regret that there have not been more contributions from Members of the governing party, as I know that they all represent large numbers of women in their constituencies, many of whom will be affected by the issue of low pay.

My hon. Friend the Member for Worsley and Eccles South (*Barbara Keeley*) eloquently described the impact of a working life on low pay, and what that means for then being a pensioner on low pay. She specifically mentioned the women, born only a few years earlier than me, who had planned for retirement at a particular age but have now had their plans ruined and cannot properly budget for their retirement because of the change in their pension arrangements. Transitional protection is vital for them. Those women will have to work for low pay for longer, and they will be very vulnerable in the workplace over the next few years.

I thank the hon. Member for Lanark and Hamilton East (*Angela Crawley*), with whom I serve on the Women and Equalities Committee. She outlined the public sector challenges and some of the issues for women in Scotland, particularly in her constituency. My hon. Friend the Member for Coventry North East (*Colleen Fletcher*) eloquently described what low pay means in the city of Coventry, particularly in her constituency, where the gap between men's and women's pay is even higher than the national average. That just shows how dependent the women of that city are on low-paid work. She and other Members also mentioned how zero-hours contracts affect low pay.

I do not have daughters. I have two sons. All the work that they have done to date has been on the minimum wage and on zero-hours contracts. It is alright for them, because they live with us. We always have food in the fridge and there is always a washing machine for them to use—occasionally, admittedly. They would like to earn more. However, the women they work with are trying to pay rent, feed children and run a family, and they cannot do so on the minimum wage, particularly where we live in outer west London.

The hon. Member for Airdrie and Shotts (*Neil Gray*) pointed out that the new national minimum wage applies only to people who are 25 and over. That might not affect as much young people who still live in the family home where a number of people are bringing in money, but many young people under 25 live on their own and have to pay rent and household bills. Why should they be left out of the new national minimum wage, which is effectively a rebadged minimum wage?

Cat Smith: Is my hon. Friend aware of any shops that will sell a loaf of bread or a pint of milk for less money to someone under the age of 25 than to someone over the age of 25? Should not a living wage be enough to live off? When living costs are equal, we should have equality in the living wage as well.

Ruth Cadbury: My hon. Friend is absolutely right. That is why the Living Wage Foundation carefully researches what a living wage should be. A living wage should be enough to live on, which is why the living wage is fully researched and accredited, and why it is higher in London than in the rest of the country.

Barbara Keeley: The Minister said that the Opposition have not welcomed the changes to the national minimum wage, so I would like to say something about it. Before the spending review next week, there is a real fear that the £1.7 billion cost could bring down the care sector. If the Minister still has a chance to lobby the Chancellor before next week, he might like to make that point to him. There are real fears about that. In fact, when I asked the Community and Social Care Minister about it yesterday in Health questions, he actually asked me where the funding was coming from. In response to the Minister, the reason people have concerns is because of things like that.

Mr George Howarth (in the Chair): Order. The hon. Lady is making a very tenuous link. I hope that Ruth Cadbury will not be led down that particular primrose path.

Ruth Cadbury: If that is your wish, Mr Howarth, I will not.

I return to the contribution of the hon. Member for Airdrie and Shotts, who spoke of his hopes for his baby daughter and her working future. Let us all hope that when she joins the workplace, she will be able to earn the same as the young men of her age, whatever sector she goes into and at whatever level. We all hope for that for our children and grandchildren, and those of our constituents.

The hon. Gentleman outlined the work done in Scotland by the Scottish Parliament and by local authorities. That is to be commended. As he said, low pay is a symptom and a cause of inequality, and Labour Members all have sympathy with that point.

My hon. Friend the Member for Lancaster and Fleetwood (*Cat Smith*) said much that was absolutely appropriate and added much to the debate. She particularly captured the issue of discrimination by picking up on my true anecdote about the recruitment for the position of Santa Claus at a Christmas grotto in a local store in Wales, where Mrs Claus was to be paid half the amount that Santa Claus would receive. She pointed out that Santa would not be Santa without Mrs Claus supporting him and working with him. She is absolutely right. That might be a funny story but it happens day in, day out in workplaces across the country.

Mr George Howarth (in the Chair): Order. I point out to the hon. Lady that the story is less funny than the first time she told it.

Ruth Cadbury: I do apologise, Mr Howarth.

My hon. Friend the Member for Lancaster and Fleetwood also pointed out that we should be talking not about five C's, but about six. Her mother's experience as a classroom assistant is absolutely true, and I would say that well over 90% of classroom assistants are women and are on low pay. It is right that they are paid adequately and are recognised for the valuable work that they do supporting our children.

The Minister comes from a women-dominated family, as many people would say I do, but we are not here to speak for ourselves and our immediate families. We are speaking for the women we represent, which is why we are in this place and why we believe that this debate is vital. As I said, I am sorry that there are not more

Members from the Minister's party here. He was right to pay tribute to my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman) for the contribution that she has made in this place over many years.

I commend the Government for the efforts that they have made so far in recognising that there is a wage gap and an issue of low pay, and that childcare is a major issue, particularly for women.

Although the Minister initially concentrated on board pay and high-level executive pay, he finally got on to the issue of low pay. As many colleagues have said, there is an awful lot more that the Government could and should be doing. As I said in my opening speech, and as others also said, it will take time to implement the new national minimum wage. We will not even have a review for two years, and it will not be fully implemented until the end of this Parliament, which is too long for women in this country to wait. It is worth repeating that 85% of the Government's benefit and tax credit cuts will hit women. The Government are giving with one hand and taking with the other.

Question put and agreed to.

Resolved,

That this House has considered women and low pay.

10.51 am

Sitting suspended.

Road Infrastructure (Shropshire)

11 am

Daniel Kawczynski (Shrewsbury and Atcham) (Con):
I beg to move,

That this House has considered road infrastructure in Shropshire.

It is a great pleasure to have this debate about road investment in Shropshire under your chairmanship, Mr Howarth.

Shrewsbury is growing rapidly and we are earmarked for a very large number of new homes. I see congestion in the town as the single biggest threat to its future prosperity. In the past 10 years, while I have been an MP, I have seen the levels of traffic in Shrewsbury increase significantly. A relatively small town, we have got to the stage where there is considerable congestion, which is starting to affect the ability of commuters not only to get around the town but to get across Shropshire by traversing the Shrewsbury area.

We have a ring road around Shrewsbury, but it is only three-quarters complete; the last quarter has never been finished. This morning, I spoke to one of my councillors, Councillor Peter Adams, and he told me that the idea of a north-west relief road was first mooted in 1948, and we have been going round and round the Wrekin, as we say in Shropshire, on this particular issue and putting forward proposals for the completion of the north-west relief road ever since. We were almost there and the council had the project "oven-ready"—ready for Government investment—but the financial crisis led to the reduction of investment in such projects and the work never went ahead. Now that the economy is picking up, I very much hope that the Government will take a real interest in the project.

In all my communications with the Secretary of State for Transport, he has led me to believe that a road of this kind would be the responsibility of the local enterprise partnership. It is for the LEP to prioritise as the body that has been tasked with negotiating with the Government on major infrastructure projects that will affect prosperity and employment in Shropshire. I understand this new relationship that the Government have devised, whereby funding and setting priorities will be, to some degree, under the jurisdiction of the LEP, and that is why I have engaged significantly with the LEP in my area during the last few years to highlight to it the priority that I attach to this project. However, I am very pleased that I have the opportunity today to flag it up with the Minister and I look forward to hearing from him about his understanding of where this project is and what additional support the Government can give to the LEP.

Interestingly the benefit-cost ratio, which is a Government statistical tool, of the proposed route is 5:4. A BCR of more than four is classified as very high, making the proposal very good value for money according to the Government's own criteria. Indeed, the project matches the Government criteria perfectly; it meets the test for value for money that the Government themselves have set.

The proposed road would provide the missing river crossing between the western and northern parts of Shrewsbury, significantly reducing the traffic that at the moment crosses through the town centre unnecessarily, and reducing congestion on the town's western and northern approaches. It would also slash journey times

[*Daniel Kawczynski*]

between the west and north of Shrewsbury by two thirds, from 19.1 minutes to just 6.6 minutes. I am sure the Minister can appreciate just how important the project is for me and Shrewsbury residents.

We have huge support from Shrewsbury Business Chamber, the local chamber of commerce, our local council, which is a unitary authority, and many residents associations. At a public meeting, I asked members of the Shrewsbury Town Centre Residents' Association who was in favour of this road project and the people there overwhelmingly—about 95% of them—were very supportive. That is simply because they can see the congestion affecting people's ability to get into Shrewsbury.

We really depend on visitors. Shrewsbury has more listed buildings than any other town in England. We trade on the fact that we are a very historic town and tourism is our No. 1 income generator. If people are struggling to get into Shrewsbury to appreciate its beauty and all it offers, including the unique shopping experience, they will bypass our town and go to other parts of Shropshire, or to Chester and beyond. That is why this issue is so critical to the prosperity of Shrewsbury, and indeed to the prosperity of Shropshire and mid-Wales.

As the Minister knows, the Oxon link road is the embryo of the north-west relief road. I have already discussed this road project with him and I look forward to hearing from him that the Oxon link road is live, and that the planning and finance for it are coming forward for this first chink, or first part, of the north-west relief road. I am very pleased about that, but I look forward to hearing from him today about his understanding of how that first part will lead to the completion of the whole road.

Of course, I also invite the Minister to come to Shrewsbury. If he can come on a Friday afternoon, that would be best, because everyone will be collecting their children and he can see the type of traffic mayhem that takes place in Shrewsbury. He can come and speak to us in my constituency, but he can also see that traffic mayhem. If he can do that, it would be wonderful.

The A5 is another very important road in my constituency and that of my right hon. Friend the Member for North Shropshire (Mr Paterson). The A5 is part of a trans-European network that runs from Holyhead all the way to Felixstowe. It is a major trans-European network, and the part of it that runs through Shropshire is the only part that does not have dualling. My right hon. Friend and I went to see the Secretary of State recently, to highlight our concerns about the number of accidents and deaths on this road. We had a very productive meeting and we specifically asked him to initiate work that will give us an understanding of the costings involved in dualling this stretch of the A5. We very much look forward to seeing the result of that work.

Mr Owen Paterson (North Shropshire) (Con): Will my hon. Friend give way?

Daniel Kawczynski: I will give way shortly.

The stretch of the A5 that runs north from Shrewsbury through north Shropshire links up with the A483, which goes into north Wales. As I have said, it is the last stretch of the trans-European transport network from

Felixstowe to Holyhead to be dualled. It is inadequate for the volume of traffic coming from Ireland and the industrial areas of north-east Wales, and it is frequently the cause of congestion, disruption and danger. That is why I wanted to raise this issue with the Minister.

I give way to my right hon. Friend, who has been campaigning assiduously on this issue since he became an MP in 1997.

Mr Paterson: I am most grateful to my hon. Friend and neighbour for raising this very important issue, and for giving way to me. He is quite right to cite the terrible damage that the lack of a dual carriageway on this stretch of road has caused. Between 1991 and 2015, this single-track road between Shrewsbury and Chirk has killed 48 people. There have been 48 fatal casualties, as well as 308 serious casualties and 1,081 slight casualties.

My hon. Friend is quite right to cite the pressure of traffic. Traffic has increased by 33% since 1993, from 36,807 vehicles in a 24-hour period to 49,045 vehicles. The only solution to the problem is to dual the road. We had a most satisfactory and constructive meeting with the Secretary of State, who promised to come to Shrewsbury, and I endorse the invitation that my hon. Friend has made to the Minister today. I also ask the Minister to come and see how we can co-operate in the closest possible way with the road investment strategy 2.

Another neighbour, my hon. Friend the Member for Montgomeryshire (Glyn Davies), is in Westminster Hall today. We also raised the issue of the A483 Pant to Llanymynech bypass, which is the subject of the UK's longest-running bypass campaign, because 90% of the damage resulting from the lack of a bypass falls in my constituency whereas 90% of the benefits of the A483 go to Wales.

Daniel Kawczynski: I am grateful to my right hon. Friend for raising those points. I would like the Minister to know that my constituents and I have followed just how doggedly and passionately my right hon. Friend has lobbied on the issue. Someone going from Shrewsbury to Oswestry, particularly during the summer months when many tourists are using the A5, would be shocked that this trans-European network route is so congested and is not dualled. Interestingly, someone trying to get on to the A5 from some Shropshire villages—I must get this point across—has to wait for a gap in the traffic. That is to get on to a trans-European highway, and that is causing some problems.

The A49 runs from Ludlow to Shrewsbury. In anticipation of this debate, I asked my hon. Friend the Member for Ludlow (Mr Dunne) whether he wanted to contribute. He is not able to be here, but he stated that his constituency is the sixth largest in the country and does not have a single metre of dualling anywhere. That lack of dualling is prevalent throughout Shropshire. The A49 has a huge amount of freight traffic coming from Herefordshire, Gloucestershire and parts of Wales and going all the way past Shrewsbury. That traffic winds through a lot of small Salopian villages, and its speed on narrow roads is a significant cause of concern for many local residents. I have spent many years campaigning on pedestrian crossings in some of the small rural villages that the A49 runs through. We have had some wonderful successes, particularly in the village of Dorrington, where we have secured an important pedestrian crossing, but nevertheless more needs to be done on that road.

I have mentioned the north-west relief road, the A5 and the A49, and those are the roads I would like the Minister to focus on.

Glyn Davies (Montgomeryshire) (Con): I simply want to raise some issues with Shropshire roads that my hon. Friend has probably only mentioned in passing. Shropshire is the gateway to mid-Wales, particularly in terms of transport, because alternative transport routes are absent. The cross-border scheme between Pant and Llanymynech on the A483 and the Middletown scheme on the A458 are crucial to the economy of Wales. I hope the Minister will allow me to join him when he comes for tea in Shrewsbury, so that I can explain how crucial those two developments are. The devolution complexities have made them far less likely to go ahead, and we need to liaise to ensure that they happen.

Daniel Kawczynski: I thank my hon. Friend for that intervention. He will of course receive an invite to join us in Shrewsbury and put his case when the Minister visits our town.

I would like to say something positive to the Minister. The M54, which comes into Shropshire, has been incredibly well resurfaced. Highways Agency staff get a lot of flak when road building improvements take a long time, but they have worked tirelessly night and day on the M54, and the surface and the standard of the M54 are probably the best that I have known over the past 15 years. I pay tribute and extend my thanks to them. I would, however, like to see a reclassification of the road, because the M54 stops at the Wellington junction and continues as the A52 to Shrewsbury. Those last few miles represent a very short distance, and we would like them to be reclassified because that would put Shrewsbury on the motorway network. There are some differences, but the A52 looks almost identical to the motorway. The business community is passionate about that reclassification and wants to convey that to the Minister. When a company, particularly a foreign investor, is looking to invest in a factory or a new plant, they will always look at a map of the motorway network in the United Kingdom. For us not to be on that network puts us at a disadvantage, so I would like the Minister to look at that matter.

We have received pinch point funding of nearly £4 million to improve the Emstrey island and the Preston Boats island. Those are two massive roundabouts where the A5 comes into Shrewsbury, and the work carried out has been superb. I thank the Government for the investment.

Tourism, as I have already indicated, is the No. 1 income generator for Shrewsbury and Shropshire. We need to ensure that people find it as easy as possible to come to our beautiful county on holiday and to see Shrewsbury and other places of interest throughout the county. Working together as Salopian MPs, we have secured a direct train service from London to Shrewsbury, and I know that my right hon. Friend the Member for North Shropshire is trying to get an extension to north Shropshire. That link to London has been critical. The volume of traffic coming on Virgin Trains to Shrewsbury as a result of our campaign is superb, and Virgin is pleased with the initial results. We want to replicate what we have done on rail connectivity and investment for Shropshire with our roads system, and I look forward to the Minister's response.

11.16 am

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): First, I congratulate my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) on securing the debate. I am aware that he is a long-standing campaigner on transport issues in his county and constituency. I thank him for his invitation, which I would be delighted to take up. It sounds like it will be a jolly tea party. Shropshire is one of my favourite parts of our country, and I like the idea very much.

I hope to address some of the points that have been raised, but I start by setting out what we are already doing in the area. Shropshire has a resident population of more than 300,000 people. My hon. Friend the Member for Montgomeryshire (Glyn Davies) made a point about it being a gateway into mid-Wales, but it is also at the heart of the UK. The nationally important M54, A5, A49 and A458 run through the county, and the transport network provides vital access and connectivity for local people and businesses.

I am sure everyone is aware of this, but the Government are committed to a long-term economic plan and to delivering infrastructure investment, because, as has been made so compellingly clear in this debate, transport investment is key in driving economic growth. We are committed to delivering a step change in investment in transport infrastructure. That was made clear in the road investment strategy, which was announced last December. It is the biggest road investment programme since the 1970s, with £15 billion of investment across the motorway and A-road network by 2021, and it includes 127 major enhancements. As part of the strategy, we created five ring-fenced funds totalling £900 million to enable actions beyond Highways England's business as usual. Some of the outcomes we expect Highways England to secure through the funds may be relevant for roads in and around Shropshire, including a safer, integrated and more accessible strategic road network for cyclists and vulnerable users.

Although no major Highways England schemes in the county are listed in the RIS, Shropshire may benefit from one scheme, which is the M54 to M6/M6 toll link road scheme. There have been other areas of investment in recent years, including smaller schemes. The Highways Agency's national pinch point programme offered the benefits of improved safety, reduced congestion and the tackling of delays. My hon. Friend the Member for Shrewsbury and Atcham mentioned some of the schemes, but there have been five works along the A5, at Preston Boats, Edgebold, Emstrey, Mile End and Churncote. He was generous in his comments on the quality of the work by Highways England, and I will pass those kind comments back.

My right hon. Friend the Member for North Shropshire (Mr Paterson) and my hon. Friend the Member for Shrewsbury and Atcham have been long-term campaigners for investment in the A5 and A483. I know they met my right hon. Friend the Secretary of State for Transport last month. The A5 provides an important strategic route that has implications not only for the local economy but on a broader, national basis. The points that have been made about its role in the tourism sector are beyond question. Safety issues on the road have been made clear, and safety is a key pillar of our road investment strategy.

[*Andrew Jones*]

We are developing a second road investment strategy to run directly after the current strategy finishes. Highways England is due to start the next round of route strategies, revisiting the entire English strategic road network to help inform the preparation of RIS2. Highways England will use the route strategies to identify current and future constraints on economic growth that the performance of the strategic road network potentially causes, and will identify how future delivery and investment plans can address them and unlock the opportunity for growth.

