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HOUSE OF COMMONS
OFFICIAL REPORT

PARLIAMENTARY DEBATES

(HANSARD)

Friday 22 January 2016

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House of Commons

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The House met at half-past Nine o'clock

PRAYERS

[Mr Speaker *in the Chair*]

Mr Jacob Rees-Mogg (North East Somerset) (Con) *rose—*

Mr Speaker: A point of order?

Mr Rees-Mogg: It is not a point of order, but I beg to move, That the House sit in private.

Mr Speaker: Indeed. Other than by reason of formality and constitutional precedent, I cannot ordinarily imagine the hon. Gentleman "begging" anything.

Question put forthwith (Standing Order No. 163).

The House divided: Ayes 1, Noes 56.

Division No. 172] [9.34 am

AYES

Rees-Mogg, Mr Jacob

Tellers for the Ayes:
Kevin Foster and
Nigel Huddleston

NOES

Bacon, Mr Richard
Blackman-Woods, Dr Roberta
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brennan, Kevin
Buckland, Robert
Coyle, Neil
Crouch, Tracey
Dakin, Nic
Ellison, Jane
Fitzpatrick, Jim
Gardiner, Barry
Glen, John
Gyimah, Mr Sam
Hinds, Damian
Hollingbery, George
Hollobone, Mr Philip
Hurd, Mr Nick
Jones, Mr Marcus
Kaufman, rh Sir Gerald
Keeley, Barbara
Kennedy, Seema
Lancaster, Mark
Latham, Pauline
Malhotra, Seema
Malthouse, Kit
McDonald, Andy
Milton, rh Anne
Morris, Grahame M.
Morton, Wendy
Murray, Mrs Sheryll
Opperman, Guy
Perkins, Toby
Perry, Claire
Pursglove, Tom
Rees, Christina
Rudd, rh Amber
Smith, Julian
Smith, Nick
Stewart, Iain
Stewart, Rory
Stride, Mel
Swire, rh Mr Hugo
Thomas-Symonds, Nick
Throup, Maggie
Tomlinson, Justin
Tomlinson, Michael
Turley, Anna
Vara, Mr Shailesh
Vaz, Valerie
White, Chris
Whittaker, Craig
Wilson, Mr Rob
Winterton, rh Dame Rosie

Tellers for the Noes:
Martin Vickers and
Jeremy Quin

Question accordingly negatived.

Mr Peter Bone (Wellingborough) (Con): On a point of order, Mr Speaker. It does seem an awful waste of the House's time to divide when only three Members support the motion, in order to close down the debate and prevent people from hearing what the House has to say. What chiefly worries me, however, is that when the voices are heard, there always seem to be more Members shouting "Aye", that we should sit in silence—*[Interruption.]* I mean in private—*[Interruption.]* The Whips might think it would be better if we sat in silence, but when we sit in private no one can hear us, so we are effectively sitting in silence.

Let me return to my main point, about the shouting. I shouted "No" quite loudly. In the same part of the Chamber, there seemed to be a shout of "Aye", yet none of the Members who are sitting here voted that way. I know that they do not have to, but is not the procedure a complete waste of the House's time?

Mr Speaker: The principle is that vote should follow voice. It is disorderly for a Member to voice in one direction and vote in another. However, it is not obligatory for someone who has shouted "Aye" to vote "Aye". He or she is perfectly free to abstain. The same applies to a Member who votes "No", a point that the hon. Gentleman acknowledged in his point of order.

That said, in an age in which we prize intelligibility and transparency, it is much to be preferred if Members are, and appear to be, consistent in what they do relative to what they say. I think we will leave it there for now. I hope that that satisfies the constitutional palate of the hon. Gentleman.

NHS (Charitable Trusts Etc) Bill

Consideration of Bill, not amended in the Public Bill Committee

Clause 1

REMOVAL OF SECRETARY OF STATE'S POWERS TO APPOINT TRUSTEES

9.48 am

Michael Tomlinson (Mid Dorset and North Poole) (Con): I beg to move amendment 4, page 1, line 15, after "may" insert "after appropriate public consultation".

Mr Speaker: With this it will be convenient to discuss the following:

Amendment 1, page 1, line 17, at end insert—

"(2A) The Secretary of State may by order or regulations made by statutory instrument make such provision as the Secretary of State considers appropriate to re-establish the Secretary of State's powers to appoint trustees in respect of—

(a) one,

(b) more than one,

(c) a type, class or category of, or

(d) every

(2B) A statutory instrument containing an order or regulations under subsection (2A) which amends or repeals primary legislation (whether alone or with other provision) may not be made unless—

(a) a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament, and

(b) a draft of the order or regulations was published three months before laying before Parliament."

Amendment 3, page 1, line 21, at end insert—

"(bA) provision for one trustee to be appointed by the NHS institution, service or function for whose benefit the charitable trust exists,".

Amendment 2, page 2, line 1, leave out "and" and insert—

"(cA) provision by which the Secretary of State may appoint one or more trustees where—

(i) the Secretary of State has satisfied himself that exceptional circumstances exist, or

"(ii) all the trustee positions in relation to a particular charitable trust have been vacant for a period exceeding three months, and".

Amendment 5, page 2, line 4, leave out "Subject to subsection (5)".

Amendment 6, page 2, line 7, leave out subsections (5) and (6).

Amendment 7, clause 2, page 3, line 14, at end insert—

"(8A) A statutory instrument under subsection (8) may not be laid before either House of Parliament without an accompanying statement by the Comptroller and Auditor General that he is satisfied with the treatment of public assets and funds envisaged in the regulations contained within such an instrument."

Amendment 8, page 3, line 13, leave out subsection (8) and insert—

"( ) A statutory instrument containing regulations under subsection (1) may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament."

Amendment 9, schedule 1, page 9, line 9, at end add—

"(14) The Secretary of State may grant permission for—

(a) one;

(b) any number of, or

(c) a category or type of

charitable trust, established for the purposes of supporting an institution, service or function of the NHS, permission to use the NHS logo or NHS branding in their fund- raising and other communications.

(15) The Secretary of State may, having given 6 months' notice, rescind a permission granted under paragraph 14 (the notice period may be reduced in exceptional circumstances)."

Michael Tomlinson: I want to focus on amendments 4, 5 and 6, which stand in my name and that of my hon. Friend the Member for Erewash (Maggie Throup). Amendment 4 deals with the need for a public consultation; amendments 5 and 6 remove the requirement for the draft to be laid before, and approved by, each House.

I shall turn first to amendment 4 and the principle behind it. It inserts

"after appropriate public consultation"

in clause 1, page 1, after "may" in line 15. It seeks to oblige the Secretary of State to carry out a public consultation that he considers appropriate before making regulations. The principle of a public consultation should be relatively uncontentious. After all, the origins of the Bill being ably presented to the House by my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton), which I fully support, were found in public consultation. The Department of Health conducted a review in 2011, and consulted publicly in 2012. The 2012 consultation set out the rationale for reform. As a result of that consultation and review the Government committed to move to a model of greater independence.

Jeremy Quin (Horsham) (Con): Does my hon. Friend have any idea of the costs associated with the consultation? While the principle of public consultation is not contentious, we need to make certain that consultation is necessary, and all these things come with a cost.

Michael Tomlinson: My hon. Friend makes a sound point: one must always balance the benefit and the cost. I do not have figures on the cost of the consultation, but I think he will agree that the principle of a public consultation is a sound one, and that is what I am speaking to.

Mr Jacob Rees-Mogg (North East Somerset) (Con): Will my hon. Friend explain what he means by "appropriate"? Does it mean the Secretary of State should ask a few mates in the pub what they think of the proposals, or a more formalised system through petition of this House?

Michael Tomlinson: I shall turn to what I mean by "appropriate" in due course, but I think hon. Members on both sides of the House will know on plain reading of the word "appropriate" what is or is not appropriate.

Kit Malthouse (North West Hampshire) (Con): In my mediocre experience in local government I have participated in a huge number of Government consultations. I cannot recall a single one that changed the initial decision of the Government. Will my hon. Friend acknowledge that more often than not Government consultations

just go through the motions? The only one I can remember ever having an effect was by the incoming Mayor of London on removing the extension of the congestion charge in the west of London, which was overwhelmingly supported by consultees, and he did in fact enact that in the teeth of opposition from Transport for London. Beyond that, I have never quite seen the point of consultation when Ministers' minds are made up. Does my hon. Friend agree?

Michael Tomlinson: I certainly would not agree that my hon. Friend's experience is mediocre—quite the opposite. I understand the thrust of his point, but I disagree, because at a time when politics can be seen to be remote it is important that the public are engaged in these debates. I also think it would be wrong to say Ministers' minds are closed. I am sure those on the Front Bench this morning would agree that Ministers' minds are not, and should not be, closed—certainly not before a public consultation.