Where there are specific investment proposals, there will of course need to be a strong and clear business case to support them. As we develop RIS2, I want to see greater input from local economic bodies such as LEPs, councils or combined authorities. I also want to see nominations from colleagues here. I want the process to be wide. As we narrow down the filter, we will look at all the requests we have for capital and then come up with a clear plan to run smoothly from this road investment strategy into the next. The aim is to have continuity of delivery and to break out of the stop-start approach to investment in transport, especially roads, which has held our country back for a long time. I will be happy to work alongside colleagues from all over the country to help develop schemes for consideration in the second road investment strategy. The points that have been made about how we can unlock economic development and improve safety are key criteria that will be used in our assessment for the second road investment strategy.

Highways England plans to publish route strategies by the end of 2016-17. I am keen that we use the data so that colleagues, LEPs, combined authorities or whoever it might be can contribute. I will certainly ensure that the reclassification that has been requested will be considered as part of that process as well.

I am acutely aware of the importance of local roads, infrastructure and transport to local communities. They are of course the responsibility of the local highways authority, Shropshire Council. I know that the condition of local roads is of concern to my hon. Friend the Member for Shrewsbury and Atcham, but the Government are taking action and providing the tools and funding to help local highways authorities, including Shropshire, maintain the roads for which they are responsible.

Shropshire is receiving more than £86 million to help fix and maintain the local highway assets that it is responsible for between now and 2021. It can also receive up to a further £10.5 million, depending on where it is within the highways maintenance incentive element that is being introduced next year. That funding is intended to incentivise authorities to take proactive management of their assets, understand their assets and encourage collaboration, and to ensure that they are spending taxpayers' money in the most efficient manner possible.

I have already mentioned some of the ways in which the Government are investing in Shropshire, but there are others. At a local level, The Marches local enterprise partnership was awarded £75.3 million in the growth deal in July last year and a further £7.7 million in January this year. That funding will support important transport schemes such as the Shrewsbury integrated transport package.

My hon. Friend explained his support for a new relief road in Shrewsbury. The Oxon link road is in its first phase. That £12 million scheme is under way, with a £4 million contribution from the Department for Transport. The local growth fund is the primary funding route for Government funding of local transport infrastructure schemes. Following the spending review next week, we will know a little more about that, but he was absolutely right to raise the issue with the local enterprise partnership, which will be the vehicle for the decision making. We will provide support, but it will be a local decision. Having looked at the proposals on a map—I will see them at first hand when I come to visit—I can see much merit in them. It is quite a difficult scheme, with river crossings and railways, so it is not straightforward to deliver the scheme. However, the significant local support is positive.

It might be worth contacting Midlands Connect, the potential sub-national transport body. That is not a particularly catchy phrase—but such bodies are effectively combined new bodies that will decide local transport strategies and develop transport plans for their areas. A new clause has been added to the Cities and Local Government Devolution Bill, which is progressing through the House at the moment, to put the sub-national transport bodies on a statutory basis. They will set priorities for transport investment and will be big bodies. This is not about taking powers away from highways authorities—they will be left intact—but about decision-making stuff that is currently handled in Whitehall being handled locally. Contact with Midlands Connect will be very important in assessing transport priorities.

Midlands Connect has a £5 million Government grant to help it develop a midlands-wide transport strategy. The opportunity for the midlands to speak to Government with one voice and to make transport planning on a local basis is a huge opportunity. I expect transport bodies to develop across the country. Transport for the North will be the first, but it is already acting in a voluntary capacity. Putting such bodies on a statutory basis will increase their powers and give everybody the chance to plan on a much longer-term basis. Working with the LEP and with Midlands Connect is the way forward in establishing transport need in the area. I will make sure that Highways England is aware of the work that Midlands Connect is doing.

The debate has been helpful and constructive. I hope I have made it clear that the Government are committed to modernising and investing in transport infrastructure across the country, most certainly within Shropshire, as a key part of our long-term economic plan. My right hon. and hon. Friends have made compelling cases for investment in their area, and the fact that we have significant local support and that progress has been made in developing plans is an encouraging basis from which to build. I look forward to working with colleagues and helping to develop business cases.

It is in the second road investment strategy that the opportunity to make a big step change on key strategic roads will lie. That is where the opportunity and the budget will lie. We will launch the process for the second road investment strategy within weeks, and I very much look forward to working with colleagues on that.

Question put and agreed to.

11.29 am

Sitting suspended.

Personal Injury Fraud

[PHIL WILSON *in the Chair*]

2.30 pm

Karl McCartney (Lincoln) (Con): I beg to move,

That this House has considered personal injury fraud.

Mr Wilson, thank you for presiding over this debate, which I feel fortunate to have secured. It is and will always be a pleasure to serve under your chairmanship.

I declare an interest as both a justice of the peace and one of the 30 million-plus drivers in our country. I am also a freeman of the City of London, and since securing this debate I have been contacted by various claims management companies, solicitors and insurers, big and small, who have offered information and briefings to assist my contribution. I explicitly thank the Industry and Parliament Trust and Liverpool Victoria, or LV=; I spent Monday with various of their personnel who deal daily with fraudulent personal injury claims, claimants and the companies that are farming information—or vishing, as I learned—to generate moneys for themselves. Ultimately, anyone with an insurance policy is paying for this immoral action through rising insurance premium costs.

Karen Lumley (Redditch) (Con): I thank my hon. Friend for securing this important debate. Does he agree that this constant telephone badgering of people is extremely upsetting, especially for people with serious mental health issues?

Karl McCartney: I entirely concur with my hon. Friend. Indeed, I will cover that issue later in my speech.

Before I had the luck, honour and privilege to become a Member of Parliament in 2010, I was the victim of a car insurance scam, having previously suffered twice after uninsured drivers caused accidents involving my family's vehicles. In 2009, at a roundabout near Cheshire Oaks, a car purposely stopped in front of me for no reason. The ensuing collision slightly damaged my bumper—well, in fact it was the front bumper of my father's three-week-old 700 series BMW. Despite the low speed and very minimal damage to just his bumper, a claim was made with my insurers for some £16,500.

The court threw out the claim—after a protracted, three-year-long case—as, among other things, the car owner claimed £1,000 for a vehicle recovery charge from a company owned by his cousin in St Albans, when actually he drove the vehicle away. The two circa 21-year-olds in the vehicle were, he claimed, actually his father, who used the vehicle in his work as a driving instructor. As the case progressed, it turned out that the driver of the vehicle with which I collided was not the driver who attended court.

After the hearing, it was revealed that the same scammers had attempted, with success, similar claims on six previous occasions in just a few years, with the vehicle registered at the same address. My experience was a classic example of an induced motor accident—a “crash for cash” scam—but what happened to the fraudsters? The judge was very good in his summing up, but admitted that even though he wanted the police to investigate the perpetrators, there was little likelihood

that that would occur. Taxpayers, who fund the court system, find that they pay not only higher insurance premiums, but in a secondary way, through the valuable court time taken up with disputing and proving that fraudulent claims are being made.

During my time with Liverpool Victoria on Monday I was shown various examples of fraudulent personal injury claims in which judges really did not get it. Refreshingly, though, there is some evidence that rare individual judges are taking positive steps to halt the onward and upward march of fraudulent claims, which cost the Government and the population of our country considerable sum each year—and all power to them. I trust that my right hon. and learned Friend the Member for Kenilworth and Southam (Jeremy Wright), my hon. and learned Friend the Member for South Swindon (Robert Buckland), and my right hon. Friends the Members for Derbyshire Dales (Mr McLoughlin), for Surrey Heath (Michael Gove) and for Tatton (Mr Osborne), along with their ministerial colleagues, will take note if passed details of this debate.

The list of most eminent places and their elected representatives that I have just elucidated helps to crystallise part of the problem we have in dealing with this issue: it cuts across a number of Government Departments. But that should not be a problem, now that it has been clearly identified; we just need someone, and their civil servants, to want to proactively take control and deal with it. I am sure that the good Minister, who represents Gosport, will have noted my plea, along with our other colleagues, and will pass it on to open ears in the corridors of power.

According to the insurance company Aviva, as well as Enterprise Rent-A-Car, City of London Police, Keoghs, Liverpool Victoria and many others who have contacted me and operate in the transport, insurance and judiciary sectors, a minor personal injury—mainly whiplash—claim adds at least £93 to the average annual motor premium. It is a £2.5 billion per annum problem, and around half of the costs relate to very minor injuries which require little or no proof of injury.

It would seem that we in this country have the weakest necks in the world—certainly in the parts of the country that are hotspots for such claims. Funnily enough, as a geographer, the correlation seems to be phonetic: most of the places begin with B—but I digress. It is such a serious issue that Volvo engineers from Sweden are most interested in our seeming propensity for whiplash injuries, especially as for some years their cars have been designed and engineered to minimise such neck complaints in minor and low-speed bumps and scrapes. Later in my speech I will return to how we compare to other nations in our likelihood to suffer from so-called whiplash injuries.

The culture of personal injury fraud is often fuelled and overseen by organised crime, and there are many examples of opportunistic claims that put innocent motorists' safety at risk and inflate their premiums. Many fraudulent claims stem from nuisance calls made by some, but definitely not all, claims management companies, and—perhaps more worrying—by so-called marketing companies acting directly at the behest of some infamous and certainly not morally superior solicitors and law firms.

The so-called marketing companies are directly providing leads to claimant solicitors, underlining the fact that there is still too much cash in the system, despite the

[Karl McCartney]

changes made in the Legal Aid, Sentencing and Punishment of Offenders Act 2012, known colloquially as LASPO. How are these solicitors and law firms and their partners in crime, the marketing companies, securing the supposedly outlawed trade in personal data—our email addresses, home and mobile phone numbers through which we receive unwarranted and unwanted emails, calls and texts exhorting us to make claims, as there is “£3,000 to £4,000” just waiting for each person who makes a personal injury claim? That is the nub of the problem.

We need to stamp out the cold calling, and quickly. I have suffered, as have many of my constituents and those of other colleagues present, and, indeed, those of colleagues who could not attend, such as the hon. Member for Newport West (Paul Flynn), who offered his support but is engaged elsewhere in the House. I believe that my hon. Friend the Member for Croydon South (Chris Philp) will speak about cold calling and its relationship to the myriad fraudulent claims in the country as a whole later in the debate.

Personal injury insurance fraud can be summed up as manifesting itself in a number of ways, and some aspects are easier to detect than others.

Sir Oliver Heald (North East Hertfordshire) (Con): I congratulate my hon. Friend on securing this debate. Does he agree that one way forward might be for the insurance companies to provide a detailed dossier of information to the Solicitors Regulation Authority? It is clear from what he is saying that there is a systemic problem of which that authority should be fully aware of and perhaps look into.

Karl McCartney: I agree entirely with my hon. and learned Friend. In fact, some insurance companies are now acting more coherently, shall we say, and working with each other rather than always acting in competition. They have realised that the problem is not going to go away and has in fact got a lot worse.

The three most common strands of third-party fraud are: accidents fabricated or deliberately staged purely with a view to submitting false claims for compensation; fabricated personal injury claims where a genuine accident has occurred; and genuine accidents and injuries, but with aspects of the claim being fabricated or exaggerated.

Mary Robinson (Cheadle) (Con): I thank my hon. Friend for securing this debate. Does he agree that not only are the fraudulent claims he describes made at the cost of law-abiding motorists, but they cause a great deal of distress to the innocent victims, who see escalating charges and escalating amounts being claimed against them?

Karl McCartney: Indeed. I concur with my hon. Friend; she is entirely correct. Later in my speech I will describe the various other aspects that cost the nation, the taxpayer, the Government and organisations involved in this sector.

Fraudulent injury claims cause increasing costs in car insurance for consumers and businesses. The UK now sees more compensation claims for whiplash per car accident than any other western European country. As I have already said, we are known as having weakest

necks in Europe. Efforts by the Government have had limited effect, and personal injury claims are now at a record high. In the first quarter of 2015, the number of personal injury claims made through the Ministry of Justice claims portal was the highest on record, with 13% more than in the same period for 2011-12, before LASPO was introduced. Claims data for 2015 so far show that, for some companies, 80% of all personal injury claims received were related to whiplash.

Liverpool Victoria estimates that, in 2015, at least 11% of the average car insurance premiums it provides can be attributed to paying for whiplash claims. That is a significant and unnecessary cost for consumers—our constituents. At Liverpool Victoria, 10% of claims handlers are employed purely to tackle fraudulent claims, at an annual cost to the business of £4.5 million to run the team. Those costs are ultimately paid for by customers, further increasing the cost of car insurance for individuals. Businesses are also affected by rising commercial insurance premiums for company vehicles. For small businesses in particular it is an unwelcome and unnecessary cost.

The Information Commissioner’s Office received 180,000 complaints about nuisance calls or texts in 2014-15—a 12% increase on the previous year. According to research that Liverpool Victoria commissioned in July 2015, each British person—importantly and unfortunately, this includes children—receives an average of 468 nuisance calls and text messages every year. We waste six and a half hours a year dodging calls, deleting texts and listening to phone messages that none of us wanted to receive. One in three reported receiving more nuisance calls and texts than calls from friends and family, and more than 80% of those who receive personal injury calls have never even been involved in an accident for which they could, if they wanted, have made a claim.

Fraudulent claims also have a cost for our GPs and the NHS as a whole. This is an area of great concern, as fraudulent claims are putting additional pressure on an already-strained NHS. Liverpool Victoria research carried out with GPs shows that GPs now see 116,000 people every month that they suspect are inventing or exaggerating an injury to claim compensation, which equates to nearly 1 million wasted GP hours every year. At this point, I will depart from my written speech and say that I may include the Secretary of State for Health in the list of eminent persons I read out earlier, because this is a serious issue for the NHS.

Claims farming generated by rogue solicitor firms and claims management companies is creating high volumes of fraudulent and exaggerated personal injury claims. Aged claims farming is the new norm, and it has increased since LASPO was introduced. Insurance firms have seen a significant increase in claims farming—the practice by which a claimant solicitor or a claims management company targets individuals with nuisance calls and texts to encourage them to make a personal injury claim. It now represents between 20% and 28% of all claims received by some companies each month. In January 2013, before the introduction of LASPO, the figure was 13% or below.

A high volume of farmed personal injury claims are being generated by just a few rogue solicitor firms. Despite evidence being passed to the Solicitors Regulation Authority, this behaviour has not been challenged, but it should be. Although the practice of claims farming is widespread, a minority of law firms are driving the

problem: Liverpool Victoria's analysis shows that more than 41% of suspected farmed claims that it received in 2015 were submitted by just 10 law firms.

Let me turn to the issue of cold calling and vishing. There is clear evidence, as my hon. Friend the Member for Redditch (Karen Lumley) said, that claims management companies and solicitor firms that cold call and text people are targeting vulnerable individuals. Claims management companies target individuals by calling directly from purchased marketing lists. The practice is widespread. Research conducted by Liverpool Victoria in June 2015 shows that the UK public collectively receive more than 60 million nuisance calls and texts every day—equivalent to 43,000 a minute. A significant proportion of the approaches are from lawyers or claims management companies trying to encourage individuals to make a personal injury claim.

Worryingly, the number of claims being made without the knowledge or consent of the claimant is increasing. A range of unlawful tactics are used to obtain and verify the data. In such cases, claims management companies act without formal instruction and the claimant does not sign any documents. Some claims management firms have even forged claimants' signatures. The practice of vishing insurance companies is rife. As I heard on Monday, the number of vishing calls that London Victoria's staff receive is rising: in just this year to October, it received more than 3,000 vishing calls.

I believe that the Government need to address the root cause of motor insurance fraud and customer harassment: the excessive cash in the system that creates unwarranted incentives. To deal with the problem, the Government should, first, introduce a minimum threshold for simple whiplash claims and replace cash compensation with rehabilitation, which would deal a fatal blow to those making nuisance calls and the "cash for crash" industry.

Secondly, the Government should ensure that magistrates, district judges and Crown court judges are aware of the cost of fraudulent claims to the nation and the need to take affirmative action, including dealing with uninsured drivers with parity. Why would somebody get insurance if they need to be caught and fined four times in a year to equal the cost of insuring their vehicle?

Thirdly, the Government should remove the civil court aspect of chasing a fraudulent claimant. We need to stamp out this pernicious crime. Only by instructing the Crown Prosecution Service to go after fraudulent claimants actively, backed up by the police, will we do so.

The real kicker of those three simple undertakings is that the vast majority of the voting public—certainly, 100% of law-abiding, insurance premium-paying drivers—would be utterly joyous and would commend us for doing some good in this place and making their lives easier and, ultimately, cheaper.

The challenge is that, as the Association of British Insurers' premium tracker shows, the average motor premium for the second quarter of 2015 is £367, and it is increasing. Similarly, the number of whiplash claims is showing worrying signs of rising again. The Ministry of Justice's claims portal shows that it has increased by 6% in the past nine months. There remains excessive cash in the system, which continues to fuel exaggerated and fraudulent personal injury claims, putting upward

pressure on motor premiums. Organised and opportunistic crimes such as "cash for crash" continue to put motorists' personal safety at risk while inflating all of our insurance premiums. Nuisance calls encourage fraudulent behaviour, leave law-abiding drivers vulnerable and mean that the staff of our insurance companies are encouraged—hounded, even—to breach data rules. Bogus data management companies and similar organisations, such as some data marketing companies and claimant solicitors, continue to plague motorists with texts and calls. They need to be regulated as a whole while the compensation culture and the opportunities remain.

According to the ABI, almost 130,000 cases of claims fraud were detected in 2014, totalling more than £1.3 billion—a 4% increase in value compared with 2013. In addition, there were 212,000 cases of application fraud. Between 2009 and 2014, the overall value of fraud detected rose by 57%. The insurance industry detects fraud in less than 2% of claims, but one in nine whiplash claims are fraudulent. The average cost of a bodily injury claim is £10,680, and the overall average for all claims is £2,649. Bodily injury claims make up 9% of the total number of claims, yet represent 51% of the total value of claims.

Many insurers have made it clear to me that they are taking action. Between 2005 and 2013, the number of UK motor accidents fell by 30%, but the number of whiplash claims increased by 62%, a large number of which are believed by the insurance industry to be fraudulent or grossly exaggerated. During that time, the average cost of a bodily injury claim increased by 73%. Indeed, one of Enterprise Rent-A-Car's largest ongoing costs is the impact of personal injury claims as a result of accidents involving its vehicles. It is its third highest expense after fleet acquisition and personnel costs. Its fleet liability costs have been significantly impacted in recent years by the huge increase in personal injury claims. The growth is driven by low-value claims for soft tissue injuries.