Mrs Sheryll Murray (South East Cornwall) (Con): May I repeat a question already asked: who would finance the public consultations? Would it be the charitable trust, the Government, or local government? Will my hon. Friend expand on that?

Michael Tomlinson: The point about cost is important. At the end of the day it would have to come from taxpayers, which I accept is a challenge and a potential disadvantage. My argument is that in the principle of a public consultation the advantages outweigh the disadvantages.

Mrs Murray: What is my hon. Friend's estimate of the consultations' cost to the taxpayer? Has he done any analysis of how many consultations there might be, and of their cost?

Michael Tomlinson: Again, I do not have those figures to hand. My hon. Friend is right to raise this because it is an issue of concern; cost must always be borne in mind, but, as I have said, I am speaking to the principle, and unfortunately I do not have the specific figures she asks for.

Maggie Throup (Erewash) (Con): Cost is important, but the transparency angle outweighs it.

Michael Tomlinson: My hon. Friend, who has put her name to these amendments, makes a valid point, and helps me to make the argument that the public consultation is the right way forward.

Jeremy Quin: My hon. Friend the Member for North West Hampshire (Kit Malthouse), a far from mediocre figure in any sense, is far too self-deprecating, but I want to come back to the point he made. He referred to the consultation in west London, which was on a huge issue that affected vast numbers of people and had been the subject of a hard-fought political campaign. It was also a very costly consultation, but that was appropriate and proportionate. A lot of the changes that your amendment refers to—sorry, that the amendment of my hon. Friend the Member for Mid Dorset and North Poole (Michael Tomlinson) refers to—are purely technical in nature and this would not be necessary.

Michael Tomlinson: I think Mr Speaker would agree that these are not his amendments, but are my amendments. I understand, again, the point my hon. Friend makes, but I disagree with it.

May I return to the review on which the Government consulted in 2014? Following that consultation, the Department of Health published its response—it is an important point of principle in public consultations that there is a formal response. As a result of that response, we have these proposals and eventually this Bill, which is being ably presented by my hon. Friend the Member for Aldridge-Brownhills.

Pauline Latham (Mid Derbyshire) (Con): Who will the consultation be with? Will it be with other charities, hospital users, people who have been to see "Peter Pan", every hospital in the country, or every child who has ever been treated at Great Ormond Street? Who exactly will my hon. Friend be recommending the consultation is with? So far, that is not clear to me.

Michael Tomlinson: I envisage the consultation being as wide as possible. My hon. Friend mentions everyone who has been to see "Peter Pan", and that would be a pretty wide consultation—perhaps not everyone has seen "Peter Pan" and I highly recommend that those who have not, do so. I envisage that the principle is that it is as wide a consultation as possible.

The Bill, which has wide support on both sides of the House, is the product of a public consultation, so I fail to see how Members can disagree with this proposal.

Kevin Foster (Torbay) (Con): I thank my hon. Friend for giving way; he is being incredibly generous in taking interventions. Every charity has a group of people it benefits. Does my hon. Friend agree that for this consultation to have any meaning, it would have to be with the entire area of benefit, which could in some cases involve literally millions of people? Does he also agree that most of them would probably feel their charitable funds would be better spent getting on with the job, rather than having a very large consultation about who appoints a director of the trustees?

Michael Tomlinson: I understand that point, which is similar to other points questioning the benefit and the cost, but I respectfully suggest that the benefit outweighs the cost in this case and that the public, seeing that they are consulted, would once again be re-engaged with the political process, which I think my hon. Friend should support.

Wendy Morton (Aldridge-Brownhills) (Con): My hon. Friend rightly points out that my private Member's Bill emerged as a result of consultation with NHS charitable trusts. Does he agree, however, that it is unusual to be seeking public consultation on a technical change that is consequential to my Bill?

10 am

Michael Tomlinson: Again, I am grateful for the intervention and understand the point being made, but I disagree with my hon. Friend. Although this is technical in nature, I believe the principle of public consultation would be beneficial to the wider public. It would be

[Michael Tomlinson]

curious to be opposed to public consultation, certainly in principle, given that this Bill is a product of just such a consultation.

Let me give one further example of public consultations attracting wide support. Many in this House, on both sides of the Chamber, have been fighting for fairer funding.

Mrs Sheryll Murray: I completely agree with my hon. Friend that most of us would support adequate public consultation, but I am concerned that we do not know how much cost we will burden the taxpayer with. I press him again: how many consultations does he envisage? What would the cost be?

Michael Tomlinson: Once again, I am grateful for the intervention, but, with respect, may I say that my hon. Friend is merely repeating a point that she made before? As I explained, I do not have those figures to hand and so, with regret, I cannot give her a specific figure. I understand the general thrust of the point she makes, but I respectfully disagree with it and am giving a further example in relation to fairer funding, with which I think she will agree. I refer to the successful campaign for fairer funding for our schools, where there will be a period of public consultation following it.

Mrs Murray: Is my hon. Friend indicating that local authorities would have to bear the cost?

Michael Tomlinson: Again, with respect to my hon. Friend, may I say that she is repeating a point she made before? I did accept that this money would have to come out of the public purse, but I am seeking to persuade her and other hon. Members that the benefits of public consultation will outweigh the costs. I am giving a good example, or at least I hope I am, about fairer funding. I hope she will agree that having fought and campaigned for fairer funding for our schools, for example, those in Dorset and Poole, which are grossly underfunded, it is right that the public and the stakeholders are consulted. It is right that parents, local authorities, school governors and the general public are consulted, and I encourage everyone to respond to that consultation to ensure that we—

Mr Speaker: Order. I gently exhort the hon. Gentleman to consider the merits of moving on to one or other of the two other amendments that he has for consideration. I would not want him to be led astray by someone, discontented with his previous answer, somehow feeling that he requires to attend to the point beyond what he has already done. The hon. Member for South East Cornwall (Mrs Murray) has made her point and he has made his, and I know that he would not want to engage in tedious repetition.

Michael Tomlinson: I am very grateful for that guidance, Mr Speaker.

Mr Rees-Mogg: I remind my hon. Friend that he said he would explain what the word "appropriate" meant in this context, which is an important point for the House to be clear upon.

Mr Speaker: That would be entirely orderly and would involve no repetition. The hon. Member for North East Somerset (Mr Rees-Mogg) has done us a service in reminding us that his question has, thus far, been unanswered.

Michael Tomlinson: In which case, let me turn to that very point. As my hon. Friend rightly says, my amendment 4 contains the word "appropriate". We can all envisage inappropriate public consultations. I again contend that this term should be relatively uncontroversial, because we all know what it means. An inappropriate consultation would be too short or would take place over a festive period such as Christmas, when either people would not have the opportunity to respond or an insufficient number would have the opportunity to do so. Although I welcome the opportunity to expand on the word "appropriate", I believe it is pretty obvious what it means.

Kevin Foster: The word "appropriate" also relates to the level of the thing to be consulted upon. We have a tradition in this country: certain things—for example, Britain's membership of the European Union—are decided by consulting every member of the public in a referendum. Other issues such as school funding also affect the wider public, but on issues such as who is a director of something we do not usually go to the length of a full public consultation to decide the process. This is about what is appropriate given the nature of the issue, as well as what is appropriate in terms of the time of year the consultation is held and how long we give people to respond.

Michael Tomlinson: I am very grateful for that helpful intervention. I would wish to expand on the issue of an EU referendum, but I suspect that Mr Speaker would encourage me to move on, so I will not be tempted down that line. I understand the point my hon. Friend makes and will merely respectfully suggest that the word "appropriate" speaks for itself and requires no further elaboration.

Given your encouragement, Mr Speaker, I will now move on to amendments 5 and 6, which also stand in my name and that of my hon. Friend the Member for Erewash. They seek to remove the requirement that the regulations may make provision consequential to the removal of the Secretary of State's powers; in effect, they would remove the affirmative resolution procedure and insert the negative one. They are simple amendments, so I will not take up your time in debating them at length, Mr Speaker. In effect, the debate is being held now, as is perfectly appropriate, and it would therefore be unnecessary in this case to bring it back.

Wendy Morton: We have discussed the use of the word "appropriate". Does my hon. Friend feel that these two amendments are appropriate and necessary? I do not feel that they add anything to the Bill, and there is no need for them.