We have a compensation culture problem that has not been dealt with and is not shared by many other European countries. According to Frontier Economics' whiplash report, whiplash claims in France comprise only 3% of personal injury claims, in comparison with 94% in the UK. In Germany, the number of bodily injury claims has dropped in line with the fall in road traffic accidents. In Norway, most minor injury claims are handled without the involvement of a solicitor. In Sweden, a *de minimis* threshold means that symptoms must appear and be assessed within three to four days of the accident.

What can we learn from those examples? Whiplash claims are not as significant in other European countries, due to the much more stringent conditions that must be met before a victim can successfully claim compensation for a whiplash injury. In April 2013, 70% of personal injury claims following road accidents in the UK were for whiplash, compared with 30% in France and Denmark, 31% in Spain, 35% in the Netherlands and 68% in Italy.

Certain European countries have implemented a variety of measures to reduce the frequency of claims. In France, the diagnosis of a whiplash claim requires objective proof, based on more rigorous medical testing. Claimants are made to pay for an initial report on the injury. France also requires medical practitioners diagnosing whiplash to be specially trained in bodily injury diagnosis. Its small claims limit, which is greater than the UK's,

[*Karl McCartney*]

allows more claims to be settled without solicitors. I am also sure that it would not allow medical examinations to take place in Pakistan via Skype.

In Germany, a severity scale is used to assess the extent of the disability caused to a claimant by their injury, and compensation is awarded accordingly. Emphasis is placed on having a high level of proof of the injury when a claim is made following a low-speed collision, and injuries are diagnosed using clear objective criteria. Finally, contingency fees are permitted only in cases where the claimant cannot afford to hire a lawyer, meaning that lawyers are less incentivised to pursue cases.

In Sweden, claims for whiplash injuries can be made only if symptoms appear and are assessed within three to four days of the road traffic accident. There is a table of predictable damages, as used in the UK for workplace personal injuries and in Norway, meaning that claims are limited to the type of injury caused, increasing the efficiency and transparency of the handling of claims. Spain also uses a table of predictable damages, and it requires medical practitioners diagnosing whiplash claims to have specific qualifications, like in France.

Some companies and organisations believe that establishing an objective test for whiplash is imperative in reaching the core of the current problems surrounding insurance fraud. That would filter exaggerated and fraudulent claims out of the claims process, ensuring a reduction in the number of whiplash claims. At the same time, it would ensure that those who have genuine claims were not prevented from making them.

I want to go a bit further than Europe and refer to a taskforce report from Quebec, which is in Canada for those whose geography might be a bit rusty. It was produced in 2001 and provided an objective basis for diagnosing whiplash. It is a little bit old, but it has since been endorsed by several other Canadian provinces. The task force divided whiplash-associated disorders into five grades. At grade 0, no neck pain, stiffness or any physical signs are noticed. Grade 1 involves complaints of neck pain, stiffness or tenderness only, but no physical signs are noted by the examining physician. Grade 2 disorders indicate neck complaints, and the examining physician will find a decreased range of motion and point tenderness in the neck. Grade 3 encompasses neck complaints, plus neurological signs such as decreased deep tendon reflexes, weakness and sensory deficits. At grade 4, people may suffer neck complaints and fracture or dislocation, or injury to the spinal cord. As I said, severity scales are also used in Germany, where the number of bodily injury claims has dropped in line with the fall in road accidents.

I recognise that the Government of which I am a part have taken and are taking steps to address such matters. I welcome, for example, their insurance fraud taskforce, set up by my right hon. Friend the Member for Epsom and Ewell (Chris Grayling) in his former role, and I look forward to it reporting next month. I also welcome the fact that Her Majesty's Treasury and the Ministry of Justice have commissioned a fundamental review of the regulation of claims management companies following concerns that CMCs fuel speculative unmeritorious claims for compensation and create a significant social nuisance through unsolicited calls and texts, misleading marketing and high charges.

However—I will state this clearly for the record—CMCs are only the tip of this fraudulent iceberg. The dodgy solicitors and law firms, some from the other side of the world, need to be investigated and shamed too. The consultation on the taskforce's review closed last Friday, and I hope that its report will focus on customer outcomes, with fewer nuisance calls, and on having a new, more stringent and encompassing regulator, like the Financial Conduct Authority, to ensure consistency across the entire financial world and its markets.

I commend the City of London police's model. The insurance fraud enforcement department was established in January 2012, when insurance fraud was reported to be costing £2 billion and the coalition Government were reducing police force budgets. It is a specialist police unit operated by City of London police and funded by the Association of British Insurers. Since its establishment, IFED has been responsible for more than 1,300 arrests and interviews under police caution, 172 convictions, 256 police cautions and 150 people being on bail to court or police, and 325 investigations are in progress, with new cases coming in every week. An example of IFED's work was the bringing to justice of a Keighley pair, who were jailed for creating an insurance web of deception worth thousands of pounds. I will briefly summarise their deception. Those two fraudsters created insurance policies for people who did not exist and then submitted 300 false personal injury referrals worth £167,000 for made-up road accidents. Both have been jailed for four and half years.

However, loopholes remain in the current personal injury referral fee ban and inducement laws. The regulation should include the data marketing companies, claimant solicitors and law firms, which are well known and easily identifiable, that are under the radar of the current regulator. We should outlaw insurance payments for whiplash injuries before proper medical examinations have taken place and concrete proof is provided. The key issue in the personal injury market is the level of financial incentives that still exist, despite the referral fee ban and the reduction in legal costs. It is still far too easy to make a claim for whiplash, and the rewards for doing so in terms of damages and legal costs have created and maintained the adverse behaviours that have prevailed since 1999 when no win, no fee was introduced in the UK. The small claims track for personal injury claims has been left unchanged for 16 years despite all other track limits increasing.

There is simply too much cash in the personal injury system, which is borne out by the continuing menace of the nuisance calls that we and our constituents receive and the fraudulent activity of some CMCs, so-called data marketing companies and some solicitor and law firms. Recent increases, which are way above current inflation rates, in the Judicial College's suggested awards for minor injuries will just make matters worse. We need a more stringent and proportionate legal and regulatory regime that addresses the financial incentives in personal injury, cuts out the nuisance calls and ensures that all benefiting parties are regulated.

Although I am grateful to the Government for the steps they have taken to date, and to the Minister for taking the time to be here today to respond to this important debate, further reform is needed to keep insurance premiums for law-abiding motorists down. In addition to introducing a minimum threshold for simple whiplash claims and

replacing cash compensation with rehabilitation, I would like to see, as a minimum, a ban on nuisance calls and better regulation of those who farm data, such as some solicitors, law firms, CMCs and marketing companies; the removal of all referral fees from the claims process; a limit of £5,000 on personal injury claims; a reduction in the limitation period for bringing minor whiplash claims from three years to 12 months after the accident; and the introduction of a table of predictive damages linked to a percentage of severity or disability to cut down unnecessary legal arguments. I note that France, Spain and Norway have fixed damages tariffs for whiplash-type injuries.

Once again, I thank the Minister and other colleagues for attending the debate, and I urge her to do everything that she can to deal with and limit fraudulent personal injury claims and to support the law-abiding motorists of Lincoln and the 30 million-plus drivers across the country. I believe that I have managed to outline a fair few potential processes that could be undertaken to reduce this blot on our road transport landscape. I hope the Minister and our friends in Government and the good offices of Whitehall will feel the same to a great degree.

2.57 pm

Chris Philp (Croydon South) (Con): I congratulate my hon. Friend the Member for Lincoln (Karl McCartney) on securing today's debate. I was keen to speak today because of a personal experience. A year or two ago, my wife and I were involved in a relatively minor road traffic accident on the M5. The car had some damage, but there was certainly no question of any personal injury. Despite that, my wife and I were bombarded on a more-than-weekly basis with phone calls and text messages that continue to this day.

I was annoyed and upset, not by the pestering, but by the person on the other end of the phone trying to coerce me into pretending that I, my wife or my children, who were also in the car, had suffered some form of personal injury when we had not. No matter how often I said, "We're all absolutely fine. None of us has suffered any injury," they would say things like, "I'm sure that you must have suffered some slight injury," or, "You must feel a bit unwell," or, "All you have to do is say you have a slight neck pain and I can get you £3,000." I was being incited to commit blatant fraud. I am not alone in that experience. In fact, several other Members of Parliament have had similar experiences, as have friends and family outside the House.

I am appalled and outraged that in this country in 2015, companies encourage our citizens to commit fraud, and that so many of our citizens are going along with it because the system makes it easy, and pays them £3,000, £4,000 or £5,000. The first reason why I find the practice so objectionable is that it is morally corrosive. It encourages law-abiding citizens to commit a criminal offence. My hon. Friend touched on many of the other reasons why it is a terrible practice, and I want to reinforce one or two of them.

Most importantly, each and every one of our constituents, many of whom are hard-pressed financially, are paying almost £100 a year in extra insurance premiums because of this fraudulent activity. Families can ill afford that sort of money, in particular people on lower incomes. It is striking that despite the number of road traffic accidents

having gone down by 30% in the past 10 years, injury claims have gone up by a staggering 62%—an extraordinary explosion. The total cost is £2.5 billion a year, which is a significant sum. Many honest businesses, such as Enterprise Rent-A-Car, which my hon. Friend mentioned, are struggling; its business model is under genuine threat, because car rental businesses have such a big cost imposed on them as a result of fraudulent claims that are damaging honest, law-abiding businesses.

The case for urgent reform is clear. I have six specific proposals for the Minister and will be grateful for her response. I am delighted to see that my hon. Friend the Member for Newark (Robert Jenrick), the Parliamentary Private Secretary to the Secretary of State for Justice, is present. I hope that he will pass some of our comments on to the Secretary of State.

My first recommendation or request echoes something my hon. Friend the Member for Lincoln said; it is for a complete ban on outbound calling to solicit personal injury claims, and on the use of information obtained from such calls. Work has been done to regulate that more carefully over the past five or 10 years, but I respectfully suggest that it has not so far had the desired effect. The only way to fix the problem is to have an outright ban on outbound calls, and on solicitors' firms using the output from the calls; conceivably, someone could make a call from Bermuda, but sell the information to a law firm in Manchester.

I also echo my hon. Friend with my second request, which is that we pursue with criminal charges any claims management firm, solicitor or member of the public found to be making a fraudulent claim. In the hierarchy of criminal activity there are more important things for the CPS and the police to focus on, but the abuse is so widespread and £2.5 billion a year is such a large sum that we should actively pursue people through the criminal justice system. Until criminal sanctions are applied to the activity, there is no disincentive, and people will keep on trying to do this.

My third recommendation or request is that, for injuries to be compensated, there should be evidence that the alleged victim went to a doctor or sought medical advice within, say, a week of the injury being sustained. People turning up a year later and saying that their neck hurts is ludicrous if, when the accident happened, they did not seek medical assistance immediately. That would be a good way to cut out almost all such claims. If the claimant did not see a doctor within a week of the accident, I suggest that the claim simply be disregarded.

My fourth suggestion is that we use the system adopted in Germany and Canada, which have firm and objective sets of criteria. At the moment claims are being satisfied without someone having to produce any evidence except to say, "My neck hurts a bit." Without further evidence, no cash compensation should be paid—no evidence, no compensation.

My fifth suggestion again echoes something my hon. Friend said—we seem to think alike on the topic—and that is that the claim limit be 12 months, rather than the current three years. My sixth and, as I am sure the Minister will be pleased to hear, final suggestion is that the limit for lawyers getting involved on a "no win, no fee" basis be increased from £1,000 per claim to £5,000. It has been at the £1,000 level for 16 years, and an increase is long overdue.

[Chris Philp]

I am grateful for having had the opportunity to speak. I again thank my hon. Friend for the debate. I thank the Minister for listening attentively, and I will be grateful to hear her response to my six points.

3.4 pm

Jim Shannon (Strangford) (DUP): I apologise, Mr Wilson, for being a wee bit late; I had a Committee to attend, but I rushed down straight away. I hope to return to it later, so I also apologise in advance if I have to leave before the shadow Minister, the hon. Member for Hammersmith (Andy Slaughter), and the Minister speak.

I congratulate the hon. Member for Lincoln (Karl McCartney) on securing the debate. It is good for subjects that concern us all throughout the United Kingdom to be brought before the House. Every time there is a fraudulent insurance claim, we—those who do not do such things—pay for it. We have to highlight the issue. It is good to see the shadow Minister and the Minister in their places; I always look forward to the response, and I do so today.

Precise levels of fraud are unknown, but the Association of British Insurers recently published figures showing that 59,900 dishonest motor insurance claims were uncovered in 2013. I am sorry if that statistic has been reported already, but if not, I hope that it adds to the debate. That figure for claims was an increase of 34% on 2012 and represented a value of £811 million, itself up 32% on 2012. Those are staggering figures, given their effect on insurance. Dishonest claims comprise about 8% of all motor claims registered with the compensation recovery unit in 2013.

The real victims of insurance fraud are the hard-working, everyday people who have to pay inflated premiums because of the selfish actions of selfish individuals, who far too often get away with their criminal actions. Of all motor claims registered, 8% or nearly one in 10 is fraudulent. That is staggering—and that is only those claims that have been discovered to be dishonest. I am not saying that every claim is dishonest—I cannot say that, because I have no evidence for it—but that figure might be only the tip of the iceberg.

Around 775,000 motor personal injury claims were registered with the Department for Work and Pensions compensation recovery unit in 2013-14, compared with about 520,000 claims in 2006-07, only seven years earlier. That is an increase of almost 30%. My figures are different from those of others, who say there has been an increase of about 50% in claims. The increase has coincided with a 23% decrease in the number of road traffic accidents reported to the police. The stats prove the need for this debate.

We do not need to be rocket scientists to work out that something about the scale of that increase is suspicious, especially given the trend in road traffic accidents. That all adds to the evidence for my suggestion that the 8% of claims that have been found to be dishonest are, with respect, only the tip of the iceberg. If the trends continue, even higher premiums will result for law-abiding, hard-working people. Our role as parliamentarians is to ensure that we protect innocent people from the selfish criminals who make fraudulent claims for their own gain.

On 27 May I asked a question of the Secretary of State about personal injury compensation and what steps had been taken. To be fair to the Government—let us give credit where credit is due—they have responded and taken a number of steps. They have fixed the cost of medical reports and ensured that the provider of a report should have no direct link to the claimant. That might seem to be a small matter, but it is an emphatic and strong step to take. Also, since 1 June, solicitors have been carrying out a previous claims check on claimants before pursuing a personal injury claim. I am often reminded of “Only Fools and Horses” on television, when Uncle Albert falls down the hole where the beer kegs go in—but he has made a similar claim six or seven times before. The check will stop people making claims six or seven times, because the records will be consulted to ensure that it does not happen.

Another step taken is that, since 6 April, medical reports for claims have to be submitted through the new MedCo portal. Again, a process has been tightened up; it is another step in the right direction. Also, referral fees paid between lawyers, insurance companies and claims management firms are now banned—a clear step in the right direction, to ensure that things go the right way. Furthermore, from January 2016 there will be a new accreditation scheme for the medical experts who provide the medical reports. All those Government actions before and since my parliamentary question are excellent steps in the right direction.

I welcome the opportunity to discuss what is truly an epidemic, with an impact on each and every one of our constituents. I hope that it is something we can work together on, and that we can come up with a more robust and bipartisan solution that will see those selfish criminals dealt with appropriately. Regulations already exist, and the hon. Members for Lincoln and for Croydon South (Chris Philp) have indicated other steps they wish to be taken, which would help the Minister to tighten the screws a wee bit more. We need to do something about the massive increases in claims, but the regulations in place may not be as robust as we would like. The question is whether we need to create additional legislation or should simply push for more rigorous enforcement of current legislation. I do not know the answer, but I am sure the Minister can tell us.

I hope my contribution has been helpful, but I do know one thing: my constituents pay the highest insurance premiums in the whole United Kingdom. We do not have the special offers that appear on TV—on the bottom of the screen, it always says, “Northern Ireland not part of the deal”—and we get a wee bit narked about insurance premiums. We therefore need to step down hard on those who make fraudulent claims. If we can stop them, the premiums for everyone else will be lower.

3.10 pm

Angela Crawley (Lanark and Hamilton East) (SNP): It is a pleasure to serve under your chairmanship, Mr Wilson. I congratulate the hon. Member for Lincoln (Karl McCartney) not only on securing this important debate but on his continued pursuit of the issue of insurance fraud during his time in the House. That included a parliamentary question in April last year to the Secretary of State for Justice regarding a judgment in the Supreme Court in a work-related injury case.

I recognise that, as hon. Gentleman said, the UK has the highest rate of fraudulent claims in Europe, which means that 11% of car insurance premiums are attributed to whiplash. I also recognise the role that nuisance calls play in inciting and inviting fraudulent claims. That is not to mention the cost to the NHS, which we across these islands want to protect and maintain.

I welcome the remarks by the hon. Member for Croydon South (Chris Philp), with whom I have not had the pleasure of debating before. He spoke of his harrowing experience and of being invited to claim, which was probably not at the forefront of his mind at the time. I also welcome the comments of the hon. Member for Strangford (Jim Shannon), who recognised that hard-working people pay the most as a result of the effect on premiums.

The *Summers v. Fairclough Homes* case in 2012 created the precedent that exaggerated or fabricated personal injury claims might be struck out in exceptional cases. The Government then proposed measures in 2014, which they said would mean that people would no longer be able to profit from exaggerated or fraudulent compensation claims, while victims with genuine cases could still get the help they deserved. However, as we have heard today, those measures have not gone far enough. Personal injury fraud remains an issue for our constituents.

We can define personal injury fraud broadly as any act intended to cause an insurance company to compensate for an injury that is non-existent, exaggerated or unrelated to an accident claimed for under a policy. More than 3 million people are injured in accidents each year—that experience is harrowing enough—be it in their home, in their car, at work or outdoors. In many cases, someone else is at fault, and the victims have the right to claim compensation.

As has been highlighted in the debate, however, there are many examples of injuries being overstated so that people can make a more lucrative claim, and we must clamp down on such actions. Statistics from the Association of British Insurers estimate that 59,900 out of 775,000 personal injury insurance claims related to road traffic accidents in 2013 were dishonest. If those figures are correct, it means that about 8% of claims were fraudulent.