Michael Tomlinson: I am grateful for that intervention, but my view is that in this case it is unnecessary to use the affirmative procedure to approve the matter and the negative procedure would suffice. I understand the point that my hon. Friend makes, but I respectfully suggest that these amendments are appropriate. I was looking up one of the notes in the Library, perhaps one prepared

by one of your predecessors, Mr Speaker, and I found that it stated that the affirmative procedure is less common, being used in perhaps only 10% of cases.

I will not take up time by referring to the other amendments, merely noting that several and other hon. Members will speak to them in due course. I look forward to a constructive debate on this group.

Mr Rees-Mogg: I had not intended to follow on so quickly, Mr Speaker, as I thought there would be a great rush to the barricades of people wanting to speak. I am moved to speak in opposition to what my hon. Friend the Member for Mid Dorset and North Poole (Michael Tomlinson) is proposing before dealing with my own amendments. I am very concerned about what he is suggesting, given its radicalism and its move away from proper parliamentary scrutiny and from the sovereignty this House enjoys. He asks us to throw all that away for this vague "appropriate" consultation. One of his amendments would remove the following provision in the Bill:

> "A statutory instrument containing regulations under subsection (2) which amend or repeal primary legislation…may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House".

You will know, Mr Speaker, that one of the most dangerous powers this House can give to Ministers—one we have always been cautious about giving them—is the power to amend primary legislation without going through the normal procedures for repealing primary legislation. Therefore, slipping in an amendment to a Bill that would take away that safeguard from this House and the other place, and allow things to be nodded through, is an extraordinarily radical proposal. It takes away the authority of this House and is therefore fundamentally dangerous, and so I oppose it.

Jeremy Quin: Does my hon. Friend envisage any de minimis provision whatsoever? Should everything come before this House as primary legislation?

Mr Rees-Mogg: If primary legislation is being changed the default position should be that it can be changed only by primary legislation. That should not be subject to a de minimis level because primary legislation is by its nature important. If something is not important, why is it in primary legislation? If it is in primary legislation it can be assumed that it is a matter of such nature, state and standing that it has required this House, the other place and Her Majesty to approve it. If we are dealing in trivialities, that is a broader constitutional question that should be considered and we should stop doing that. If something is in primary legislation, it ought, as a starting point, only be changed by primary legislation.

To allow Ministers what have been known as Henry VIII clauses to wipe out primary legislation is something that constitutionalists have been concerned about for many years. That is why I am very uncomfortable with this provision being slipped in as an amendment and brushed over when what it does is of fundamental importance and is quite rarely used. My hon. Friend the Member for Mid Dorset and North Poole made the point that the affirmative route for statutory instruments is rarer than the negative one, and that is quite correct, but the negative one is mainly used for routine regulations that do not engage in any change to primary legislation. When primary legislation is changed, that ought to be brought to the House.

Michael Tomlinson: My hon. Friend says that this is being slipped in, but surely now, today, we have the opportunity to debate it and he has the opportunity to speak against it. We are having that discussion right now.

Mr Rees-Mogg: That is absolutely right, but I think that slipped in is a perfectly fair phrase on Fridays, because the debates then tend to be quiet and relatively poorly attended. However, it is nice to see our Benches so full and well trooped, if I might say so, by people who are in the Chamber to support the Bill. I am rather surprised that our friends from Scotland are all absent, but I suppose that the Bill does not immediately affect them, at least not in the first half.

I want to move on to the comparison between the amendment getting rid of the affirmative route for statutory instruments and the one on public consultation. It seems to me to be an extraordinary approach to take to say that when a regulation is changed by the Secretary of State, it is better that it should be consulted on with a group of self-selecting individuals who take the time to get in touch, taking away the ability of this House to act as that safeguard and check. Surely we are here, with a democratic mandate, as the main people to be consulted on behalf of our electorate, to whom we have to report every so often. Issues should not be put out to local consultation, which, as my hon. Friend the Member for North West Hampshire (Kit Malthouse) said, is often more of a fig leaf and an attempt to consult and either achieve a result that is already intended. If not, the consultation is ignored. Consultation has become immensely fashionable and we should always be cautious of fashion. Fashion ebbs and it flows, it comes and it goes, but there is a permanence to this House and in our way of doing things. We are the democratic sounding board for our constituents, so that there are not endless self-selecting consultations with people who are not necessarily particularly interested in the issue.

Mr Speaker: Order. If the hon. Gentleman himself has ever been fashionable, which is in itself extremely doubtful, it can only have been by accident.

Mr Rees-Mogg: Mr Speaker, as always, you are correct. I think that I would take being called fashionable as a grave insult, although I know that your ties are regularly a model of fashion.

Michael Tomlinson: Moving away from the dangers of fashion back to the substance of what we should be debating, will my hon. Friend address the point about the principle of the public consultation and the fact that this very Bill was the product of public consultation?

Mr Rees-Mogg: I am grateful to my hon. Friend for that intervention, but I am afraid that I think that most public consultation is bogus. It is about going through the motions and pretending we are interested in views when the Government, or councils or whatever else, want to get on and do whatever they wish to do anyway.

[Mr Rees-Mogg]

It simply allows opportunities for judicial review to gum up the process. We should be incredibly cautious about chucking public consultation into Bills, because that does not actually achieve anything.

Seema Kennedy (South Ribble) (Con): Does my hon. Friend agree that our constituents would look on agog at a Bill designed to simplify the process requiring a three-year consultation followed by yet another one?

10.15 am

Mr Rees-Mogg: My hon. Friend hits the nail on the head. That is the problem with this endless consultation; nothing gets done. Last May, people voted and gave us a mandate to do things, not to ask them what we should do.

Michael Tomlinson: May I ask my hon. Friend to consider this point? He mentioned the word "appropriate". Nowhere does my amendment suggest a three-year consultation period—rather, it suggests an appropriate consultation.

Mr Rees-Mogg: I raised the question of what the word "appropriate" meant earlier and I was indeed intending to come back to it. Appropriate, inappropriate, unacceptable and disappointing are those new Labour words that get dropped into conversations and they mean remarkably little or what, in a Humpty Dumptyish way, what the person hearing them wishes to think that they mean. What is an appropriate consultation? There is no qualification or clarification in the amendment, so what is it intended to achieve? Does "appropriate" mean that signs should be put on noticeboards, as with planning issues? Does it mean that letters should be written to local residents? Does it mean that something should be squirrelled away on the internet? Does it mean that a paper should be laid before this House, or put in the Library, where, no doubt, many people would follow its contents closely? Or does "appropriate" mean that the Secretary of State has a word in his office with the permanent secretary, saying, "Do you think this would be a good idea, Sir Humphrey?", then Sir Humphrey replies, "Well, you would be very brave, Minister," and then the idea is dropped on the basis of that consultation? Does it mean the Secretary of State can have a word at home with his family—with his kitchen cabinet—telling them that he is minded to appoint or not appoint a few trustees? I could tell all sorts of anecdotes about how that used to happen in the good old days, but I think it might be wandering slightly from the point. "Appropriate" is a very imprecise word and legislation ought to be precise.

Kevin Foster: My hon. Friend is giving us the benefit of his usual style of speech—*[Interruption.]* Of fashionable speech, yes. It is certainly in fashion on a Friday to hear my hon. Friend the Member for North East Somerset (Mr Rees-Mogg) speak so well. Does he agree that the problem is that "appropriate" can mean anything under the sun and that various people have different views? For example, with the recent pension changes, some have said that the information should appear in adverts in the press and others that it should be provided in individual hand-delivered letters. This term is so vague and really would have to be defined. I think it is strange to say that we want to consult if we are handing out something that is unlikely to get more than a handful of responses given its detailed and technical nature. That will merely build up in the public's mind the idea that yet again people have decided what they will do and are now consulting on it.

Mr Rees-Mogg: I agree with my hon. Friend. I want to finish on this set of amendments by saying that this House should be jealous of its role as the major focus of consultation in the nation. We were elected to represent our constituents and therefore to express views on these issues. That is why we are here, and what is done with consultation so often is a pretence. It is not about the Government wanting the wisdom of the millions before making up their mind but about the Government wanting the comfort of having been through a rigmarole to get what they wanted in the first place. We should not give up our authority lightly or increase the power of the Executive.

I know want to turn briefly to the amendments tabled by my hon. Friend the Member for North West Hampshire, which are absolutely glorious in their conception. They basically reverse what the Bill is trying to do in the first place, which is a great thing for him to have slipped past our ever-attentive Clerks. That does not often happen on Report. Perhaps the amendments—and this is why our Clerks in their wisdom let them go through—would ensure that there is a safeguard. Safeguards may be sensible. There have been occasions where charities have got into trouble when public money is being spent. Although it is broadly considered a good idea to remove the power from the Secretary of State to appoint trustees so that a decision is made more locally and so that the construction of the charities may be more suitable for the local organisations—that has a great deal of support—we know that something will go wrong at some point.

That is not a particularly Cassandra-like view to take; it is just the experience that we have. We know that there will be a small charitable hospital that puts all its money into an Icelandic bank, for example, and suddenly loses it. The trustees get criticised and attacked, or they write 3,000 letters a year to elderly ladies asking them for money and are seen to have behaved badly. Then somebody will come forward, probably a Member of this House, who will ask the Secretary of State at Question Time, "Why is it that you, Secretary of State, are not doing anything to stop this problem arising? Why have you not kept those residual powers? Why did you not ensure that when the Bill went through Parliament, there was a safeguard, something to protect—"

Maggie Throup: I agree with my hon. Friend's argument. That could happen to any charity, not just an NHS charity, so why introduce safeguards specifically for NHS charities?

Mr Rees-Mogg: My hon. Friend makes an interesting and important point. NHS charities are different because of the structure of the national health service and the conception of the national health service in people's minds. There is much less of an immediate governmental interest, or concern with, ordinary private charities that were founded sometimes centuries ago with grants from

generous benefactors that through the mists of time have evolved and developed. NHS charities work side by side with the state in all that they do, so they are a marginal extension of the state rather than something completely different from it. If we draw a Venn diagram of the third sector, we have a part that is very private and another part that is very much state. NHS charities are very much in the state part of the Venn diagram.

Kevin Foster: I thank my hon. Friend for giving way. He is generous with his time, as always. He talks about NHS charities being close to the state and therefore needing particular provision, but many other charities work closely with our national health service. I think of Rowcroft hospice in my constituency which provides palliative care across south Devon. Why, then, safeguard only certain charities? Why not expand it to all? The amendments do not strike me as worth while.

Mr Rees-Mogg: My hon. Friend ignores the starting point, which is that the Secretary of State makes the appointments, whereas that has never been the case for other charities. They have evolved differently, whereas NHS charities are evolving out of the NHS, more towards the private sector. To put in place a safeguard which one hopes would not be used seems to me quite a prudent thing to do. It says, "This is our hope, this is our intention. We expect it to work and we think it will work in the vast majority of cases and make NHS charities more like other private sector charities."

Wendy Morton: Will my hon. Friend give way?

Mr Rees-Mogg: Of course I give way to the promoter of the Bill.

Wendy Morton: I am grateful. The Charities (Protection and Social Investment) Bill is proceeding through this House. It comes back to the Chamber next week, giving us the opportunity to hear more about the work of the Charity Commission. Does my hon. Friend agree that when the NHS charities that we are discussing today become independent, there is the assurance that they will be covered by the Charity Commission? That goes a long way to ensuring public trust in those charities, which is the crux of the matter.

Mr Rees-Mogg: I suppose the answer is "Up to a point, Lord Copper." The Charity Commission has marvellous and admirable elements. It has a brilliant chairman who has been a great force for good in that organisation, sorting out some of the problems that it had before his appointment. I think particularly of the dreadful treatment meted out to the Plymouth Brethren before he was there. It is none the less an unelected, unaccountable quango. I take the rather extraordinary view that we should trust our democratically elected politicians more than we should trust the unelected. That is why I am always banging on about this House maintaining its own powers, and why we should hold Ministers to account. We should be very cautious about thinking that an independent, unaccountable body is a better supervisor than the democratic will of the nation expressed through this House.

When responsibility is shifted, it is prudent to do that cautiously, in stages, and to keep a safeguard in place. When the first case goes wrong, which it will—within 10 years something will have happened; there will be an NHS charity where the accountant has snaffled off all the money and gone to Barbados or wherever it is fashionable to go at this time of year, or perhaps gone off to South Africa to watch the test match—at that point people will say, "Why didn't the Government do something about that? Why have they not got a plan? Why didn't they make sure that they could keep it under control?". Having a protection, possibly even a time-limited one—

Jeremy Quin: I agree with the gist of what my hon. Friend is saying, but does he agree that if that power exists, it is even more likely that charities will fall into that predicament? If they are fully cognisant of their own responsibilities and know that they have to look to themselves to ensure that such problems do not occur, it is far more likely that fewer such problems will occur.

Mr Rees-Mogg: No, I cannot follow the logic of that argument. I do not think charities will be more likely or less likely to have ill governance because the Secretary of State is in or out. The protection would be there in case there is ill governance, which there invariably is to a small degree. In charities, businesses and Governments there is invariably ill practice somewhere along the line, and I do not think the motive for ill practice is affected by the knowledge that the Secretary of State may be keeping an eye on them or a feeling that he is not doing so. We need to ensure that if the problem arises, there is a safeguard—a mechanism to put things right.

Jeremy Quin: My hon. Friend misunderstood me. I was not for one moment suggesting that a board may be encouraged to act in an adverse way because of powers resting with the Secretary of State. A presence that could rescue a charity in dire straits may influence the judgments of a board of trustees.

Mr Rees-Mogg: I quibble about the word "rescue". It is not so much rescue as fire. If the trustees do things badly, the Secretary of State may fire them and put other people in their place. That would not encourage slackness, idleness or malpractice. It would encourage probity, forthrightness and good management. The logic of my hon. Friend's argument supports what I am saying, rather than what he thought he was promoting.

My hon. Friend the Member for North West Hampshire has proposed extremely sensible, prudent measures that will keep a broad eye on what is going on.

Kevin Foster: I am listening to the points being made, but I am still struggling to understand why a handful of NHS charities performing wrongly would be any different from any other charity performing wrongly. I see the hon. Member for Bristol South (Karin Smyth) in her place. We remember the recent discussions in the Public Accounts Committee about the Kids Company collapse. Why should we not have a good system of charity regulation, rather than a specific power, as suggested in the amendments?

Mr Rees-Mogg: I reiterate—I am sorry, Mr Speaker, to reiterate. I may be becoming repetitive, but I hope not yet tediously repetitive; that may come at a later stage. We need to look at the starting point. These charities are coming out of the control of the Secretary

[Mr Rees-Mogg]

of State. To move them completely away from his control in one fell swoop may be relatively imprudent, whereas to do it more cautiously and keep a safeguard is perfectly sensible. By contrast, in the case of charities that have never been under the Secretary of State and have never had their trustees appointed by the Government, it is perfectly sensible to leave them with their existing regulatory system.

Wendy Morton: We have had a lot of debate about the term "appropriate". What exactly does my hon. Friend mean by "cautiously"? I have to say that I am very sceptical about this amendment.

10.30 am

Mr Rees-Mogg: I am grateful to my hon. Friend for trying to out-pedant me, which is a great thing to do, and she may well have won this particular bout of pedantry. By "cautiously" I mean proceeding in a step-by-step way. I am fully supportive of the thrust of what her Bill is trying to do, which is admirable, sensible and wise. I am merely suggesting that in seeking to reach the same destination, we should ensure that there is a fall-back position in case things happen that are less than ideal. That is simply a matter of good sense and good housekeeping. There is no need to do everything in a great rush. As somebody once said, "Rome wasn't built in a day", and there are no doubt other clichés of a similar kind that I could use.

I want to turn to my own amendments, two of which are concerned with preserving the rights of this House. Amendment 8 would remove clause 2(8), which is about how the statutory instrument setting out regulations of this kind should be brought forward. It would ensure that a draft of the instrument is laid before the House and approved by a resolution of each House of Parliament. Laws are always best made when they go through the full democratic process, controls are kept on Ministers, and we do not have arbitrary government.

We need to ensure that the assets underlying this are being protected, so in amendment 7 I suggest that there should be a statement by the Comptroller and Auditor General—a comptroller who is properly spelt rather than a controller with the modern spelling—that he is satisfied with the treatment of public assets and funds envisaged in the regulations. This is public money, to some degree—money that is under public auspices.

Jeremy Quin: I challenge my hon. Friend on that remark. Surely it is not public money but charitable money. It has been invested in the charity by donors, and the last thing they would expect is for the Comptroller and Auditor General to opine on it.

Mr Rees-Mogg: I go back to what I said earlier about where NHS charities sit. By virtue of the money being given to a charity that supports the NHS, that money comes into the public purview and is subject to the way in which the public sector ought to ensure the good management of money. That is why I think it is appropriate—"appropriate"; I am using that awful word—rather, suitable and proper that it should be audited thoroughly to make sure that assets are not handed over that should not be handed over or misappropriated, and to give confidence to this House, and indeed to the other place, that moneys are being sensibly protected. These are very modest amendments.