Filing a fraudulent personal injury claim can have serious repercussions. Insurance companies can deny claims or drop coverage. Claimants can be liable to insurance companies for any money paid and for the costs involved in investigating the fraud. Criminal charges can, of course, also be brought against fraudulent claimants. Perhaps, however, that is not really tackling all the problems.

The effects of fraud are felt not just by those committing it on the off-chance they are caught out. The Association of Chief Police Officers estimates that fraud represents a £20 billion annual loss to the UK—the equivalent of £330 for every person in the country.

Julian Knight (Solihull) (Con): I thank the hon. Lady for giving way. She is making a sound case and an interesting argument. I also congratulate my hon. Friend the Member for Lincoln (Karl McCartney) on securing the debate.

Perhaps the hon. Lady would be interested in the example of Sweden, which has found that the cost of whiplash injuries to insurers, and therefore the public,

can be limited by restricting—time-barring, effectively—the time within which a claim can be put in to three to four days after the accident. Perhaps a week or two weeks would be a better proposal for time-barring people in the UK.

Angela Crawley: I welcome the hon. Gentleman's comments. I recognise what he says about a limit on the length of time for making claims, but not every person might be able to claim within two weeks of experiencing an accident. We must consider such issues, but I do welcome the point that other European countries have imposed all manner of limits, sanctions and bans that have resulted in fewer claims.

As I was saying, the cost of fraud is equivalent to £330 for every person in the country, which is an astronomical figure that we should not impose on our constituents. However, in taking action against fraudulent claims, we must make sure we tread carefully.

Between 2008 and 2011, 1.9 million motor injury claims were made in England. In the same period, 75,000 claims were made in Scotland. That amounts to 25 times more claims being made in England than in Scotland. Given my legal experience, I acknowledge that protections must exist for individuals who have experienced accidents, and they should have the right to seek damages.

The current law does allow for some effective sanctions. Harsh judgments against those found to have claimed fraudulently act as a deterrent to others. Lower damages can be awarded for the non-fraudulent part of the claim, an action routinely imposed for punitive and deterrent reasons. Adverse costs orders can be applied in most cases, wiping out or even exceeding the value of any award. Contempt of court applications can be brought, leading to imprisonment. Criminal proceedings can be brought against those who bring fraudulent cases, leading to heavy fines or imprisonment. Those deterrents against personal injury fraud mean that our court systems already have the power to punish and deter fraudulent claims. We must make sure that any change to legislation does not impede fair settlements, access to justice or the efficient functioning of our courts.

3.18 pm

Andy Slaughter (Hammersmith) (Lab): I, too, congratulate the hon. Member for Lincoln (Karl McCartney) on securing the debate. The subject is not totally unfamiliar; indeed, it was debated quite a lot in the last Parliament. I refreshed my memory earlier about a debate we had almost exactly two years ago—on 7 November 2013—entitled “Motor Insurance (Whiplash)”. I spoke for 30 minutes in that debate, and I refer hon. Members to that speech to spare them from having me repeat the whole of it now. Much of it is still relevant, which is sad in a way, and that might be an indictment of the Government for not having done more. Perhaps we can blame that on the coalition, which was a completely different organisation—there are no Liberal Democrats around to protest any more, so we can always blame them.

I dealt with this issue for five years, and I thought I had finally got rid of it, but my hon. Friend the Member for Kingston upon Hull East (Karl Turner), who is responsible for dealing with it, is away somewhere, so I

[*Andy Slaughter*]

am reprising the subject. The last time we debated it, the Under-Secretary of State for Justice, the hon. Member for North West Cambridgeshire (Mr Vara), had just taken over the brief, and now the current Minister is acquainting herself with it. It is an interesting subject, and perhaps I may say without any disrespect to the hon. Member for Lincoln that there was good and bad in what he said. I was with him for much of his speech, until at the end he drew conclusions that did not all perfectly derive from the facts at his disposal. One of the problems is that we do not always have the facts that we need on this issue.

I think we all detest cold calls, because we believe they are parasitical, and they are severely irritating. As far as I am aware, cold calls from law firms are already banned. Many of the cold calls that we receive come from call centres run outside the UK, which have become an industry in themselves. I do not think a single Member of the House, or indeed member of the public, would not want a crackdown on them, and want them to be banned and excluded. The problem is that it is difficult to do that, but I hope that the Minister will be able to say what the Government intend to do along those lines.

Chris Philp: Even if one cannot ban calls emanating from outside the UK, there could certainly be a ban on any UK organisation, including law firms, using information derived from such extraterritorial calls. Will the hon. Gentleman join me in calling on the Government to institute such a ban?

Andy Slaughter: As I have said, I believe that calls made in that way are banned. I will come on to say a bit more about law firms in a moment, but I think that would be the case for any such form of abuse.

The other area where I am entirely at one with the hon. Member for Lincoln is on referral fees. Again, the previous Government came to the issue late in the day. There were late amendments—on Report, I think—to the Bill that became the Legal Aid, Sentencing and Punishment of Offenders Act 2012, banning referral fees. We thought that that did not go far enough and would have liked them to be criminalised. I am afraid that the implementation by the Ministry of Justice was rather cack-handed and amateur for a while. That is getting better, and there has been a crackdown on claims management companies, which I welcome, as well as an extension of the ban on referral fees. Referral fees do not have any place in the British legal system. Those are the key ways of stopping such abuse.

The percentage of personal injury claims being made for whiplash has fallen, but Members are right to ask why the number of personal injury claims is increasing while the number of motor accidents is falling. One reason, undoubtedly, is greater use of advertisement, which encourages more people to claim. That does not necessarily mean that the claims are fraudulent, but it does mean that there is an industry encouraging the making of claims.

Thus far, so good, but the hon. Gentleman suddenly shoehorned into the end of his speech the conclusion that the small claims limit for personal injury should be extended to £5,000, the limitation period should be

12 months, and the quantum in such cases should be rigidly enforceable. I am afraid I cannot agree with him on that. It would be to attack a basic principle of English law—the principle of the courts' discretion.

We already have clear Judicial Studies Board guidelines on quantum. There are reasons for the relatively short limitation period of three years. The hon. Member for Lanark and Hamilton East (Angela Crawley) mentioned that injuries are not always immediately evident. As for the old chestnut about raising the small claims limit to £5,000, I am entirely in agreement that after 16 years, if that is how long it has been, it is right to raise the limit proportionally by whatever the inflation rate has been during that time. It might mean taking the limit up to £2,000 or something of that order. Raising it to £5,000, however, would exclude 90% of all personal injury claims. For someone on a low income in particular, £5,000 is a substantial amount of money, and it is wrong for people in that situation not to have the benefit of legal advice. I see an ABI agenda there—that is what it always wants. Insurance companies are particularly keen on effectively taking lawyers out of the personal injury process, so that the relationship is between the victim and the insurer.

Julian Knight: Does the hon. Gentleman recognise that it is not just about an ABI agenda but about trying to reduce the cost of insurance to the public? The personal injury claim blight means that hard-working families must pay extra for their insurance.

Andy Slaughter: That is an opportune intervention, because that was to be my next point.

Karl McCartney: Before the hon. Gentleman moves on to that next point, may I stay with the previous point and say that I am no apologist for lawyers and solicitors or their firms, or for the ABI or any insurance company? In fact, I am no friend of any insurance company. I am here, as are many other hon. Members, because our constituents' premiums rise every year. Unfortunately, no harm comes to insurance companies when premiums go up to pay for fraudulent claims, because they just pass on the costs in their turnover figures to the little people at the bottom of the scale. I see where the hon. Gentleman is coming from, but I was trying to say that we need to root out the lawyers, solicitors and claims management firms that use the moneys available in the system to feather their nest.

Andy Slaughter: I entirely accept what the hon. Gentleman says, but I am perhaps slightly more sceptical about insurance companies' use of data. There is an idea that whenever premiums fall, as they have recently, that is because firms are cracking down on fraud, and when they rise it is because of an increase in fraud. The reality of finances, insurance companies' activities and fraud is far more complicated. For many years, the figure for fraud that was often given was 7%. I do not know whether it has changed—I think the figure of 11% was quoted in the debate in relation to one insurer—but 7% is a high figure for fraud. Of course, that still means that insurance companies estimate that 93% of claims are non-fraudulent and come from genuine victims. However, I have heard the figure for the percentage of claims that are partly or wholly fraudulent put as low as 1%; I have also heard it put much higher than 7%.

Karl McCartney: I need to clarify those statistics, because the percentages relate to identifiable fraud. That is not to say that all claims are fraudulent—far from it. None of us minds people who have really been injured receiving their just compensation. Fraud that is easily identifiable, which the insurance companies chase down, is at the level the hon. Gentleman is talking about, but that is not to say that the 93%, or any other residual percentage, represents bona fide claims. There might well be other fraudulent claims within those percentages.

Andy Slaughter: I do not want to argue about statistics endlessly, given that part of my argument is that the statistics are not robust. I am sure that the hon. Gentleman looked at the briefing for the debate by the Law Society, which is of course the professional body for solicitors. There are concerns that insurers use figures about levels of fraud as it suits them.

The point that concerns me is that the remedies that insurers resort to are, in some cases, more likely to encourage fraud. The principal one is third-party capture. There is an increasing trend for insurers to contact victims directly, offer a settlement and discourage them from contacting solicitors—and, if they have contacted them, to ask for information about that. They are not entitled to that information, but rather in the manner of claims managers who, as we have heard, use bullying behaviour to try to substantiate fraudulent claims or exaggerate claims, I am afraid insurance companies increasingly approach people in the same way, to try to get a quick, early settlement without medical reporting or professional advice. That may well minimise the value of the claim—I have no doubt that that is the intention—so someone who has a genuine and possibly quite serious injury may settle for a relatively trivial sum of money. However, it may also encourage fraud, because if there is no medical report or lawyer to act as an arbiter of whether a claim is genuine, the insurer, for commercial reasons, might settle a claim that could well be fraudulent. We should be worried about the growth of third-party capture, which would undoubtedly be massively encouraged if small claims were lifted disproportionately.

I am not saying that there is not bad practice by law firms, because there certainly is. I am talking not even about dubious practice, but about sharp practice in marketing skills. However, as one would expect, the overwhelming majority of solicitors act in a proper and professional manner. They have the ability, through the askCUE system, to determine whether someone who comes to them with a claim has claimed previously, and they are encouraged to make such checks to see if that is happening.

I sound a note of caution not because I think that anything raised by the hon. Member for Lincoln is inappropriate. It is just that, as in many things, there is a balance to strike. I was glad to hear the hon. Member for Lanark and Hamilton East speak about victims. Let us not forget them in this case. Political parties often speak up for victims of crime, but victims of accidents are also victims. I would not want to throw the baby out with the bathwater and say that genuine victims of accidents should not get access to justice or be properly remunerated.

I baulk at the constant refrain about a compensation culture. Time and time again it has been shown, including by the Government's own experts, that no such culture exists in this country. On the contrary, recent consumer

surveys have shown that only 17% of people say that their default position would be to seek compensation after receiving poor treatment. I do not think it is naturally British to think that, as a consequence of poor treatment or customer service or even an injury, the first thing one would do is immediately go to claim compensation.

Chris Philp: The hon. Gentleman may well be correct, but the problem is that ordinary, law-abiding citizens are being harassed and incited by claims management companies to invent claims—I stand here today because I am one such person. That is why the Government need to go beyond the action they have taken already. I hope that he agrees, given that he used to practise personal injury law.

Andy Slaughter: I did indeed practise personal injury law, but, for the avoidance of doubt, I should say that 90% of my practice was for insurers, so I do not think I can be accused of *parti pris*. I can see it from both sides of the fence, and if I am talking about claimants and victims, that is just to give a bit of balance to the debate.

I entirely agree with the hon. Gentleman, and I hope that, when we hear from the Minister, we will hear what is being done specifically to crack down on those calls. I do not want to put the hon. Gentleman on the spot about whether, in his case, he was able to report to either the MOJ or the police that he was being suborned in such a way, but I hope that people do that. If there were a couple of high-profile cases, perhaps instigated by Members of Parliament, in which pestilential claims management companies and cold callers were held to account, that would be a tonic for reducing the practice substantially. If the Minister can shed any light on what the Government can do on enforcement, I will be pleased to hear that.

We must look at both sides of the argument. We have to take action based on evidence, and we have to realise that there are many vested interests. Yes, the claims management companies have interests and we must be on guard against fraud, but we must also be aware of the interests of the insurance industry, which are not always at one with those of the motorist or consumer. It does not always follow that what the industry asks for is beneficial not just to victims or potential victims, but to motorists as a whole. I hope that we can crack down on fraud and relieve the consumer of the burden of calls—I get them myself on many issues—but I also hope that, on this as on other matters, we will bear in mind that the interests of victims and those with meritorious claims for personal injury should be respected.

3.35 pm

The Parliamentary Under-Secretary of State for Women and Equalities and Family Justice (Caroline Dinenage): May I say what a delight it is to serve under your chairmanship, Mr Wilson? I add my praise to that already heaped on my hon. Friend the Member for Lincoln (Karl McCartney) for securing this important debate on personal injury fraud and its impact on individuals and motor insurance premiums. He has been a dedicated and tenacious campaigner on this important issue.

I will state at the beginning that I am not the Minister with responsibility for this matter in the Ministry of Justice. That honour falls to my colleague, Lord Faulks.

[*Caroline Dinenage*]

I will of course make sure that all the points made today that I am unable to cover are responded to by my noble and learned Friend, and that he is well aware of all the suggestions made by hon. Members from across the House.

My hon. Friend the Member for Lincoln has a number of concerns about personal injury fraud and nuisance calls in particular, which both he and my hon. Friend the Member for Croydon South (Chris Philp) mentioned. Those pernicious calls cause annoyance and distress to many people, particularly the elderly and vulnerable. I will address that in due course. First, I would like to say a few words about some of the measures and initiatives introduced by this and the previous coalition Government.

We have been, and continue to be, committed to tackling the problems in this market. There have been some real challenges for the Government in trying to put right the imbalances that have led to the disproportionate growth in personal injury claims. We know, as many Members have articulated, that reported road traffic accidents fell from approximately 190,000 in 2006 to about 140,000 in 2013, when the previous Government began to introduce their reforms. That is a reduction of more than 20%, yet at the same time the number of road traffic personal injury claims rose from about 520,000 in 2006 to 760,000 last year—an increase of about 50%. That is a clear indication, if one was needed, that there is a problem and that the Government should consider further reforms to combat this distasteful culture, which we believe is in part being driven by the constant barrage of phone calls and texts messages that my hon. Friend the Member for Croydon South so powerfully described.

The Government accept that many personal injury claims are genuine, but it is also clear that many speculative, exaggerated and fraudulent claims are being made. Sometimes it is difficult to tell the difference between the two, but it is not right that people who try to cheat the system should be allowed to get away with it and, as so many Members have said, thereby force up the price of motor insurance for honest, law-abiding motorists. There are considerable costs in dealing with such claims, which have a significant impact on the cost of premiums. According to the ABI, the annual cost to the industry from whiplash claims is £2 billion, which, as has been said, adds some £90 to the average motor insurance premium.

I will pause there and go back in time to set the scene. My hon. Friend the Member for Lincoln is a long-standing member of the Select Committee on Transport and he will be aware that just over five years have passed since Lord Justice Jackson published his review of the cost of civil litigation. That may seem quite a long time ago now, but the previous Government and this one have been busy ever since with a substantial programme of reform.

The Jackson reforms, introduced through the implementation of the Legal Aid, Sentencing and Punishment of Offenders Act 2012, were a key achievement in addressing bad behaviours in the personal injury sector. The reforms introduced a ban on the referral fees that many lawyers, solicitors and claims management companies used to buy and sell claims. We agreed that the system of no win, no fee arrangements was not fit

for purpose—that, in fact, it had the perverse effect of encouraging litigation—and so reformed the system to return balance to it, making sure that costs were no longer all heaped on defendants and that claimants had a financial stake in their claim. Our reforms were explicitly aimed at controlling costs and discouraging unmeritorious claims, while enabling genuine cases to be pursued, although of course at lower cost than before, which is why we also put in place measures to encourage earlier settlement.

Speculative and unnecessary whiplash claims are some of the most unmeritorious of all claims, as many Members mentioned. Following a Downing Street summit in February 2012, the Government committed to introducing reforms to tackle the number and cost of whiplash claims. In response to that commitment, the Ministry of Justice has worked with stakeholders to produce a wide-ranging set of reforms to introduce much-needed independence to, and improve the quality of, the medical evidence used in such cases.

Andy Slaughter: The Minister has mentioned the notorious insurers' summit, when the Prime Minister invited the major insurance companies to 10 Downing Street, but no one representing the claimants' side. Does she think that that might have been a mistake? Does she agree that the Government should listen to both claimants and defendants?

Caroline Dinenage: We can dwell on the past, but the hon. Gentleman is absolutely right that we need to listen to all sides in the argument. As the hon. Member for Strangford (Jim Shannon) pointed out, important steps have since been taken on medical reports. The first phase of the reforms included measures to reduce and fix the cost of initial whiplash medical reports at £180, to allow defendants to give their account to the expert for the first time, to discourage insurers from making pre-medical offers to settle, and to ban experts who write the medical reports from also treating the claimant.

Andy Slaughter: I am sorry to interrupt the Minister, but she is tempting me. She just mentioned third-party capture, but if the Government really want to stop it, why should it not be banned? I think she is about to mention MedCo. That has been a disaster, which is why we are having a full review only a few months after its introduction.

Caroline Dinenage: If the hon. Gentleman will hold his horses for just a moment, I will move on to some of those issues. MedCo has introduced a robust new accreditation scheme for medical experts, who need to attain accreditation by 2016 or they will be removed from the system. We hope that that will begin to take effect, but a further reform to control fraudulent claims at source was implemented on 1 June 2015, as he will know. Claimant lawyers were given access to insurance industry data and must now check the number of claims their potential client has made before accepting the claim.

The Government are particularly pleased that stakeholders put aside their differences to develop a consensus on sharing data and improving medical evidence. Such a consensus can only be positive for all involved and we look forward to continuing to work closely with

stakeholders. The Government have also taken firm action to ban both lawyers and claims management companies from offering claimants inducements to bring frivolous claims. Although it is still early days in terms of monitoring the impact of the reforms, Government figures show that the number of whiplash claims has gone down by around 70,000 since 2011-12. That is a good start, but we remain concerned about the number of claims made and their impact on the cost of motor insurance premiums. Too many claims are still being brought inappropriately, often because people are encouraged and pressured to do so by unscrupulous lawyers or CMCs.