Kevin Foster: Does my hon. Friend agree that some of his comments strike against the heart of this Bill, which says that these charities should be independent so that people feel encouraged to donate to them rather than feeling that by doing so they are replacing what could be, or they might believe should be, funded by the Government. Saying that it becomes public money when donated hits at the whole point of the Bill.

Mr Rees-Mogg: What a pleasure it is to see you taking the Chair, Madam Deputy Speaker. We have been waiting for this happy hour to arrive to help us carry our debates forward.

No, I do not think my hon. Friend is right. When people give money to a charity that is linked to the Government, they are even more concerned that it will be spent well, and they therefore want extra protections to assure them of that.

Seema Kennedy: Does my hon. Friend not agree that the entire point of the Bill is to dissociate the charities from the Government and to provide independence, which is what gives them such a great reputation in their local areas?

Mr Rees-Mogg: As I said, it is a question is how we get to where we are going from where we are starting. As we make the transition, it is absolutely crucial to ensure that the money is handed over in a way that is properly audited so that people can have confidence in the NHS charities and not feel that there is some kind of sleight of hand or money is being siphoned off.

Wendy Morton: Does my hon. Friend not agree, though, that funds donated to the NHS and put into these charities must be held separately from Exchequer funding provided by the taxpayer? Charities exist to support their beneficiaries, and there is a special relationship between the charities and the—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I am trying to be helpful to the hon. Lady in saying that I know it is a great temptation to address her remarks to the hon. Gentleman and look at him to gauge his reaction—looking at him is always, of course, a very great pleasure—but if she turns her back on the rest of the House, it does not work. It is really important that she should face the Chair. She can still speak about the hon. Gentleman and imagine him in her mind as she does so.

Wendy Morton: Thank you, Madam Deputy Speaker. It is wonderful just to be able to imagine my hon. Friend in my mind. I have finished my intervention, but I am grateful for your advice and reminder.

Mr Rees-Mogg: Thank you, Madam Deputy Speaker. This has been a very distracting interlude, I must confess.

The key is the safeguarding of money and ensuring that things are done properly with an audit trail.

Kit Malthouse: Does my hon. Friend agree that my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) gave herself away at the beginning of her intervention when she referred to this money being donated by the public to the NHS? In the public's mind, there is often a confusion between the charity and the institution that it serves, and it is therefore crucial to have these controls.

Mr Rees-Mogg: My hon. Friend puts it extremely well. That confusion is almost inevitable. In the case of charities linked to hospitals, most members of the public will expect the money that is spent charitably to be as thoroughly audited as the money that is spent by the state, and it is prudent to formalise that.

Jeremy Quin: I am desperately trying not to look at my hon. Friend; I will try to imagine him. He is being typically modest in saying that these are modest proposals, as they go to the heart of the Bill. He refers to the necessity of an audit trail, and I agree. However, there are plenty of very good firms of auditors fit and proper for making such pronunciations, so I do not see why we need to trouble the Comptroller and Auditor General, who is a busy man with lots of other stuff to do.

Mr Rees-Mogg: My hon. Friend's kindness towards the Comptroller and Auditor General is, I am sure, noted in many other places beyond this one, and I expect that his office would be delighted not to have the extra work. However, my hon. Friend is missing a point that I may already have laboured, so I will labour it only once more. This is a transition phase. This money is very close to public money. It is in a Neverland, one might say, in that it is not quite separate from charitable money and not quite ordinary public expenditure. Therefore, keeping an eye on how it is used in the most formal and protected way, at least in an initial stage, is a prudent way of ensuring that the assets are not used or transferred unsuitably.

Amendment 9 is different in nature and arises from a constituency issue. A constituent of mine, with the support of the NHS, established a charity that put defibrillator boxes around the country. These are very admirable boxes that operate in conjunction with the ambulance service and have been shown to save lives by ensuring that defibrillation equipment is available throughout small villages across the country. It has been a most successful charitable endeavour.

While my constituent was working with the ambulance trusts, they wrote to him to say that it was perfectly all right—indeed, they wanted him to do this—to put the ambulance service logo on the boxes, so that people would know that they were formally connected to the NHS. He then received a letter out of the blue from some little-known bureaucracy that protects the NHS logo. I understand the reasons for that: we do not necessarily want random private companies to call themselves the NHS or for unrelated businesses to use the logo. Some protection is needed, but the letter struck me as a heavy-handed way of going about things. It was an excessive response to something that was linked to the NHS and that was, at its core, a health issue operating with and through the support of the NHS.

The amendment would merely make it straightforward for the Secretary of State to overrule the whole procedure. When there is an issue of this kind, the Secretary of State would have the power to say, "Well, there may be this bureaucracy that safeguards the NHS logo, but I am overruling it and giving permission for the logo to be used, because I think it is a sensible thing to do."

The reason I like the amendment is that, in a strange way, it relates to what this place is about. It is about seeking redress of grievance for our constituents when they are badly treated by bureaucracy. The best way of doing that is not through independent, unaccountable and unelected bodies that have been separated off from Government, but by a Minister being held accountable at the Dispatch Box. That is how we get things put right for our constituents.

This very small amendment would simply allow the Secretary of State to short-circuit the system when it is behaving badly. It provides that the permission given by the Secretary of State can be cancelled with six months' notice, which is a reasonable amount of time for people to change any boxes, stationery or anything else they may have with the NHS logo on it, if they are found to have been abusing the permission or for some other reason. The principle that power should be with democratically elected people, and that it should be there to override offshoots of bureaucracy that nobody previously knew about or cared for, is a very good and sound one. As I understand it, the issue that my constituent has had has been mainly sorted out, but the amendment would be a better and clearer way of dealing with such things.

Of the amendments that I have tabled, amendment 9 is of the greatest importance to me. As is the case with so much of what I have been saying, it is about the fundamental principle of what we are trying to do when we legislate. We are trying to ensure democratic accountability and the rights of our constituents, and not to be constantly handing things over to ever-growing bureaucracies.

Kevin Foster: The primary aim of this Bill is to make very clear that the charities are independent of the Government. The NHS logo relates to an organisation that is the epitome of what many people see the public sector as being about—that is, the Government. My hon. Friend's amendment would, therefore, strike at the very heart of the Bill and make it less worthy.

Mr Rees-Mogg: My hon. Friend is absolutely wrong. He has misunderstood, misconstrued and possibly even misread the amendment, which uses the word "may". I am not compelling the Secretary of State to go out and chuck the logo on to every box he sees all over the country or to spray the NHS logo on every shopping centre he passes. I do not see him as a vandal going around with a spray can and a little cut-out stencil, spraying "NHS" on everything or engraving it on our foreheads when we come into the Chamber. That is not what the amendment proposes—it uses the word "may". It says that when those charities that work immeasurably closely—hand in glove, on some occasions—with the national health service find it useful to use the logo and the Secretary of State thinks it is a good idea, he may give them the authority to do so.

Michael Tomlinson: Is my hon. Friend not at risk of falling foul of his own test? He criticised my amendment's use of the word "appropriate", but is not his use of the word "may" just as vague and risky?

Mr Rees-Mogg: Of course not. "May" is a very precise word: it is an allowing factor and it gives permission to somebody to do something, and they are allowed to use their discretion to do it. The amendment uses "may" so that people may go directly to the Secretary of State, who is democratically accountable, and get the decision made, rather than have to go off to a bureaucracy that is not accountable or that is accountable only indirectly. "May" is about restoring democratic and, ultimately, parliamentary control over something that belongs to the nation as a whole.

10.45 am

The NHS logo does not belong to an obscure body. It may do in some legal sense, but the NHS is the people's, for want of a better turn of phrase. It is not something truly vested in an obscure bureaucracy. Therefore, to allow it to be used by charities that are co-operating with the NHS is a sensible ability to have within the Bill. The amendment does not compel the Secretary of State to do that, but if another Member of Parliament finds themselves in my position, where a charity in their constituency has been treated badly, they may ask the Secretary of State whether he will give his permission. They could write to and lobby him, or send a petition to his house. The amendment opens up all sorts of ways to seek redress of grievance, but it also achieves the main object of the Bill, which is that there should be a great flourishing of charities that will help the NHS to do even more than it already does, and some of them may need this flexibility. My hon. Friend the Member for Horsham (Jeremy Quin) looks as if he wishes to intervene.

Jeremy Quin: I was halfway to asking whether my hon. Friend would give way, so I am glad that he has invited me to intervene. His argument in favour of the amendment is very persuasive, but I am not fully convinced. Some liability is accrued by the use of a well-known logo associated with a national asset such as the NHS. Does he believe that the Secretary of State is the right person to be the final arbiter of whether it is acceptable to the public purse to undertake such a liability? The charities may be doing a great thing, but they are not actually the NHS.