On 2 December 2014, the Chancellor of the Exchequer and the then Justice Secretary jointly announced a new insurance fraud taskforce. The taskforce will make recommendations to reduce all types of insurance fraud, to lower costs and to protect the interests of consumers. The Government are committed to tackling the perception that insurance fraud is a victimless crime. It is vital that people understand that making a fraudulent claim is not a legitimate way to make money. The taskforce is currently considering its recommendations, which the Government will consider carefully with a view to taking firm action.

My hon. Friend the Member for Lincoln mentioned the practice of “cash for crash”. The insurance fraud enforcement department is a City of London Police unit set up to tackle insurance fraud nationally. The £3 million annual cost of the unit is funded by ABI members through an industry-led compulsory levy. The unit is leading the fight against “cash for crash” gangs, and has caught and prosecuted many perpetrators of that distasteful scam over the past three years. It will continue in that work.

The Government have also been serious in our commitment to driving out bad practices by claims management companies, as is clearly demonstrated by the recent package of reforms to protect consumers who use the services of a CMC or who are subjected to its marketing practices. The reforms will also help organisations that are on the receiving end of high volumes of calls or fraudulent or unsubstantiated claims. The measures are transforming how the MOJ’s claims management regulation unit does its job. Members will be interested to hear that in the last year, 93 CMCs were investigated, 105 CMCs had their licences removed, 296 were issued warnings and 454 audits were conducted. Tackling fraud and unauthorised activity in the claims management industry has been, and will remain, a key priority for this Government.

The CMR unit works closely in partnership with both industry fraud bodies and the police to identify and deal with CMCs engaged in insurance fraud. That work has been instrumental in the successful prosecution of criminal organisations. My hon. Friend the Member for Lincoln rightly identified nuisance calls as a well known route for spurious claims farming. The CMR unit makes sure that CMCs offering claims services do so legally. That is why we introduced tough new rules in October last year to put in place a stronger requirement to make sure claims are properly substantiated before being pursued.

We also strengthened the CMR unit’s enforcement tools in December last year with a new power to impose fines on CMCs. So far, three companies have been fined

more than £800,000 for unlawful unsolicited marketing and coercing clients into signing contracts before taking unauthorised payments. That sends the powerful message to unscrupulous fraudsters that the Government take this issue seriously and will take firm action against them.

The claims industry is a fast-moving market. Practices continue to evolve, and the Government will monitor the market and respond with further reforms, as necessary, to provide better protection for consumers and the public. The Government are also looking to build on the work of the CMR unit by undertaking a fundamental review to consider what powers and resources are required for a tougher CMC regulatory regime. The review is due to be completed in early 2016.

I will now answer the very useful six points raised by my hon. Friend the Member for Croydon South, as some of them will be included in that review. He talked about banning of outbound calling and the use of personal injury claims data gathered from those calls. We need to strike a balance between ensuring that consumers are adequately protected and ensuring that a direct marketing industry can continue, as—although this was not necessarily the case in his experience—it is a legitimate activity when done properly. We need to focus on the companies that are breaking the rules rather than penalise legitimate businesses, and to make sure that companies comply with the regulations. We have made it easier for the Financial Conduct Authority to take action against some of those companies, but we will continue to look at that, particularly in the light of what he has outlined today.

Chris Philp: I understand that the Government have taken action to regulate outbound calls more carefully. My fear is that that regulation unfortunately has not had the intended effect and that cases like mine are continuing to occur. I suggested an outright ban because I feel it is the only way that we will be able to stamp out a terrible practice that I myself directly experienced.

Caroline Dinenge: My hon. Friend is very persuasive, and I will definitely ensure his thoughts are passed on when the review is conducted.

My hon. Friend talked about criminal pursuit of anyone making fraudulent claims. That measure was introduced earlier this year in the Criminal Justice and Courts Act 2015, which requires the court to dismiss in its entirety any claim where the claimant has been fundamentally dishonest. That means dishonest claimants can now no longer receive a payout if they have been fundamentally dishonest, even if a small part of their claim is in fact genuine. Insurers then have the option of pursuing a criminal prosecution for fraud.

My hon. Friend said medical advice should be taken within a week of an accident. In 2004, the Government considered including such changes to the civil procedure rules to ensure that medical examinations and reports were completed before a claim was produced. We have introduced the rules I have spoken about to discourage such behaviour, but we will keep the matter under review and continue to work with key stakeholders. We need to look at how we can tackle the issue effectively.

My hon. Friend asked whether there should be an objective evidence base. The Government remain concerned about the number of claims made and have done much

[*Caroline Dinenage*]

in that area, but we accept that more can be done. We are open to any suggestions put forward by interested stakeholders and will consider all the points he has raised.

Finally, my hon. Friend talked about the 12-month claim limit and the no win, no fee limit of £6,000. We understand that both those issues will be considered by the insurance fraud taskforce, which will be reporting shortly. We look forward to seeing its recommendations and will respond accordingly.

Andy Slaughter: The Minister talked about a £6,000 limit. If she is talking about the possible £5,000 limit for small claims in PI cases, the Government have already looked at that two or three times. They have had very strong advice, including from the Transport Committee, that that is not the way to go. Is she saying that that matter is going to be revived?

Caroline Dinenage: As I say, the taskforce has been set up to look at all the issues, and I believe it may be considering that limit, but I will write to the hon. Gentleman with clarification if that is not correct.

The Chancellor announced proposals in the July Budget to introduce a cap on the charges that CMCs can apply to consumers. We are looking in particular at restricting bulk PPI claims to more proportionate levels and will consult on how that will work in practice later this year. A cap on charges will, we believe, help to reduce incentives for CMCs to collect marketing leads, resulting in a reduction in the number of speculative calls made.

I would like to draw Members' attention briefly to other measures taken by the Government to tackle the issue of nuisance calls. In March 2014, the Government launched an action plan to tackle the problem, asking the consumer organisation *Which?* to lead a taskforce on consent and lead generation in the direct marketing industry. The taskforce made a number of recommendations, including giving the Information Commissioner's Office powers to hold to account senior executives who fail to comply with the rules on marketing. The Government are currently considering those recommendations.

The Government have made it clear that it must be easier for the ICO to take action. The ICO no longer has to prove substantial damage or substantial distress caused by a company before action can be taken. Since 2011, it has had the power to issue penalty notices of up to £500,000, and in September 2015 it issued a penalty

of £200,000 against a company that made more than 6 million automated calls to consumers—the highest penalty ever issued for nuisance calls. The ICO has also issued a penalty of £75,000 against an organisation that claimed to offer a nuisance call blocking service but was instead making unsolicited live marketing calls to members of the public—the mind boggles. The ICO continues to take its enforcement responsibilities seriously and has 66 cases currently under investigation.

The Government are also exploring options to provide call-blocking devices to vulnerable customers, and we will consult shortly on legislation to require all direct marketing callers to identify themselves. That will enable consumers to determine who is calling and to report unwanted calls to the regulator. I ought to make it clear that the Government have not ruled out further reform to this market.

Karl McCartney: Before my hon. Friend the Minister finishes her remarks, may I say that I welcome the courteous and informative comments she and everyone else who has taken part in the debate have made, including even my hon. Friend the Member for Newark (Robert Jenrick)? He does not get to say anything in his role as Parliamentary Private Secretary, but it was good to see him here, providing very useful information.

The Minister mentioned that some of these companies are fined. Unfortunately, the directors behind the companies often have what are known as “phoenix companies” waiting in the wings. The Government need to take direct action on the individuals who are at fault for carrying out these pernicious acts with regard to cold calling. I make that plea as a final comment in this debate.

Caroline Dinenage: That is a valid point. These individuals need to be named and shamed for what they are and, indeed, what they are doing; my hon. Friend is absolutely right.

We have not ruled out further reforms to this market. I hope I have reassured hon. Members today that the Government take this subject very seriously. We remain committed to continuing the reform process to the benefit of all and we want to work with all stakeholders to achieve that.

Question put and agreed to.

Resolved,

That this House has considered personal injury fraud.

3.56 pm

Sitting suspended.

Electrical Shore Supplies (Nuclear-powered Submarines)

4 pm

Brendan O'Hara (Argyll and Bute) (SNP): I beg to move,

That this House has considered restoration of electrical shore supplies to nuclear-powered submarines.

It is a pleasure to have this debate under your chairmanship, Ms Buck—and to have secured it, but I say that rather guardedly, because it was never my intention to bring this issue forward for debate in this place. My intention from the outset was simply to ask a series of questions of the Ministry of Defence on behalf of my constituents, who approached me with serious concerns about the changes to nuclear safety procedures at Her Majesty's Naval Base Clyde at Faslane. It was not until the MOD replied, or perhaps I should say did not reply, to my questions that I felt the need to bring the matter to this Chamber.

Last month, as the constituency Member of Parliament for Argyll and Bute, which takes in Faslane and Coulport, I was approached by workers at Faslane who had learned of proposed changes to the long-standing work practices relating to the restoration of shore power to nuclear-powered submarines. They had already raised their concerns with their employer, Babcock, but with no success, and unable to glean what they considered to be an adequate response, they turned to me as their local MP, in the hope that I would be able to secure answers from the Ministry of Defence on their behalf.

I then tabled a series of very specific questions relating to the extension of the limit of restoration of electrical shore supplies to nuclear submarines at Her Majesty's Naval Base Clyde from the existing 20 minutes up to a maximum of three hours. Rather than answering my questions, the Ministry simply grouped all my detailed and specific questions together and responded to them using a single standard response—a response that I believe hid behind national security, although my questions were specifically about health and safety. I believe that the Ministry of Defence, by dismissing those questions in that manner, has shown me and my constituents a great discourtesy. I am firmly of the opinion that safety at nuclear establishments, and the safety of nuclear materials, is not just a matter for the MOD or Babcock; it is of the most serious concern to my constituents who live beside Faslane, whose concerns cannot be dismissed in such a high-handed fashion.

For far too long, the Ministry of Defence has relied on the stock answer of “Move along; there is nothing to see here,” in the hope of avoiding scrutiny, accountability and transparency—and in many ways it has got away with it. That is unacceptable, and frankly it will not wash any more with me or my constituents, who refuse to be fobbed off with such an answer.

I will give a little background on what has been happening at Faslane, and on the situation that led my constituents to approach me with their concerns. As I understand it, in October 2014 Babcock entered into a contractual agreement with the Ministry of Defence to provide a range of support services at Faslane and Coulport for a period of five years. Part of that arrangement called for a reduction in costs totalling £77.5 million

over the lifetime of that contract. No department, including the nuclear operations department, was to be exempt from the cuts.

Prior to that agreement and the swingeing cuts of £77.5 million being announced, a working group comprising management and the trade unions was established to study shift patterns in the nuclear operations department. That working group, I am led to believe, identified a number of different shift options that were to be taken to Babcock management, and then presented to the workforce affected by the proposed changes for their consideration. It appears that the plans to negotiate shift patterns have been shelved, and that Babcock is instead pressing ahead with a radical and unilateral plan of changes to the working patterns in the nuclear operations department. The trade unions understand that the proposed changes will allow Babcock to reduce shift patterns by more than two thirds—a measure that will save around £4.5 million in staff wages, thereby contributing significantly to the £77.5 million of savings demanded in the new contract.

However, the new changes to shift patterns are not, in and of themselves, the problem. The major concern is that in order to facilitate the new shift patterns, Babcock will need to relax the long-standing safety principle of 20-minute restoration of electrical supplies to nuclear vessels alongside the jetties, extending that 20-minute period to a maximum of three hours. I should point out that the 20-minute restoration limit and the current manning levels for out-of-hours cover have been in place for decades; minimal changes have taken place in that time. Every time the 20-minute restoration period has been challenged in the past, it has been vigorously defended and change has been rejected. As I understand it, regular 20-minute training sessions and programmes are still carried out to prove that the 20-minute restoration can be accomplished by the nuclear operations department with existing staff levels.

There can be no doubt that the workers at Faslane are loyal and hard-working. They do a vital job and are not prone to alarmist talk, or flagging up problems when there are not genuine concerns. Their paramount concern and the overriding priority for them is safety: safety of the vessels, the base and, by extension, the entire community in the Helensburgh and Lomond area. When they, with their decades of experience in these matters, feel so marginalised that they are forced to approach their MP for help, we know that they have genuine concerns and serious worries. That is why, when they approached me a few weeks ago, I was only too happy to listen to their concerns and to seek answers from the Ministry of Defence.

I tabled a series of detailed questions that I believe focused on health and safety and on how the decision to extend the 20-minute limit to a maximum of three hours was reached. Unfortunately, my questions were grouped and summarily dismissed by the Ministry of Defence in a single, stock, off-the-shelf answer, which basically said, “We look after security and safety. There is nothing else you need to know; telling you anything further would prejudice the capability, effectiveness and security of our armed forces.” Does the Minister really think that that is an acceptable answer to hard-working, loyal employees, who have sought an answer from their employers to serious questions?

[*Brendan O'Hara*]

Questions were asked about: health and safety; why important changes to long-established safety routines are being proposed; who is driving the changes; the money that will be saved by implementing the changes; what studies have been made of the safety implications of the changes; and whether an independent nuclear safety assessment has been carried out. Can they really be dismissed with a reference to national security and the fear of undermining our armed forces? If that is the case, the Ministry of Defence is saying that absolutely nothing that goes on behind the gates of Faslane is open to scrutiny, or is in any way transparent—that it is, in fact, accountable to no one.

I remind the Minister that the MOD and Health and Safety Executive agreement states, on page 2, that the Ministry of Defence is

“a Crown body accountable to Parliament for Defence, including the activities of the Armed Forces.”

There has to be accountability and transparency. We recognise the importance of national security, but I believe that this issue has gone far beyond that. Had I been daft enough to ask for the position of the nuclear submarine fleet when it was out on patrol or for details of military training exercises, I could and should have been told by the Ministry of Defence that it would not answer such a question on the grounds that the information was likely to prejudice the capability, effectiveness or security of the armed forces. However, the questions I asked were about health and safety, not national security. For the Ministry to hide behind national security, and to claim that responding to my questions and the concerns of employees at Faslane would undermine the armed forces, is absurd and a public relations blunder of epic proportions.

The prevalent attitude that we have seen so often is, “There is nothing to see, so move on.” That cannot continue, because it simply breeds mistrust and suspicion. If nothing that goes on at Faslane is open to scrutiny, and if nothing is transparent, every denial from the Ministry of Defence will be accepted less and less by those on the civilian side of the fence.

On day one of my parliamentary career a few months ago, I raised the case of Able Seaman William McNeilly and his catalogue of alleged safety breaches aboard nuclear submarines and at Faslane. Within 48 hours, every one of those allegations had been dismissed as having absolutely no substance, and again we were advised, “There is nothing to see here, so move on.” This is history repeating itself.

There are plenty of other examples; a quick trawl through the parliamentary records reveals that on 28 October, my hon. Friend the Member for Stirling (Steven Paterson) asked

“what arrangements are in place to monitor Babcock’s performance and safety record”.

The response referred to “appropriate measures”. On 8 September, my hon. Friend the Member for Midlothian (Owen Thompson) asked

“what notice is given to emergency services in advance of visits by nuclear convoys”.

The response was:

“Police forces may advise fire and rescue services...I am withholding specific information on the period of notice given to the emergency services as its disclosure would”—

this is classic—

“prejudice the capability, effectiveness and security of the Armed Forces.”

A question was asked in the House of Lords in June about what assessment the Ministry of Defence had made of the UK’s nuclear deterrent and its vulnerability to espionage, as we have no maritime patrol aircraft. The reply was that the Government continually conduct assessments but are not prepared to comment further.

The Ministry of Defence is acting like the boy who cried wolf in reverse. The situation is ridiculous, so I hope that the Minister will today end the policy of saying nothing, and recognise that the workforce at Faslane have genuine concerns. They are concerned about their future jobs, and about the safety of the vessels they are charged to look after. Will he reply, either today or in a full written answer, to the questions I submitted two weeks ago asking what discussions his Department has had with Babcock on the proposal to extend the limit of electrical shore supplies to nuclear submarines at Faslane? Will he also tell me whether his Department instructed Babcock to extend that time, or was that a customer-driven request—that is, did the Ministry of Defence ask for that, or did the idea emanate from Babcock?

4.14 pm

Sitting suspended for a Division in the House.

4.24 pm

On resuming—

Brendan O’Hara: Will the Minister tell me why, after decades of military, industrial and political consensus on the 20-minute limit, it is now felt necessary to make this change? Has his Department made an assessment of the financial saving accruing to Babcock? What analysis has he undertaken to ensure that the change is science-driven, not cost-driven? Can he enlighten me on what the Astute-class vessels’ procedures are, in terms of the 20-minute shutdown? Finally, will he tell me whether an independent nuclear safety assessment has been carried out? If so, what did the report say?

Let me be clear that this is not an old courtroom trick of asking questions to which one already knows the answers. These are genuine questions, and I am seeking helpful answers. As I said, I believe that nothing that I have said or asked is a threat to national security or could undermine our armed forces.

If the people of Helensburgh and Lomond and the workers at the base are to have faith in this facility, we have to be able to believe that those in charge will always make safety and security their top priority, and any suspicion that corners are being cut to save money has to be thoroughly investigated, but how can we have confidence when every single concern raised and brought to the attention of the authorities is met with the same standard response of “Move along; there is nothing to see here”? Confidence is further undermined when the concerns of a loyal and dedicated workforce are similarly dismissed.

I ask the Minister to seize this opportunity to show that transparency, accountability and appropriate public scrutiny are not alien concepts, and to restore the confidence of both employees at the base and my constituents that decisions are being taken in the correct manner and for the right reasons.

4.26 pm

The Minister for Defence Procurement (Mr Philip Dunne):

Thank you for chairing these proceedings, Ms Buck. I congratulate the hon. Member for Argyll and Bute (Brendan O'Hara) on securing the debate, and I thank him for giving me an opportunity to address this issue, which I agree is important. It is appropriate that we have an opportunity to discuss it in the House.

I appreciate that the safety of nuclear-powered submarines has been and continues to be a subject of interest not just in the hon. Gentleman's constituency in the immediate proximity of our submarine base, but to everyone in the United Kingdom. The Vanguard-class strategic ballistic missile submarines, along with the majority of the Royal Navy's attack submarines, are based at Her Majesty's Naval Base Clyde, in the hon. Gentleman's constituency, and the whole operating Royal Navy submarine fleet will be based there by 2020. Clyde is one of the largest employment sites in Scotland, with about 6,800 military and civilian jobs, which will increase to about 8,200 by 2022. I pay tribute to the hard-working people who man and maintain Her Majesty's Naval Base Clyde to support the Royal Navy submarine fleet based there.

The hon. Gentleman expressed the concern that the workforce have about their jobs at the site. What I have just said reinforces the decisions taken under the previous Government. The primary threat to the jobs of those working at HMNB Clyde is from the proposals of the hon. Gentleman's party and the Scottish Government, rather than from this Government and the work that we intend to place there. However, I listened carefully to his speech and will endeavour to address the points that he raised.

I am sure the hon. Gentleman will appreciate that, despite his suspicions to the contrary—I know he knows this privately—there are certain aspects of the operation of submarine nuclear reactors that I cannot discuss owing to security considerations. That is not a fig leaf; it is real. I am sure that no hon. Members would wish the security of the fleet to be compromised. Having said that, I will provide as full a response as I am able to on the issues that he raised. Before I do so, I would like briefly to set in context the Government's policy for the safe and secure operation of nuclear-powered submarines.

The protection and defence of the whole of the United Kingdom and our dependent territories and citizens is the primary responsibility of Government. In a world that is becoming more uncertain, as we have seen in the actions of a resurgent Russia, the Government are committed to maintaining a strong and capable fleet of attack and strategic ballistic missile submarines and the continuous at-sea nuclear deterrence that provides the ultimate guarantee of our national security. In speaking today of our submarine fleet, I would like to take the opportunity—I am sure that all hon. Members would echo this, whatever their personal views on the merits of the nuclear deterrent—to thank the crews of all our submarines, their families and the wider community for their continued dedication and commitment to delivering the mission.

I turn to the points raised by the hon. Gentleman. I want to make it absolutely clear that safety is our priority. Although operating a nuclear reactor in the submarine environment provides unique challenges

compared with doing so in the civil sector, the rigorous safety measures that we adopt ensure that submarine reactors remain safe at all times. The safety of reactors is rigorously assessed at every stage of their life, from design and build to operation and disposal. Safety is independently regulated in accordance with the law and by our own Ministry of Defence independent nuclear regulator. Together, those regulators impose robust controls that are at least as stringent as those in the civil sector. We are also held to account by external regulators and, ultimately, here in Parliament.

In Scotland, radioactive substances are regulated by the Scottish Environment Protection Agency. A memorandum of understanding between the Ministry of Defence and the SEPA includes provisions that enable the agency to carry out its regulatory role effectively while ensuring that sensitive information is properly protected. Similar arrangements are in place with the Office for Nuclear Regulation.

I trust that what I have said will reassure hon. Members that our submarine nuclear reactor operations are subject to independent, impartial and robust regulation. Any suggestion to the contrary is, quite frankly, wrong. As I have said, I am constrained by security considerations in the details that I can discuss, but I can say that the Ministry of Defence regularly and routinely reviews the procedures regulating the operation and maintenance of submarine nuclear reactors. That process naturally includes consultation with industry partners and regulators, but no change can be implemented until it is proved to be safe and, where applicable, has been approved by the relevant regulatory authorities.

Regarding the hon. Gentleman's specific concern, it may be helpful if I explain that submarine reactors have a diverse range of cooling systems, including a dedicated system that is not dependent on electrical supplies. As I have previously informed the House in answer to a question from the right hon. Member for Moray (Angus Robertson), there have been only four events in the past 20 years involving the loss of electrical power to a submarine reactor cooling system when in port. In all four events, there was no disruption to reactor cooling as a result of the loss of electrical supplies.

That is the measure of the safety of our submarine nuclear reactors. It is simply not the case that a disruption of the electrical shore supply to a submarine will inevitably and rapidly lead to the submarine's reactor becoming unsafe. It is quite wrong, and indeed alarmist, to suggest otherwise. Any proposals to change reactor operating procedures must be seen in that context. The Ministry of Defence would never propose a change that could lead to a reduction in reactor safety. Were we to do so, any such change would simply not pass regulatory scrutiny.

What I have said may raise in the minds of some hon. Members the question of why submarines require a shore electrical supply and why, if the loss of that supply poses no immediate threat to reactor safety, its restoration is subject to strict regulatory control. That question is simply answered. Once the reactor has shut down, the submarine continues to require a supply of electricity to operate its internal systems, such as lighting to allow sailors to get around the submarine. Although those requirements can be met from other sources, in the longer term a shore supply is required. As I have

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said, however, reactor cooling can rely on a diverse range of systems, not all of which depend on electrical supplies.

I fully understand that nuclear-powered submarines are a contentious issue for some hon. Members, and that they are likely to remain so. I want to address the question asked by the hon. Member for Argyll and Bute about whether the proposed changes have been inspired by Babcock, and in particular by the savings required in the company. My answer to that is we have made no assessment, in the review of procedures, of the impact on Babcock. This is a Royal Navy-initiated activity with the MOD's support. Proposed changes to shift patterns have nothing to do with why we are undertaking this exercise. That was one of his concerns, and I hope that I have set it to rest.

Brendan O'Hara: I genuinely thank the Minister for his answers, but can he understand my frustration that all my previous questions were grouped together and given one stock answer? Does he agree with me that the Ministry does itself no favours by doing that, because it leads to suspicion and conjecture? Would it not have been an awful lot better if the MOD had answered each of my questions on merit, in which case we would not have needed this debate?

Mr Dunne: I can understand why the hon. Gentleman might have been somewhat frustrated by the reply that he got. I have to say that it is not unusual for Departments—across a range of activities, not purely the MOD—to find themselves not always capable of delivering the kinds of answers that the Members who pose them might like to receive. Many of the questions

that the hon. Gentleman asked got into topics that were covered by security concerns, which was why he received the answers that he did. I hope that during this debate, I have managed to allay some of his concerns.

In closing, I can only reiterate that the Ministry of Defence operates its submarine nuclear reactors with the highest regard for safety. As in the civil sector, appropriate and targeted assessments of operating processes and procedures are undertaken to ensure that our robust arrangements remain valid. The process involves not only the independent regulator but our industry partners and independent nuclear safety advisers, who play a significant role in ensuring that those processes and procedures are as robust as they need to be to ensure the safe operation of our submarine nuclear reactors. Only when a positive consensus of advice has been reached to the effect that reactor safety will not be compromised, and that there is a clear benefit, are changes to operating processes and procedures undertaken. As I have said, the process includes our independent regulator and, where necessary, external regulators.

The Royal Navy's attack and strategic ballistic missile submarines are an essential capability for the defence of the whole United Kingdom, and I hope that what I have said goes some way towards reassuring hon. Members that our submarines are operated with the highest regard for the safety of their crews and the public. Through our nuclear-powered submarine programme and the independent nuclear deterrent that it supports, we ultimately guarantee our national security and the freedoms that we continue to enjoy in a democratic society.

Question put and agreed to.

Resolved,

That this House has considered restoration of electrical shore supplies to nuclear-powered submarines.

Deaths Abroad (Consular Assistance)

4.38 pm

Anne McLaughlin (Glasgow North East) (SNP): I beg to move,

That this House has considered consular assistance for families of people who die abroad.

As the Minister is aware, the Select Committee on Foreign Affairs carried out an inquiry in 2013-14 into this very matter, and many of the people I will reference today contributed to that inquiry. The reason why I secured the debate is threefold. First, I want to look at what changes have been made and what assessment has been made of those changes. Secondly, I want to feed back the thoughts of those who called for the inquiry, some positive, some critical, but all, I suggest, constructive. Thirdly, I want to pay tribute to some brave and fearsome campaigners who have selflessly committed to fighting for better support, not for themselves but for people who find themselves in the dreadful position that I will describe.

I start by acknowledging that there are some people in this country who have had very recent experience of this: I refer to those caught up in the atrocities in Paris last Friday. The impact will have been felt not just by the victims and their families, but by the consular support staff at the Foreign and Commonwealth Office. I do not envy them their task at a time when they may themselves be traumatised by events in the city in which they live and work.

I will set out why there was a call for the Foreign Affairs Committee to have this inquiry last year. What were the experiences of families whose loved ones died abroad that led to them putting their lives on hold and mounting campaigns to change the experience for others? Let us remember that it is hard enough when someone close to us dies in this country. For someone who is struggling to cope with their shock and grief, to have to find a way through the minefield of a country with which they are unfamiliar—perhaps they do not speak the language and the customs and laws are different to theirs—is an experience that I would not wish on anybody. Naturally, people in those circumstances will turn to their own country's consular support services, but many have not found the support that they expected.

Support After Murder and Manslaughter Abroad is a charity that campaigns for improvements in Government policy, and provides telephone advice and peer support to people bereaved by homicide overseas. Eve Henderson is someone I do not know, but she represents SAMP Abroad and I believe she is here today. Other campaigners have urged me to pay tribute to her for her tireless campaigning since her husband was murdered overseas 17 years ago. I pay tribute to her strength and determination. I hope that, in some small way, people like me can take some of the burden from her shoulders.

In 2011, SAMP Abroad sent 150 families a questionnaire asking them to document their experience of dealing with the FCO, the police and coroners. Fifty families responded, and the vast majority of respondents were negative about the service provided by the FCO. When asked whether the FCO was helpful 56% said, "not at all", 38% said, "not very", and the remaining 6% said, "quite helpful". No one said that the FCO was "very helpful" and, as Members can see, 94% felt that they had not got the help that they wanted.

The evidence in the Foreign Affairs Committee report reflected similar findings. I recognise and applaud that Committee in the previous Parliament for doing much of the work required to ensure that the families of those who die abroad are treated justly and with dignity by officials. The inquiry spoke to one mother who found that most of the advice she was offered was of less use than the advice available on websites. Others spoke of calls going unreturned, wrong advice being given and, most disturbingly, being encouraged to have their loved one cremated abroad without being advised that that could mean that there would be no coroner's report back in the UK.

I should say at this juncture that, until recently, Scots or those who lived in Scotland who died abroad were not afforded an inquiry. Thanks to the work of Death Abroad—You're Not Alone, otherwise known as DAYNA, and Julie Love, who spearheads its campaigns and who I will say more of later, the Scottish Government have now made steady progress in improving the treatment of such families. The Inquiries into Fatal Accidents and Sudden Deaths etc. (Scotland) Bill proposes to bring in discretionary fatal accident inquiries for those who have died overseas and have been repatriated to Scotland. That is a welcome step forward and builds upon Lord Cullen's review which reported in 2009.

Another welcome measure is the increased accountability for families. Where the Lord Advocate decides not to hold a fatal accident inquiry he or she—it may be a she in the future—will have to justify the reason for that in writing to the family on request. I say all this primarily to pay tribute to DAYNA, but also to highlight the fact that there are distinctive elements of the Scottish legal system that directly affect the families of those who have died overseas. That must be borne in mind by the FCO and in the new training it offers consular staff.

The most disturbing and compelling evidence was from people who, like the bereaved mother highlighted in the report, found that consular support staff showed callous disregard for what they were going through. In her words,

"I found them completely without empathy at a time in my life when I really needed them."

Although the report found that there was sometimes an unreasonably high expectation of the support that the FCO could provide, nobody would argue that people could not expect some common decency—a human response to a human tragedy—and yet they were not getting it. That was not an isolated case, and I will give more examples later. Nobody expects consular staff to offer counselling services—they are not the Samaritans—but the dismissive attitude and cold responses many have experienced are just unacceptable. If any of my caseworkers were to treat constituents in the same way, they would not last very long in my employ. I notice that they are sitting here today, so I will quickly add that I have absolute confidence in every one of them before they stage a walkout.

That is a basic summary of why groups such as SAMP Abroad and DAYNA urged that this inquiry be conducted. I will return to some of this in more detail by examining the three reasons I have called for the debate, but first let me share the story of Julie Love, mother of Colin Love and founder of DAYNA. Julie lives in Glasgow. She is an ordinary woman who has been through an

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extraordinarily traumatic time and has done something extraordinary as a result. Let me read out some of her words:

“My son Colin Love drowned in the sea close to Margarita Island, Venezuela, whilst on a Caribbean cruise in January 2009. He was 23 years old. He was an excellent swimmer. The beach was recommended to him by the cruise company despite the water being notorious for riptides and undertow. There were no warning signs and no lifeguards...

“...it was easy to make contact with the Foreign & Commonwealth Office in the UK. My first contact... was at approximately 2am on 30th January 2009, several hours after receiving news of Colin's death from his friend. I spoke to a member of the Global Response Team who was very empathetic but unable to assist as the FCO had not yet received notification of the death. He told me he would leave a message with the South American desk to ensure I would be contacted as soon as the information was received the following morning. I never received that call. I contacted them at approx. 12 noon the following day. I had not slept. I'd just found out my son had died on the other side of the world and I was frantic. I spoke to a female at the desk who curtly responded, 'We deal with thousands of Brits dying abroad every year. I don't have a message to call you back'. I was appalled.”

I am certain that there is nobody here who would not be appalled by that. Julie continued:

“She reluctantly took my details and said she'd call back. I am still waiting on that call. After contacting the HQ of the cruise company in Miami I was able to ascertain the telephone number of the British Honorary Consul on Margarita Island and made direct contact by telephone. His spoken English was very poor but we were eventually able to communicate by email.”

Should it really be that hard? Should she really have had to go to all that trouble?

Julie Love says:

“As I have since discovered has been the experience of many families I was advised to have my son cremated, not to travel to Margarita Island, that the cremation could be arranged on the island and they'd return my son's ashes. How appalling! What mother wants to be told that she cannot hold her child ever again, especially when it's possible that she can? I was adamant my son was going to be repatriated to Scotland and that I would go to the island to bring him home. I was advised not to as it would delay his repatriation. Reluctantly I did not travel...and it still took 4 weeks for my son's body to be repatriated. I was advised four different dates and had church services...booked only to have to re-arrange. I had family and friends travelling to Scotland from all over the world and some of them had to return home...and were unable to pay respects at my son's funeral because of the date changes.”

Julie mentions other problems, a number of which she, I and all campaigners accept are not down to the FCO; they are down to other people. For example, Colin Love's friend was told that he had to return to the liner because he was not a relative. The liner docked in Aruba the following day, and the friend travelled from Aruba to Miami, Miami to London, and London to Glasgow. He had very thoughtfully brought back Colin's luggage. He was charged for excess baggage every step of the way. Julie said in her submission to the inquiry:

“So in answer to the questions—No, I was not offered accurate advice and certainly given no guidance. I feel that the FCO handled my case abhorrently and without sensitivity to my feelings or to my son's dignity. I was later to find out that my son's body remained on the beach (uncovered) for approx. 12 hours.”

She discovered that because a British newspaper printed a picture of it—again, something that none of us would ever want to associate ourselves with. I happen to know that Julie Love ran up a phone bill of more than £1,000 trying to resolve the issue—money that she just does not have—but there was no help available.

I have three reasons for securing this debate. The first, of course, is to ask what changes have been made and what assessment has been made of those changes. I welcome the progress the FCO has made and the undertakings it gave in response to the Foreign Affairs Committee's report, which include a recognition that the manner in which families were dealt with did, in some cases, fall far below the level of service that British citizens should have been able to expect. One response from the Government was to provide training for consular support staff in dealing with non-suspicious deaths. After the murders on the Tunisian beach in July this year, the Foreign Secretary said that training would be given to all consular advice staff to improve sensitivity and effectiveness in casework. I am keen to hear an update on that training and a timetable for ensuring that everyone has received it—I assume that not everyone has yet received the training. When can we expect the training's effectiveness to be reviewed?

Lady Hermon (North Down) (Ind): I am reluctant to intervene on the hon. Lady, but I am deeply touched by what she has put on record today. As the Member representing a young honeymooning couple who died in a terrible drowning accident six days after their marriage—they died on 23 October—my experience of the Foreign and Commonwealth Office has been brilliant. The global response team acted during the night, and the sensitivity that it showed to both families was enormously courteous and helpful in tragic circumstances.

Anne McLaughlin: I thank the hon. Lady for her intervention. I was coming on to this, but I will say it now. There may be consular support staff listening to this debate who feel quite hurt by what I am saying, but obviously I am not referring to those who deal with such situations properly. I will give more evidence for why I know that Julie Love's experience is not a one-off and why it is so important that we follow this up, but the hon. Lady is right: we hear about the terrible experiences. We have to accept that the majority of experiences may well be good, but I have not heard much about them.

Following the work of the Foreign Affairs Committee and the FCO's response, one area that is still of concern to families is deaths that are not identified as murder or manslaughter but are classed as suspicious. In some cases, the coroners have returned the equivalent of open verdicts; in others, the family suspect foul play. Will the Minister comment on the FCO's role in supporting family campaigns for justice, especially where the local inquiry is ineffective or where there are problems with the coroner's report? I appreciate that the FCO handles all cases individually, but there will inevitably be cases where there has been malpractice in the local investigations. When do the British Government step in to support British families in such cases? When the access to justice unit was set up, it was going to review the policy on suspicious deaths and consider whether it could offer similar levels of support in some instances where there has been a suspicious death. I hope the Minister can update us on that. Has the review taken place? If so, when will we get the details? If not, what is the timetable? What support is being offered to those families?

We can agree that all cases will be different, but it would be beneficial if the system was structured so that all families know what support they can expect as a minimum. Paragraph 15 of the Government's response

to the Foreign Affairs Committee's report stated that they would begin gathering evidence on the handling of deaths on an ongoing basis from May 2015; the evidence would be collected by independent research partners from a representative selection of all FCO customers and published in the annual report. It would be useful to know whether anything has been gleaned from that research so far.

The second reason for securing this debate is to feed back the thoughts of some of those who called for the inquiry. As I said, some are positive and some not so positive, but all seek to be constructive. SAMP Abroad says that, over the past three years, the FCO has improved the support it provides to bereaved families—all of us here will welcome that—but although the initiatives are welcome, families are still reporting significant issues with the consistency of the service provided. SAMP Abroad contends that the current practice of putting families in contact with desk officers is failing. Although there are notable exceptions, as we have heard, they are, in SAMP Abroad's view, precisely that: exceptions. Desk officers lack proper training in dealing with traumatised families, which can lead to families feeling greater trauma after their contact with the FCO. I know that training has been suggested and agreed to, but we have yet to hear what stage it is at. There are frequent complaints that desk officers fail to keep families informed of developments or mishandle important information.