Mr Rees-Mogg: I am grateful to my hon. Friend for giving me the opportunity to clarify that. I think that the Secretary of State is the right person, because that is his responsibility and that is where the buck stops, but the financial liability for the use of the NHS logo in the circumstances I have described is likely to be highly limited. Its use would merely indicate co-operation and collaboration with the NHS, not that the NHS was taking on all the responsibilities and liabilities of the organisation. Legally, it would not create the liability my hon. Friend suggests.

The amendment is the result of a specific constituency issue, which I have raised with Ministers on behalf of my constituent. It is an answer to that issue, but it also has broader application, which is why in due course I hope to move it formally.

Mr Richard Bacon (South Norfolk) (Con): Will my hon. Friend give way?

Mr Rees-Mogg: I was about to finish, but yes I will give way.

Mr Bacon: I was in the Tea Room and heard that a very fashionable Member was making a speech, so I thought I had better return to the Chamber at speed, which I did, and I am glad that I caught the end of my hon. Friend's remarks. A liability might not arise in the way he describes, but surely he recognises that if the Secretary of State may allow the logo to be used, that would give rise to the possibility of judicial review. The Secretary of State may allow it in one case but not in another, and somebody who felt aggrieved by that could challenge the decision in the courts. Has my hon. Friend made any assessment of the extra cost of litigation for the Government and the NHS in defending such proceedings?

Mr Rees-Mogg: My hon. Friend has been caught up in this idea of fashion, and I am afraid that he speaks of yesterday's fashion of judicial review. The great work done by the now Lord President of the Council and former Lord Chancellor, my right hon. Friend the Leader of the House, in restricting judicial review means that I simply do not think that that would now be a risk. It would have been a risk in those fashionable new Labour days, when people were judicially reviewing everything and having bogus consultations, which I spoke about earlier. That set the fashion for judicial review, but it is yesterday's fashion. Those of us who are modern and who are with it—in the current phraseology—know that judicial review is yesterday's news in such a context. Therefore, I do not believe that this would be a risk. It is a sensible way to deal with a problem that has arisen and to prevent it from arising again.

Jeremy Quin: Madam Deputy Speaker, I promise that this will be my last intervention on my hon. Friend. To return to the logo, if any of my constituents saw the NHS logo on a letterhead, they would naturally assume that they could go through the relevant complaints procedures for the NHS. Is that what my hon. Friend has in mind? To me, it seems that that would be perfectly apparent to my constituents and a natural thing for them to do.

Mr Rees-Mogg: I am not sure that those are the circumstances under which the Secretary of State would use his discretion to allow the logo to be used. I am thinking more of a sign outside a charity shop that supports the NHS, saying "We support the local NHS", with the name of the local hospital that it is supporting and the local hospital's logo, which includes the letters "NHS". I am thinking of that sort of circumstance. It is not about promoting the charity as an offshoot of the NHS; it is about indicating its co-operation with the NHS.

Defibrillator boxes give the name of the ambulance service—the ambulance service's logo includes the letters "NHS"—to indicate that people should ring 999. The ambulance service will then give them the code to open the box and talk them through how to use the equipment. Most of us probably would not know how to use it without some advice. It was entirely rational to use the

logo until some idiotic bureaucracy got in the way. Initially, it was very stubborn—the worst type of pettifogging bureaucracy. If the Secretary of State had had the power to cut through such bureaucracy, that could just have been done.

The circumstances in which the discretion is used would be limited to where there was genuine co-operation—where the charitable sector and the NHS are working hand in glove—and there was a benefit from using it. It is not about charities posing as the NHS where they are not part of the NHS. If the Secretary of State thought the logo was being misused, he would have the power to rescind the permission. This protected and limited power would solve a particular problem.

Kit Malthouse: I rise to speak to amendments 1, 3 and 2, which—inexplicably, given their strength—stand in my name only, as well as the splendid amendment 9 and the unfortunate amendment 4. It is a pleasure to speak under your chairmanship, Madam Deputy Speaker. In my experience, debates with you in the Chair are often the most efficient and good natured. I hope that today's debate will be just that.

On amendment 1, when one tables an amendment, it is a great pleasure to have one's speech made for one much more eloquently than one could make it oneself, so I am grateful to my hon. Friend the Member for North East Somerset (Mr Rees-Mogg) for his support. Recently, there have been significant charitable scandals in this country. Much of the time of the House and of the Public Accounts Committee has been taken up with Kids Company. I have become convinced that one of the phenomena at work in that organisation was group-think. Those hon. Members who are students of psychology will know of the phenomenon of group-think: individuals in a group, often when they are led by a charismatic leader, can get lost in a miasma of consensus, in which they are unwilling or unable to acknowledge any view that departs from theirs, and indeed are hostile to outside views of their conduct.

The most famous political example was the Bay of Pigs disaster: the group around President Kennedy became trapped in group-think. We have seen commercial examples of it in the UK. Marks & Spencer and British Airways got trapped in group-think in the 1980s, when they went for massive international expansion. They did so against the views of everybody on the outside, but both boards convinced themselves that it was the right thing to do. Disastrously, Kodak and Swissair, which was once talked of as the "flying bank", went bust because the management were unwilling to look for outside views.

Seema Kennedy: My hon. Friend takes me back to my time as a student in Paris 20 years ago, when I was very grateful for the expansion of Marks & Spencer so that I could get my English pies and pasties, but I digress. My hon. Friend is giving examples of group-think from 30 years ago. Does he not agree that the world has moved on, and that the rise of the individual makes our children—the millennium generation—much less likely to fall into that sort of psychology?

Kit Malthouse: I assume that my hon. Friend was not a shareholder of Marks & Spencer at the time. For those of us whose families were shareholders, it was a complete disaster, but I am glad that she was able to munch her pasty. The answer to her question is no; it is quite the reverse. The modern mind is much more akin to group-think, indeed to group hysteria. As politicians, we experience that daily on social media. We have all seen how small untruths, half-thoughts or theories can whip themselves up, on Twitter and Facebook, to become reality in a short space of time.

Mr Bacon: I agree with my hon. Friend. Was not one of the most profound and surprising examples of that, through the use of social media, the collective view that suddenly gained ground among hundreds of thousands of people that the right hon. Member for Islington North (Jeremy Corbyn) would be a good leader of the Labour party?

Kit Malthouse: My hon. Friend makes a remarkably good point. For Members of this House, that is a very pertinent example of the damage that social media can wreak on our ancient institutions, such as the Labour party.

The truth is that the modern mind is much more susceptible to such things, and particularly to charismatic leaders. One only has to look at the effect of Instagram, and the millions of followers that otherwise unmeritorious individuals have on it, to see how willing people are to go along with such things these days, like sheep in a herd.

Mr Rees-Mogg: Will my hon. Friend give way?

Kit Malthouse: Yes. Sorry, I should have said "flock", not "herd".

Mr Rees-Mogg: That was exactly my point.

Kit Malthouse: I thought so. I am grateful to the hon. Member for pedantry, who is right.

This is one of the things about which I am concerned. We saw the notion of group-think in Kids Company. A group of trustees, led by a charismatic leader, felt themselves to be invulnerable. They thought that they should not be doubted, and they were hostile to external views expressing doubt about them. One only has to review the correspondence of Mr Yentob, with his wild claims about the death and insurrection on the streets that Kids Company's demise would cause, to see that group-think in action.

I studied politics and economics at university, specialising in the psychology and behavioural side of politics, and we studied group-think quite closely. When future students come to study group-think, they will look at Kids Company as a perfect example of it. Those involved were trapped in group-think. If only somebody had been able to step in and take control earlier, the charity and the remnants of its good work could have been saved.

Jeremy Quin: My hon. Friend is referring to the charitable sector, which has billions of pounds of assets and does a vast amount of good. Tarring every charitable board with the same brush is grossly unfair.

Kit Malthouse: No, I am not tarring them with the same brush. I am saying that all boards—commercial, charitable or even political—must bear this in mind.

[Kit Malthouse]

That is the whole foundation of our modern governance structures. It is the idea behind having non-executive directors, who are meant to be external and to provide a challenge to make executives and those more involved in the work of an organisation think more carefully about what they are doing.

Jeremy Quin: My hon. Friend will be aware that a good board contains non-executive directors to fulfil that challenge function. They are appointed by the board; they do not need to be appointed by an external body.