SAMP Abroad says that another significant shortcoming of using desk officers is that they move frequently and rarely stay the duration of an investigation. Most cases will not come to trial within two years, and many take longer, which means that families continually have to retell their story to new colleagues, which causes frustration and distress and can lead to poor case management. Although SAMP Abroad accepts that it is unrealistic to expect desk officers to remain in post for extended periods, their continual movement has another significant impact: a loss of institutional expertise. Frequent movement not only disrupts contact with families but disrupts relationships with local organisations and services that could provide support to families.

SAMP Abroad has come up with an excellent suggestion that I would apply across the board for the families of anyone who dies abroad, not just for the families of those who are murdered, although obviously such families face additional difficulties. SAMP Abroad suggests a small, centralised unit within the FCO with specially trained staff to act as the principal point of contact for families. The unit would be responsible for dealing with the desk officers and extracting information for the families. That would have a number of advantages: families would not be not upset or traumatised by having to retell their story after desk officers move; it would allow liaison with other agencies to be more effective, because staff would have immediate access to case files and other information; and the development of FCO policy could become more effective, as the unit would be able to observe recurrent issues and spot failings more immediately. If the Minister cannot commit to the establishment of such a unit today, and I suspect that he cannot, will he commit to considering it in more detail and perhaps meeting me and other campaigners, or at the very least accepting information from us on this suggestion? I think the creation of such a unit is an excellent suggestion that could resolve a lot of problems.

Suspicious deaths are the second issue that campaigners feel still has not been fully addressed. The report talks of families whose loved ones were murdered, but for those whose loved ones suffered a suspicious death, the agony seems to be never-ending. Take the case of the man who was murdered almost seven years ago: the trial of those who murdered him ended 18 months ago, and still the family is unable to have a funeral for him. I recently met someone—I am not naming anyone because I have not asked if I can do so—whose mother died in France more than two years ago, and she is still waiting to bury her. Any right-thinking person will agree that those situations are horrific. There are various stages of grief, but these families are stuck at the start of that process because they cannot lay their loved ones to rest. How can they be expected to grieve, or to continue any semblance of a normal life?

I am sure the Minister is aware of and is as horrified as I am by the cases where bodies have been returned minus internal organs. It is like something out of a horror film, and the families must play out that horror film in their head day in, day out, night after night. We must surely be able to intervene to put a stop to all that and to find a way to let those families move on. There are also questions about the appeal processes after a conviction and the way in which families are advised when the perpetrator of a crime committed against their loved one is due to be, or is, released from prison.

As the Minister will know, one of the big overarching criticisms in the report was the lack of consistency. Julie Love has asked me to raise something that exemplifies what was meant by that finding, and it relates to the constituents of the hon. Member for North Down (Lady Hermon) who died so tragically in October.

As I have said, Julie's son, Colin, died while swimming. The beach he was on is noted for its dangerous riptides, but nobody—neither the travel company nor the FCO advice—told him about those riptides. He had thoroughly researched where he was going. Julie Love suggested to the inquiry—it was documented in the report and she understood that this suggestion was being taken up—that the FCO website's travel advice should include information about anywhere with particularly unpredictable or potentially dangerous waters. I appreciate that the FCO is working with travel companies to improve the information provided—that is good; that is progress—but Julie's clear understanding was that the FCO would also provide this information. People are more likely to take seriously what their Government tell them than what a travel company tells them, so this is important.

The advice now appears on the information about Venezuela, where Colin died. It also appears on the Dubai page, but apparently it only appeared there after a British citizen died in a swimming accident similar to the one that killed Colin. Moreover, when the young honeymooning couple from Northern Ireland died so tragically earlier this year while swimming in South Africa, Julie was told that it was not the FCO's practice to give that kind of advice. Well, either the FCO gives that advice or it does not give it, but it must be consistent. People will understand that Julie was particularly disturbed by this incident, and of course anyone's heart will go out to the honeymooning couple and their families, but in her communications with the FCO Julie had specifically noted the beaches of South Africa as danger spots. Who knows if the couple would have read such advice if

[Anne McLaughlin]

it had been provided, and who knows if they would have taken note of it? However, surely the point is that it is our duty to do all we can to alert people and then allow them to make their own decisions, and that cannot be done only after an event. Provision must be consistent. I would be really grateful to the Minister if he could commit to ensuring that that happens. It is quite important that it does happen and, as I said, I think it has already been agreed that it would happen.

Regarding the overarching problem of how consular staff deal with grieving families, people listening to this debate may believe that because the families are grieving everything becomes magnified and perhaps things are not quite as bad as they say, but I can tell the Minister that I know what these families say is correct. Of course, as I have already said, there will be great advisers out there, who put their heart and soul into supporting people, and I want them to know that I am not talking to them. However, I know that the things that I am talking about do happen, and that when they happen it is crushing. I know, because a few years ago my brother Stephen died very suddenly in a foreign country. I will not go into detail, because I am certain beyond doubt that my family do not want to read about it in the newspapers again; it is too raw and it is too personal. Nevertheless, I feel that I have to tell the Minister that I was one of those family members and I experienced exactly what all of those other families describe. I have heard them describe the experience of dealing with the FCO as being like suffering a bereavement all over again, and it is true. It is hard to hear, it is hard to say, but it is true.

I was stunned to have an adviser from the consular support team shout down the phone at me. There was no reason for it; I was too weak and too confused to have given him any reason to shout at me. He was clearly just having a bad day, but the lack of compassion astounded me. In addition, I was given advice that I later regretted taking: "Have him cremated." I did. The "support" that I got was a list of preferred cremation providers, all of whom wanted four times as much money as I ended up paying. The FCO staff did not care that we could not afford their expensive recommendations; it was of no consequence to them that we did not speak the language and they did. Worst of all, they did not do anything to help us to get the answers that we were so desperately seeking. Had it not been for a friend of mine who happened to live in that city, I do not know how we would have got through the experience. If it happened now, we would have the comfort of a fatal accident inquiry, but then we were more or less dismissed as if we did not matter—as if he did not matter.

When I speak of the distress that these families feel, my family have felt it too. When I speak of the coldness with which they are treated, I was cold-shouldered too. As others have said, when I really needed someone to have a bit of compassion, there was not an ounce of it. That is why I know what strength it must take for someone to put aside their grief and to get out there and fight for others. I really pay tribute to those who have done that—Eve Henderson and many more people who I do not have permission to name, but they know who they are. Julie Love has been a tireless advocate for the families.

Lady Hermon: Would the hon. Lady like me to intervene?

Anne McLaughlin: Yes, please.

Lady Hermon: It is very kind of the hon. Lady to allow me to intervene and I am very grateful to her for very kindly drawing the House's attention, and the Minister's attention, to the dreadful experience of the young honeymooning couple. They were in their mid-20s; they were inseparable in life; and tragically they ended up being inseparable in death as well. However, I repeat that the FCO and the consular staff were extraordinarily kind and compassionate to their families.

I do not want to delay the hon. Lady from concluding her contribution, which is deeply moving.

Anne McLaughlin: I very much thank the hon. Lady. I will try to continue.

I will end by saying that Julie Love has been a tireless advocate for the families of British citizens who have died abroad. People such as Julie and Eve do this work not for themselves—it is too late for them—but for others so that their grief is not compounded. Julie and Eve's organisations support individuals and while there is always a role for the third sector to provide additional, supplementary or specialist support, it is clear that sometimes such organisations have to step into a gap left by the varying level of support offered by consular services.

The families and campaign groups have many more questions that they would like me to ask, but I think I should stop now and allow others to speak. I simply ask, finally, that the Minister agrees to receive information from us, and perhaps at a later stage to meet with us to discuss how we can ensure that we meet people's needs and—where the FCO cannot do that—how we ensure that there is support for the organisations that can. After all, Minister, there is nobody better placed to tell you what was missing, what is still missing and what is really needed when someone you love dies overseas than my family, and people such as Eve Henderson and Julie Love, the mother of Colin Love.

Ms Karen Buck (in the Chair): For the guidance of Members who wish to speak, I will point out that this debate has to finish at 5.40 pm and I intend to call the Front-Bench spokespersons at 5.20 pm, so we have 15 minutes. I hope that can be a guide for people wishing to make a contribution to the debate.

5.6 pm

Chris Evans (Islwyn) (Lab/Co-op): I begin by paying tribute to the hon. Member for Glasgow North East (Anne McLaughlin). It is very rare in this House that we hear speeches that come from the heart and that can move people to tears, but listening to her speak about her experiences is one of those occasions. I thank her for sharing her experiences, and those of all the families who have sadly lost someone while they were abroad. The passion that she has brought to this debate underlines how important this issue is, which is why we are discussing it today.

Six months ago, this issue was brought home to me and to the close-knit community of Blackwood. An evil attack on innocent holidaymakers in Tunisia rocked the world and our country. One of our own was ripped away from her friends and family. I remember hearing

the news and thinking, “This is the type of thing that happens to other people, and not to somebody from a close-knit south Wales valleys community.”

Trudy Jones devoted her life to looking after other people. Those who knew her described her as an angel, and she always put others before herself. She worked tirelessly for her family, friends and community. In the face of this act of evil, which has been brought back to the world’s focus by the events of the last few days in France, I am proud to say that our community—my community—in Blackwood came together in support and to offer condolences.

Nothing can ever bring back a lost loved one, but it is the duty of Government to provide any and all support when someone is lost, especially when their life is taken away in a brutal attack in another country. Families of victims rightly expect consular services to be there for them, and to act in a timely, understanding and competent manner. I will not speak about particular cases, as that would be unfair to the families involved. However, it is of great concern to me that, following the horrific attack in Tunisia, both those who survived and the families of those who did not survive reported significant failings in the initial Foreign Office response. One person even described Foreign Office staff as being both “rude and ignorant”.

Sadly, we saw consular staff in Tunisia react dismissively to worried family members who were attempting to find out information. I make it clear to the Minister that this evidence is anecdotal, but it is from families who have suffered a tragic loss. It appeared to those families that, far from helping them in any way possible, all too often FCO staff acted as though they did not want to talk to them when they were going through the most horrific of times.

I can only compare that response to the response from the Belgian embassy. The Belgian embassy staff arrived promptly after the attack; they wore jackets bearing the national flag; and they checked on the welfare of their nationals, briefed them on evacuation plans, and acted quickly to establish the identities of those who had lost their life. It took me a couple of hours to confirm through the FCO—by ringing it—that I had lost a constituent. In the end, it was a news organisation that confirmed the news to me as Trudy’s Member of Parliament. I am sure that UK consular staff often perform their duties well and effectively, but on this occasion they were found wanting.

I urge the Minister to instigate a review of what happened on that terrible day. Beyond the failings regarding the attack, many people were left in limbo, not knowing whether their loved ones were safe and fearing the worst. Questions must be asked about the travel advice. Why was it not changed following the suicide bombing in Sousse, which took place months before the horrific attack earlier this year? Tour operators continued to sell and publicise tickets to Sousse, despite a demonstrable increase in the threat of terrorism. Tour operators have a duty to make travellers aware of potential problems if they are selling tickets to such destinations. Most people rightly assume that places are safe if tour operators are promoting them.

However, it is not only tour operators that have a duty to ensure that people are informed. Decisions by private companies are naturally based on Government advice. Indeed, after the murder of innocent holidaymakers

in Tunisia, the tour operator Thomson said that at all times it followed Foreign Office travel advice, which did not prohibit travel to Tunisia. I urge the Minister again to look at why advice was not changed, and to ensure that when there is a threat to the lives of British citizens, that is reflected in the activities of tour operators.

I began my speech by mentioning the evil murder of my constituent Trudy Jones. I end by once again stating that the entire community of Blackwood is still here for her family. I am here for her family. I watched with sadness the video her family produced in memory of her amazing life. Trudy truly was an inspiring individual. Nothing can ever bring her back, but we can ensure that if another of our citizens is ever taken away, the FCO and consular services provide the right support, with competency, efficiency and, most of all, compassion. Like the hon. Member for Glasgow North East, I pay tribute to all those who have campaigned to ensure that those who have lost loved ones abroad are treated with respect and, above all, dignity. I associate myself with her remarks about Julie Love.

5.11 pm

Lady Hermon (North Down) (Ind): I am grateful for the opportunity to take part in this debate. As the hon. Member for Glasgow North East (Anne McLaughlin) will know, my experience of Foreign Office staff, particularly its consular staff, has been very positive, and I wanted to put that on the record. I am grateful to her for securing the debate and giving us all an opportunity to speak of our experiences.

On 23 October this year, two young constituents, John and Lynette Rodgers of Holywood in County Down, were on their honeymoon in South Africa. They had got married at First Holywood Presbyterian church just six days earlier. They were happy and they were in love. As I said in my intervention, they were inseparable in life. They were much loved by their families. Lynette’s mother, Eva Reilly, had been widowed some years ago. She has one son, Graham, but Lynette was her only daughter. Likewise, John Rodgers was the only son of his family, who come from Ballygowan. His mother and father, Billy and Johann, were deeply distressed by his tragic, untimely death in South Africa, as were John’s sisters, Gwen and Kathryn.

When the news came through late on the Friday evening, I went straight to the home of Eva Reilly. The Police Service of Northern Ireland had already visited to break the terrible, tragic news of the death of this young couple on honeymoon in South Africa. The global response team kept in touch with both families during that night, and the young lady on duty did not leave her desk at 9 o’clock, Saturday morning, before phoning both families to update them with the latest information about their loved ones.

The consular staff were absolutely outstanding, both in South Africa and here in London in the Foreign Office. I have nothing but the greatest admiration for the sensitivity with which they handled a tragedy for both families, the whole community of Holywood and the town of Ballygowan. The families were enormously dignified and courageous in the face of terrible tragedy, but their sorrow and grief was lessened by the updating by, and the sensitivity and intervention of, Foreign Office staff. The PSNI also appointed a single liaison officer for both families, which was an exceedingly good

[Lady Hermon]

decision. The bodies of John and Lynette were brought home on the Friday following the accident. That was absolutely remarkable. I say again that that is full credit to the Foreign Office staff, who made the travel arrangements, liaised closely with the PSNI and with the families at all times, and kept the local MP informed.

At the joint funeral of those two young people, which took place in the church in which they were married, hymns were played that they had sung just a fortnight before at their wedding. I have attended far too many funerals in Northern Ireland, but I do not think I have ever seen printed on the back of an order of service a tribute of thanks to the Foreign and Commonwealth Office and the PSNI family liaison officer, mentioned by name. I thought that was a wonderful tribute. I have subsequently written to the Foreign Secretary and to consular staff to thank them personally for what they did to support and give great comfort to two families and a community at a time of real need, and I am full of admiration for that.

5.16 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to speak on this poignant issue. I commend all three speakers on their personal contributions. They told compassionate, heartrending stories, and every one of them resonated—one in particular: that of my colleague and hon. Friend, the Member for North Down (Lady Hermon). Lynette was one of her constituents for most of, if not all, her life. John Rodgers was one of my constituents. He married Lynette and moved to my hon. Friend's constituency, so these issues resonate with us. Unfortunately, similar incidents have occurred with my constituents. On two different occasions, single ladies died while on holiday. I honestly have to say that the response from consular staff has always been good. I could not say otherwise, because that would be unfair and untrue. I am, however, mindful of the debate so far, which has outlined where improvements can be made, and I know the Minister will respond to those points.

Like my hon. Friend, I visited the home of the Rodgers family. John Rodgers' mum, dad and sisters asked me to convey their thanks to the Foreign and Commonwealth Office and the consular staff for all that they did. I did that in writing and I do that publicly today, so that it is recorded in *Hansard*, which is important.

I am conscious that you have indicated the timings we need to work to, Ms Buck; I will keep to them. I want to raise with the Minister the point that it is not possible to register a death with the British authorities in a number of states, including Ascension Island, Australia, Bermuda, Canada, the Cayman Islands, Christmas Island, the Falkland Islands, Gibraltar, the Irish Republic, which is next to us, Nevis, New Zealand, St Helena, the Turks and Caicos Islands, the British Virgin Islands, and South Africa. While it may not have been possible to register the deaths with the British authorities, the consular staff came forward and worked compassionately and directly to ensure that it happened. The Minister's staff are probably checking to make sure that list is correct. The way in which consular staff have kept in touch with families, particularly in the case of the death of John and Lynette, indicates that there is compassion and understanding. They went out of their way to ensure that things went in the right way.

My final point is on the two ladies who passed away on holiday. Consular staff did their bit, but the tour operators did not always respond in the proper way to the tragic deaths. Will the Minister indicate how consular staff work with the tour operators who book people into hotels, because, in my experience, they sometimes fail?

Thank you, Ms Buck, for the chance to speak. I thank the hon. Member for Glasgow North East for showing us all what needs to be done. I look forward to the Minister's response.

5.20 pm

Patrick Grady (Glasgow North) (SNP): It is a pleasure to serve under your chairmanship, Ms Buck. I congratulate my hon. Friend the Member for Glasgow North East (Anne McLaughlin), who is my own MP, on securing the debate. She has clearly taken an interest in the issue for many years, including when she was in the Scottish Parliament. She has a strong personal interest, and I echo the comments that have been made about her moving testimony. I extend my sympathies and those of the Scottish National party to the families of all the individuals we have heard about this afternoon. The debate is particularly timely given the shocking events in Paris last week. I want to put on record my own shock and sadness at those atrocities. My thoughts and prayers are with all those affected.

My hon. Friend helpfully laid out the background to the debate in considerable detail. Figures from the Scottish Government released in answer to our parliamentary question a few years ago suggest that the number of deaths of people from Scotland occurring overseas and registered with the relevant local consulate is relatively small—between 40 and 60 a year. I imagine the UK-wide figures are a similar proportion of the overall population. Nevertheless, each of those cases represents unique circumstances and undoubted sorrow and difficulty for those left behind. Providing comfort and support for the bereaved is surely one of the most basic of human instincts. Indeed, at Prayers in the Chamber on Monday, we heard the Beatitudes, which include the message:

“Blessed are those who mourn; for they shall be comforted.”

I have personal experience of the need for consular assistance. About 18 months ago a good friend of mine was very seriously—thankfully, not fatally—injured in an accident on holiday. I know how traumatic the family found that situation and how important consular assistance can be, especially when there are language issues or considerable and costly distances involved. I do not doubt the sincerity and human sympathy with which most consular staff will react when responding to inquiries and requests for support from bereaved family and friends. However, as we have heard, sadly there are cases in which the support does not live up to expectations, or somehow falls short of the duties and responsibilities of consulates.

Perhaps there is a question around the management of expectations. I have read the guidance from the FCO on support for British nationals abroad. It is a thorough document that makes it clear what consulates can and cannot—or perhaps will and will not—do to support UK citizens overseas in different circumstances. But perhaps there is still a job of work to be done in making that information more widely available and more widely known. It is available online; perhaps it is available in consulates. Can the Minister tell us whether it is available

in airports, from travel agents or on holiday booking websites? Is it available as an app or an e-book? There are different ways of making such information available nowadays.

Perhaps there is an opportunity for the Government to keep under review the services they can offer in these situations. Again, I accept that to a certain extent the role of consulates is defined by international conventions, and that the UK Government must accept the rule of law and relevant customs in particular countries; and it is also true that the services provided are funded not directly by the taxpayer but through a levy on the cost of passports. Nevertheless, if there is a demand for or expectation of different kinds of support, some of which we have heard about—perhaps more assistance with repatriation, easier access to funds and so on—perhaps the Government should consider that. Perhaps the Minister will tell us, in the light of this debate, what consideration they will give to that.

We also accept that there is no substitute for travel insurance, but again, perhaps there is a case for better public communication and awareness of what travel insurance can and cannot provide. That is equally true of the European health insurance card. In particular, it does not provide for repatriation of either injured or deceased persons.

There are particular issues to consider when a death overseas is not the result of natural causes. I welcome the recent review that was referred to and the consideration the Government have given to the role of consular assistance in cases of murder or manslaughter. As my hon. Friend the Member for Glasgow North East said, it will be interesting to hear what progress is being made in taking that review and the recommendations forward.

In the case of a fatal accident, I welcome, as my hon. Friend did, the moves that the Scottish Government are taking on the Inquiries into Fatal Accidents and Sudden Deaths etc. (Scotland) Bill, which will allow for discretionary fatal accident inquiries into the deaths of Scots abroad where the body has been repatriated to Scotland. I pay tribute to the campaigners, especially Julie Love, who is a constituent of mine and has worked very hard on this alongside my colleague and constituent Bob Doris, who is a Member of the Scottish Parliament for Glasgow.

As we know from recent experiences, there are other circumstances to consider. Terrorism, pandemics and natural disasters can also lead to the deaths of citizens overseas, and it is right that those are dealt with on a case-by-case basis. I hope the Minister will assure us that the Scottish Government will be involved in such situations, particularly when Scottish residents are affected.

I congratulate my hon. Friend the Member for Glasgow North East once again on securing the debate, and I echo the questions that she has asked. The issues involved are sensitive and require a considered and humane response. I hope the Government will continue to engage constructively when particular situations arise or suggestions are made.

5.25 pm

Diana Johnson (Kingston upon Hull North) (Lab): It is a pleasure to serve under your chairmanship today, Ms Buck. I congratulate the hon. Member for Glasgow North East (Anne McLaughlin) on securing the debate and highlighting this important issue. She spoke so

powerfully and so sadly from personal experience, and she highlighted the many families who have campaigned for some years. She made an excellent speech and made specific points with which I agree, including asking the Minister to consider in detail whether a central unit to assist families might be the best way forward.

Sadly, many Members will have had constituents who died abroad. We know it is an awful experience for all those affected. The heartbreak of losing a friend or relative is often compounded by the stress of repatriating a body and navigating a foreign legal system. As we know, and as the hon. Member for Glasgow North East and the hon. Member for Glasgow North (Patrick Grady) mentioned, consular assistance was required this weekend after the atrocities in Paris. I know all our sympathies are with everyone affected, including our consular and locally employed staff who are having to deal with the aftermath of that awful terrorist attack.

Sadly, there is a growing trend of British citizens being caught up in terrorist attacks abroad, including, as has already been mentioned, the attacks in Sousse in Tunisia in June, where more than 30 British citizens were killed, including my own constituent, Claire Windass, who was murdered while on holiday with her husband. In that case, the family told me that the consular assistance they were given was of a very high standard.

I note what the hon. Member for North Down (Lady Hermon) said about the very sad case of John and Lynette and how the consular assistance and support that was given to the families in very distressing circumstances was outstanding. I also note what the hon. Member for Strangford (Jim Shannon) said about the positive experiences that he had had over the years. However, my hon. Friend the Member for Islwyn (Chris Evans) talked about the way in which families had been treated in the case of the Tunisian atrocity, so there is obviously a very mixed picture.

Lady Hermon: I am grateful to the hon. Lady and to everyone who has made a contribution. I am profoundly embarrassed by having to say that I have a commitment that means I have to leave the debate, but I did not want the hon. Lady to feel offended. I apologise to you, Ms Buck, and to the Minister and all colleagues for my leaving due to the pressure of a particular commitment that I simply cannot avoid attending. I apologise to the hon. Lady and thank her for offering sympathy to the families of the young honeymoon couple from my constituency who died. It is kind of her to do so.

Diana Johnson: I thank the hon. Lady for her comments and for her apologies for leaving.

I hope the Minister will be able to update the House on the work that the FCO is undertaking to ensure that embassies are prepared to deal with major incidents and terror attacks, because unfortunately we see more of them happening. As the number of staff employed at consulates is reduced, what is being done to be able to quickly increase capacity at times of acute need?

I want to raise a few issues arising from the Foreign Affairs Committee report. Like the hon. Member for Glasgow North East, I want to refer to recommendations that came out of that excellent report. I pay tribute to the members of the Committee and to everyone who was willing to give evidence. I read the very distressing

[*Diana Johnson*]

accounts of what had happened to their loved ones and the difficulties that they experienced in accessing support from consular services.

The first issue raised by the Select Committee report that I want to emphasise is the need to ensure that the support offered to families is consistent. It is clear that although in a number of cases families and loved ones have received excellent support, many individuals have been let down. That appears to be partly because of the low minimum standards and inconsistent procedures for dealing with deaths abroad. I am glad that the Foreign Office has recognised that problem, and I welcome its commitment to increase the monitoring of feedback and use that to improve training. Will the Minister say a little more about what that actually means in practice?

The Select Committee raised particular concerns about the support offered to families who have suffered a bereavement due to murder or manslaughter. I agree with the Committee that the current minimum offer to such families is far short of what British citizens should expect to receive. I am glad that the FCO accepted that finding and I welcome the fact that the Government have conducted a review, but it sounds like that review is a work in progress. Numerous conclusions identify further work to be undertaken. For example, the review concludes:

“We are already reviewing training and development opportunities for staff”,

and goes on to say:

“We will ask the AJU to consider data protection rules and whether there may be ways of working more smartly within these”.

It also says:

“The AJU will consider how best to support relatives and friends beyond the immediate family”,

and continues:

“The AJU will explore what further measures can be taken at UK and foreign airports to reduce distress for families who are travelling.”

All those commitments and opportunities for review are welcome, but it would be good if the Minister could give us a final update on exactly what the outcomes are.

Ms Karen Buck (in the Chair): Order. I know that the hon. Lady took an intervention, but we are going to have to move on to hear from the Minister in a moment.

Diana Johnson: Finally, next week is the comprehensive spending review, in which there are likely to be further cuts to the FCO budget. Will the Minister say what plans are in place to deal with a reduction in the number of consular staff? How will that play out in the light of the problems I identified earlier in my speech relating to terrorist attacks and the number of British citizens who, unfortunately, are at risk when they travel?

5.31 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (James Duddridge): I congratulate the hon. Member for Glasgow North East (Anne McLaughlin) on securing this debate. She gave a heartfelt and very brave speech. Had I suffered the same personal circumstance, I am not sure that I would have been able to be quite so eloquent in the delivery of a

large number of points. I have only seven or eight minutes to respond, so I want to say at the outset that I would like to meet the hon. Lady outside this debate—not literally outside, but perhaps at the Foreign Office—to discuss some of the points she raised in much more detail. We could either include outside organisations from the start, or discuss how we can liaise even more effectively with those organisations.

The hon. Lady mentioned three themes, which I would like to touch on. She asked what has changed since the Foreign Affairs Committee report. I will give my thoughts on some of the individual cases, because it is important that we learn from examples of where things have gone wrong. It is equally important that we learn from examples of where things have gone right. The debate has been very balanced, although it is easier in all walks of life to hear more about what goes wrong than what goes right. I suspect that the general view among the public, from reading national papers and so on, is slightly skewed. The front page of the *Daily Mail* has never been “Fabulous consular support offered in”—insert name of country. If only it was thus.

I pay tribute to a number of organisations. I am sure I would leave some out, so I will not attempt a list, but I pay particular tribute to the work of Julie Love, who lost her son in 2009. She has done a remarkable job setting up Death Abroad—You’re Not Alone, which seeks to support families. I also pay tribute to SAMM Abroad, another organisation to which the hon. Lady referred. The death of a loved one is always distressing, but a family’s grief can be compounded by not only the circumstance of that death but what happens afterwards. The British Government want to be part of ameliorating a bad process, rather than being part of any problem.

The hon. Members for Kingston upon Hull North (Diana Johnson), for Strangford (Jim Shannon) and, particularly, for North Down (Lady Hermon) outlined some really moving examples of where consular staff have got it right. Although there are sadly a large number of deaths, quite often, by the nature of there being only one or two people in post, it might be the first time that an individual staff member involved has dealt with a death. Everyone has their own experiences and concerns, and it is an emotional event for them. To put into context the work that is done, to date this year consular staff have been involved in 3,039 cases around the world. There have been 83 new murder cases so far this year, and 238 murder cases are ongoing and active.

I would like to draw colleagues’ attention to a document called “Guide for bereaved families”. Normally when there is a bereavement overseas, the initial point of contact is with a member of the police force who is in attendance, although in very rare cases a phone call is made. The other possibility is that an individual is contacted by the media. Notwithstanding that, a guide is given that goes into a lot of detail. Perhaps I will take the liberty of circulating it to the Members who are present and asking for feedback. It might also be worth circulating it more widely—the hon. Member for Glasgow North East mentioned case workers in particular.

In the two or three minutes I have remaining, I will try to canter through as many of the issues that have been raised as I can as a precursor to meeting the hon. Lady. On new training, we have changed things already, but the totality of new training has not yet been rolled out. That is ongoing.

The hon. Lady referred to a number of statistics from reports. The Foreign Office runs a survey, and from May to September 85% of people were satisfied with the level of service that they received. Nevertheless, I recognise that the data are likely to be skewed, in that those who report back to the Foreign Office are probably more likely to be happy, whereas I can imagine that those who report to support groups having looked first to the Foreign Office would be less likely to be satisfied. But to be frank, it is not acceptable for anyone to be unsatisfied, within reason.

Some really interesting ideas were mentioned relating to the use of desk officers. A specialist unit has been set up for cases of murder and manslaughter, so there will be the continuity that the hon. Lady sought. However, I gently suggest that there are advantages in using desk officers. They know the contacts in country, the language and the culture, which might not be the case with a centralised unit. I am happy to meet the hon. Lady to discuss and better understand the detail to see how that could be improved.

I do not have time to go into a lot of detail on travel advice, but I will review the disparities in the advice for South Africa. I am happy to discuss swimming conditions with the hon. Lady. The Foreign Office website discusses them in detail, but it is not always country-specific. In my experience of travel advice, more and more information can be added, but the risk is that people miss the bigger picture, such as in the case of advising, "Don't travel to an entire area of the country because it is subject to terrorism." So there is a case for not adding too much complexity, while also working more closely on travel advice.

The hon. Lady has indicated that I can take all the time available so that I can cover as many issues as possible.

Anne McLaughlin *indicated assent.*

James Duddridge: A lot has been done in relation to Tunisia. The Prime Minister appointed the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Bournemouth East (Mr Ellwood), who suffered a loss when his brother was killed in the Bali bombings. He brought a lot of experience not only to how we assisted people in Tunisia but to how we followed up on that. We deployed experts and changed the travel advice as quickly as a possible, although there is a duty to be accurate as well as fast. We are looking at options for additional family support, and we still need to consider in detail a number of points in the Foreign Affairs Committee report.

Alas, there is not enough time for me to answer all the questions that have been asked, but I thank the hon. Member for Glasgow North East, who made a very brave and thoughtful speech. Good will come of her raising this matter in the House, and I look forward to working with her in more detail.

5.40 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).

Written Statement

Wednesday 18 November 2015

ENERGY AND CLIMATE CHANGE

Energy and Climate Change Policy

The Secretary of State for Energy and Climate Change (Amber Rudd): Today I am setting out my priorities for the UK's energy and climate change policy for the coming Parliament and publishing the DECC autumn update which sets out our key priorities and the recent progress the Department has made against them.

Affordable, reliable clean energy is critical to our economy, our national security, and to family budgets. We need secure energy so people can get on with their lives and businesses can plan for the future. Affordable energy so the people that foot the bill get a good deal, and clean energy to safeguard our future economic security and ensure we can meet our climate change commitments.

I am confident the steps we have taken alongside National Grid and Ofgem will ensure the security of our electricity supply in the next few years. In the long-term, our vision is of markets characterised by rigorous competition to keep costs down. We want to see a competitive electricity market, with government out of the way as much as possible, by 2025.

New nuclear and gas will be central to our energy secure future and we are encouraging investment in our shale gas exploration so we can add new sources of home-grown supply to our real diversity of imports. Today I am launching a consultation on a strategy to maximise the economic recovery of the North Sea.

We are world leaders in offshore wind and globally we can make a lasting technological contribution. Today I will announce that we will make funding available for three auctions in this Parliament with the first taking place by the end of 2016. This support will be strictly conditional on the delivery of the cost reductions we have seen already accelerating. If that happens we could support up to 10GW of additional offshore wind in the 2020s. We have already seen the cost of solar come down by 35% in the last three years.

One of the greatest and most cost-effective contributions we can make to emission reductions in electricity is by replacing coal-fired power stations with gas. We will be launching a consultation in the spring on when to close all unabated coal-fired power stations. Our consultation will set out proposals to close coal by 2025—and restrict its use from 2023.

If we take this step, we will be one of the first developed countries to deliver on a commitment to take coal off the system.

We have to demonstrate that the low carbon transition can be cost-effective and will deliver growth for the economy and affordable energy prices for consumers. We are on track for our current and next carbon budgets but the fourth carbon budget is going to be tough to achieve. We will need action right across the economy:

in transport; waste and buildings. We will be setting out our plans next year for meeting the fourth and fifth carbon budgets.

To reduce bills and carbon we will also work to cut energy use itself. Over the last five years, more than 1.2 million households are seeing lower bills due to energy efficiency improvements. We are committed to ensuring a million more get the same benefits by the end of this Parliament, and that support is concentrated on those in greatest need.

A fully smart energy system could help us to reduce costs further by tens of billions of pounds over the decades ahead. Smart meters are a key building block and every home and small business in Britain will get them by the end of 2020. Alongside the National Infrastructure Commission, we will work with National Grid, Ofgem and others to consider how to reform the current system operator model to make it more flexible, responsive and independent.

As well as taking action at home, we must work with others internationally. Climate change is a global problem, not a local one. This is why I am determined that we help restore the EU emissions trading system to full health and build stronger ties on energy within Europe, and why a global deal in Paris next month is so important. Paris must deliver that and help unleash the levels of private investment and local action needed.

DECC Autumn Update

Also today I am publishing the DECC autumn update which provides an overview of the Department's priorities and includes a number of progress reports, updates and recent publications of interest. This will be available on the gov.uk website.

In particular these include the Green Deal and Energy Company Obligation (ECO) annual report for 2015 and the fourth DECC annual report on the roll-out of smart meters.

Green Deal and Energy Company Obligation (ECO) Annual Report

The Green Deal and Energy Company Obligation (ECO) annual report for 2015 covers the extent to which Green Deal plans and ECO have contributed to the carbon budgets. These schemes have helped install 1.6 million energy efficiency measures in 1.3 million homes since 2010.

Copies of the report will be made available in the House Library. The report will be available on the gov.uk website.

Fourth DECC Annual Report on the Roll-Out of Smart Meters

The report sets out progress made in 2015, and covers the work that Government and industry are undertaking to ensure that the smart metering roll-out delivers the expected benefits to households and small businesses by the end of 2020.

The programme is making good progress and consumers are already enjoying the control and convenience that smart metering brings, with over 1.7 million smart and advanced meters already operating in homes and businesses.

The annual report can be found at:

<https://www.gov.uk/government/policies/helping-households-to-cut-their-energy-bills/supporting-pages/smart-meters>.

[HCWS312]

Petition

Wednesday 18 November 2015

PRESENTED PETITION

Petition presented to the House but not read on the Floor

Hunting Act 2004

*The Humble Petition of MR ADRIAN PAUL MILES
of WEDNESBURY, WEST MIDLANDS,*

Declares that this Petition is a plea for our Government to indefinitely continue the Hunting Act 2004, to not to Repeal it at any time. Indeed, if it please be possible, also to extent its Remit.

The compassion of our Country is known and respected Worldwide.

As a Nation we have been known to be a compassionate people, a People who wish that no person should either be allowed nor forced to suffer unnatural distress, injury, death or bereavement.

Knowing that animals, like us, suffer from distress, pain and bereavement, as the vast majority of our Country's Citizens also wish, that no wild animals or birds, nor indeed any animals or birds, should ever be either allowed or forced to suffer unnecessary distress, and never suffer from cruel injury, violent death or sudden bereavement.

The Petitioner therefore submits that it is good and right that wild animals (foxes, deer, hares/rabbits, mink, etc.) are, and will continue to be, protected from unnecessary distress, cruel violence, death and bereavement.

The Petitioner humbly suggests that, where reduction of a wild animal population is deemed either necessary or essential, there are a number of humane alternatives to the violent hunting of wild animals. Indeed, there are scientific ways to reduce the breeding of animals, or, where that is not possible, to trap them and have them put them down painlessly by a suitably qualified and trained Veterinary Surgeon.

The Petitioner further submits that, given the generally high economic and social background of those who have Breached this Act, and those who may be inclined to Breach this Act in future, the current Fines and Penalties for Breaches of this Act are too low and the Penalties also somewhat lenient. The Petitioner therefore requests that the Fines and Penalties should be significantly increased.

Therefore, with all due Honour and Respect, Your Humble Petitioner Prays, Pleads and Requests that the House of Commons urges the Government to maintain the provisions of the Hunting Act 2004 and, furthermore, where possible, to extend its protection of all wild animals as much as possible, particularly in regard to penalising and punishing any Breachers of this Law.

Your Petitioner remains Your Fellow-Citizen and Fellow-Servant for the Commons Good of Our Country.

[P001556]

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