Kit Malthouse: The truth is that non-executives are technically appointed by the shareholders, so they are appointed by people who have an interest in the board being challenged constructively. The problem with charities is that non-executives are appointed by the board, the members of which more often than not appoint people in their own likeness. When the members of a board get trapped in group-think, they will appoint people who agree with them. Brave would be the chairman or chairwoman of the trustees who appointed somebody awkward or difficult, who might question or challenge them, particularly when one charismatic person is in charge.

Seema Kennedy: My hon. Friend clearly feels passionately on this matter, but he paints a bleak picture of a nation of volunteers and charity workers led by demagogues, where everybody follows their leader blindly. I have been a trustee and can reassure him that that is not the case. There are challenging voices. Given that his amendments would reinsert the power of the Secretary of State, he seems to lack confidence in people's independence of mind and confidence in their charities.

11 am

Kit Malthouse: No, I do not lack confidence in people's independence of mind. I have great admiration for my hon. Friend, who is very independent-minded and, I am sure, conducts herself extremely well as a trustee. The point is that there is a danger of group-think, and I have given a number of examples illustrating how it can come about. I am sure that happened at Kids Company.

That point is important in respect of this Bill because, as my right hon. Friend the Member for North East Somerset—sorry, my hon. Friend—said, the charities we are talking about here are different. They are not like other charities. People associate them in their minds with the institution with which they are connected. They are seen as part of the national health service. When I give to the Great Ormond Street Hospital Children's Charity, I know that I am giving, at one remove, straight to the ward. I am not giving the money because the charity might spend it elsewhere. I know that I am giving it to that hospital. The two are inextricably linked.

My right hon. Friend the Member for North East Somerset—I hope he will forgive me for constantly referring to him as right honourable, but it is only a matter of time—is absolutely right when he says that, at some point, something will go wrong. Even with Kids Company, which did not have such links, but was in receipt of public money, there were demands on the Government to do something. Indeed, the Prime Minister was on the rack to a certain extent because he had been associated with Kids Company.

Pauline Latham: My hon. Friend might not have been in the Chamber the other night for the debate on banking regulation, but the right hon. Member for Slough (Fiona Mactaggart) said that she had been prevented from becoming a member of the trustee board of a charity because she was a "politically exposed person". Does my hon. Friend recognise that some of us will have difficulty supporting amazing charities, such as Great Ormond Street, which are not like the one he mentions?

Kit Malthouse: Yes. I am trying to get to a position where we can have confidence in the governance of charities, and confidence that when things go wrong, there are appropriate mechanisms for someone to step in and deal with things quickly. My point is that in the case of national health service charities—that is what people think of them as—at some point, the Secretary of State will be asked to sort out problems.

We have to remember that there are practicalities involved in this. If the Secretary of State is unable to take control of the board and replace the trustees, he or she cannot get immediate access to the bank account. They cannot get anybody to sign a mandate to allow them to control the money, or even to freeze the account to stop money flowing in or out. When this hospital pass, this UXB or unexploded bomb of a hospital charity that has behaved badly or got into trouble, perhaps through no fault of its own, lands in the lap of a Secretary of State, whoever it may be—it could be one of us here on these Benches in the future, perhaps—the inability to step in and take control will have a significant political, and indeed financial, impact. That might impact on the care that takes place on the ward.

Mrs Sheryll Murray: My hon. Friend has cited one charity as an example, but does he have any recent information about any NHS hospital charities or NHS charitable trusts on which he is basing his assumptions?

Kit Malthouse: I do not, and the reason is that the Secretary of State currently has control of the appointment of trustees. That is exactly why. If I were Secretary of State—I assume that the same is true of the current Secretary of State and past Secretaries of State—I would be very careful about who I appointed, so that I was sure that I was handing that fiduciary duty to people whom I trusted and who had an element of accountability to me.

Kevin Foster: My hon. Friend is being very generous in taking interventions. I want to get to the nub of his amendments. The examples that he has cited of corporate governance, and Alan Yentob's emotional blackmail in respect of the Kids Company charity, relate to general issues of regulation. Why should NHS charities be different? We are trying to make them independent. Why should the Bill be amended in this way? I do not think that my hon. Friend would argue that any time a business or charity goes wrong, the solution is for the Government to appoint a director, so why is he making that argument in respect of this Bill?

Kit Malthouse: I hesitate to be repetitive, but the truth is that these charities are different. Let me give a practical example. Say, for instance, that an NHS charitable trust that has become independent and that has independent trustees runs a huge appeal to raise money for a CAT scanner to go into a hospital. It gets three quarters of the way through the appeal and, suddenly, it becomes apparent that the money has gone missing. There are people queued up, waiting to use the CAT scanner. The charity may get lost in months and months of inquiry, and much of the money, which was for a dedicated purpose, may be defrayed on other things to deal with the problems—accountants, lawyers, judges, challenges from elsewhere or whatever else. We have seen that sort of thing happen before. I would want the Secretary of State to be able to step in and say, "No. We are now going to appoint trustees who will make sure the money is spent on the CAT scanner, and that people get the treatment they need."

Seema Kennedy: I thank my hon. Friend for giving way. He is giving an excellent pitch to be the Health Secretary one day. I want to return to my previous point about his bleak outlook on the way that charitable boards and their trustees conduct themselves. There is adequate provision in charity law for interventions to take place. It is not necessary for the Secretary of State for Health to step in.

Kit Malthouse: The truth is that there have not been adequate safeguards in charity law, as my hon. Friend will know. That is why the Charities (Protection and Social Investment) Bill is going through the House at this very moment. Anybody who has followed the passage of the Bill or sat on the Committee will know that part of it will beef up the powers of the Charity Commission to give it greater control in the event of financial misdemeanour or charities getting into financial trouble. It will strengthen exactly those powers about which I am talking.

Mr Bacon: My hon. Friend the Member for South Ribble (Seema Kennedy) pre-empted me. One might think that there was no need for the amendments because the Charity Commission, which was established in law to supervise these functions, would step in. However, does not the evidence from the National Audit Office report, "Giving Confidently", from autumn 2001, and the much later evidence from the NAO's studies over the past two or three years on the Cup Trust and the Charity Commission more generally, show that, in practice, the Charity Commission has a track record of not doing a particularly good job? In the circumstances that my hon. Friend the Member for North West Hampshire (Kit Malthouse) describes, where swift action is needed, the existing framework is not adequate. It is not enough simply to say that what he describes has not happened yet in a way that we can readily recall. The point, surely, is that we must create the governance architecture and environment to respond quickly when it is necessary to do so.

Kit Malthouse: My hon. Friend makes a very good point. I recommend to the House his book, which is filled with examples of Government incompetence, many of which were brought about by the group-think phenomenon and a lack of good governance. He is an expert in National Audit Office reports, having pored over many of them in his time on the Public Accounts Committee in the last Parliament and, I think, the one before that.

Mr Bacon: Fifteen years.

Kit Malthouse: Fifteen years on the Public Accounts Committee—extraordinary! I therefore take his words seriously. He is right that the key is to get the governance entirely right.

I guess the point that I am making—maybe I am a lone voice, although perhaps I am joined by my hon. Friend the Member for North East Somerset—is that even with the most ideal governance in the world, things occasionally go wrong. In that instance, the Secretary of State must have the power to step in, given the critical nature of the services these charities perform and their inextricable link to the national health service.

Maggie Throup: My hon. Friend's amendments would undermine the whole purpose of the Bill, which is to give these charities their independence. As he rightly says, the Charities (Protection and Social Investment) Bill, which is going through the House at the moment, will strengthen the protections and the governance arrangements for charities such as these.

Kit Malthouse: I acknowledge that point, but we have been round this carousel a couple of times. I pose just one question to those who are nervous about my amendments: in the event of something going wrong, who would fire and replace the trustees? No one. They become a self-governing group. One of the problems with charitable governance is that there are no shareholders to dispose of underperforming trustees. Charities have to acknowledge their own bad performance and fire themselves. In a situation where there is an inextricable link to a particular establishment, the Secretary of State needs to have the ability to step in, in extremis.

It is often forgotten that charities receive public money, and no charity is more likely to receive public money than an NHS hospital charity. Such charities are more likely to receive grants for their performance of services, projects, equipment and so on. We therefore have a particular interest in NHS charities.

Mr Rees-Mogg: I support my hon. Friend's amendment because it is an emergency provision that would be rarely used. From the tone of the debate, there is an impression that the Secretary of State would use it the whole time. Does my hon. Friend agree that it would probably not be used more than once in 10 years?

Kit Malthouse: My hon. Friend is right. Proposed subsection (2B) in amendment 1 provides that the Secretary of State would be allowed to use the powers only by permission of the House. I am with my hon. Friend in his desire to protect the House's privileges and powers. I did not get elected to give the Government a free run. When the good people of North West Hampshire elected me, they placed two votes: one for a Government and the other for somebody to hold them account. I will try to do that job. Should the Secretary of State wish to step in, he would have to lay a statutory instrument

[Kit Malthouse]

before both Houses of Parliament and seek their support. It could not be done easily, on a whim or through a signature on a piece of paper. It would require debate and examination, and need all of us to do our job of scrutiny and reach a settled decision to allow him to step in. I recognise that it is a fundamental step and that an element of separation should be maintained.

Kevin Foster: My hon. Friend is generous with his time. In my constituency, Torbay Hospital League of Friends has operated successfully for 60 years, raising millions of pounds for the benefit of local people. A picture is being painted of needing a step-in power, but the whole process that must be gone through to achieve it, which my hon. Friend has just outlined, probably makes the amendment meaningless. Why do these charities need such a provision when other successful charities that are linked to hospitals do not?

Kit Malthouse: My hon. Friend is a dog with a bone. As I have explained—I think five times—I believe that the charities that we are considering are different because of the inextricable link with the institution that they serve. In the public's mind, they are just a vehicle to give the money to the hospital and the national health service. Indeed, many boast about the percentage of money given to them that will be spent on the wards of a hospital. Those charities are seen co-funding, along with the Government, the NHS. I can see that not everybody is convinced, but I hope that others will speak in support of my amendments.

As I have said, the provision would be in the House's control through a statutory instrument. It is not as though the Secretary of State could act unilaterally. We would all have control.

Jeremy Quin: I apologise to my hon. Friend: I rise not to support his amendment, but to oppose it, particularly on the point that he is making. His time is valuable. Does he really think that it is a good use of it for orders on this subject to be laid before this House and the other place, and for the matter to be considered on that grand scale? If he must vest these powers with the Secretary of State, does their exercise need to come back to this Chamber?

Kit Malthouse: I have the utmost respect for my hon. Friend, but that was a slightly odd intervention, given that much of the Bill is about one hospital and it is taking up many hours of debate in the House. I do believe that those kinds of things are serious, and, frankly, he and I have sat on Statutory Instrument Committees on much more trivial matters that take up the House's time.

11.15 am

Wendy Morton: I take exception to the point about the Bill taking up the House's time. It covers not only Great Ormond Street hospital, which is only one clause in it, but the group of special NHS charities. There are about 16 in total; there were 20. In the bigger scheme of things, there are around 260 NHS charities throughout the country, which all do fantastic work, and the Bill really deserves the debate, and the discussion about some interesting amendments. Although I will speak later, I will not support my hon. Friend's amendments.

Kit Malthouse: My hon. Friend makes a mistake. I did not object to the time; my hon. Friend the Member for Horsham (Jeremy Quin) objected to time possibly being used on these matters. I am perfectly happy. I think that the Bill is very good and I support its broad thrust.

Mrs Sheryll Murray: Will my hon. Friend confirm that, when he said that the Bill relates to a single NHS charity, he was referring to one clause? It would help if he clarified that because I got the impression that he said that the Bill related to one specific NHS charity.

Kit Malthouse: My hon. Friend is right. I correct myself. One clause relates to Great Ormond Street and the rest of the Bill clears up some anomalies. The debate is not about Great Ormond Street's requirements, but about other ancillary bits in the Bill. One wonders whether the rest of the Bill could have been included in the Charities (Protection and Social Investment) Bill, and we could have had a short measure about Great Ormond Street, but that is a matter for the Bill's promoter and sponsors.

Jeremy Quin: Will my hon. Friend give way?

Kit Malthouse: No, I would like to move on to amendment 2. I am conscious that others wish to speak.

Amendment 2 would address a particular issue that I have come across in my constituency work. The only national charity that is located in North West Hampshire is the Macular Society. It is quite small and raises about £5 million or £6 million a year, most of which goes into research. One of the complaints of the Macular Society, which obviously deals with sight-related illnesses, is that enormous charities for sight and blindness, such as RNIB and Guide Dogs for the Blind, which raise many tens of millions of pounds—more than £100 million each—put hardly any money into research. Although they are engaged in blindness in its wider sense, they do not use their muscle to improve the lives of those who are afflicted by blindness or partial sightedness through trying to find cures and therapies.

The Macular Society and others complain about that and the fact that, if there was more research, we might be able to do something about the conditions. Part of the reason for the lack of research must be the disconnection with the organisation with which the charities should engage. For example, although I have not looked, it would doubtless be helpful to Guide Dogs for the Blind if it had representatives on its board from the scientific community and some hospitals, such as the Western eye hospital, because then the charity might be compelled to put money into the right causes.

The amendment seeks to ensure that, when an NHS charity is attached to a particular hospital, that hospital is allowed to put at least one trustee on the board. The charities need to stay connected. They need to have a line of communication and to be able to see the right priorities in the organisation rather than decide on their own pet projects, which they foist on the hospital without

negotiation. The disconnection between charity and purpose can often happen, and it seems to be particularly pertinent to blindness.

Wendy Morton: On the point about making these appointments, it would be helpful if my hon. Friend clarified to exactly which bodies the Secretary of State would have powers to appoint under the amendment.

Kit Malthouse: I am sorry, but I am actually talking about amendment 3, not amendment 2. I am getting myself confused because, in usual British fashion, the amendment paper has the amendments in the wrong order. I will deal with my hon. Friend's point when I get to amendment 2.

Amendment 3 would simply ensure that, if any hospital has a charity attached, it has the power to appoint one trustee. That seems sensible. Many of those charities will already have such a provision in their trust document. The amendment would just to make sure of that.

Amendment 2 states that in "exceptional circumstances" the Secretary of State should have the power to

"appoint one or more trustees".

That returns me to my primary point about when charitable trusts go rogue or off the reservation, or where charitable trustees become locked in a group-think situation. Rather than dismiss them all and take control, the Secretary of State may feel that it is more appropriate to appoint one or two people from outside who can add a bit of ginger to the board's discussions, and challenge what they are doing.

For example, a particularly powerful charity that is attached to an NHS hospital might feel that it is flush with cash and that it needs to intervene in a dispute with its doctors, or that it may have cause to campaign politically against some of the things that the Government are doing. It might want to lobby on the NHS settlement by region. When trustees or charities stray into that area—there has been a lot of consternation about that across the House with regard to particular charities—the Secretary of State may reserve power in those exceptional circumstances to appoint one or two trustees to challenge that view.

Nigel Huddleston (Mid Worcestershire) (Con): My hon. Friend is making some valid points. Does he agree that instead of a laser focus on the number of trustees in charitable organisations, the motivation, character and skills of those trustees is the important element to investigate?

Kit Malthouse: My hon. Friend is right, and anyone who is putting together a board of trustees wants to ensure that it contains a full range of skills and experience. As I have said, trustees appoint themselves. No one externally is taking a wider view of how broad the ambit is of those people's experience, how fruitful or consensual their discussions are, or whether they are being challenged. We all know of charities that are made up from small numbers of people. Often, those jobs are undervalued and take a lot of work. The people who act as charity trustees are often heroic, and there are too few of them. Many people will not take on such onerous duties, so there are often small numbers of trustees, particularly in some of the smaller charities such as friends of hospitals and so on. In such circumstances it behoves the Secretary of State to keep a weather eye, and when problems with a local charity are brought before MPs and we wish to raise them with the Secretary of State, we must be able to do so in the knowledge that he or she will be able to do something and appoint somebody to challenge or change things.

Jeremy Quin: My hon. Friend paints a very dangerous picture. He was referring to circumstances in which a charity strays into inappropriate political activity, but that is purely the remit of the Charity Commission. In such circumstances, the last person who should be intervening is the Secretary of State—we would be inviting them to wade into a political quagmire.

Kit Malthouse: That may be so, but—I hesitate to stress this point again—in my view these charities are different. They trade off the advantage of being associated with the national health service. People see them as part and parcel of the health service; they are not viewed as separate in the way that Oxfam or the Guide Dogs for the Blind might be. If something is called the Great Ormond Street hospital charity, people see it as a wing of the national health service.

Craig Whittaker (Calder Valley) (Con): My hon. Friend raises a point about charities going off and lobbying. Does he feel that enough safeguards were included in the Transparency of Lobbying, Non-party Campaigning and Trade Union Administration Act 2014, which was designed specifically to prevent charities from taking non-transparent action?

Kit Malthouse: This is a difficult area. Some charities are composed in such a way that their entire purpose is a social mission. For War On Want or the Child Poverty Action Group, for example, decisions made by politicians are intrinsic to their objectives. Other charities, including some in the health sector, are more about providing funds and ancillary support to hospitals, and that kind of political campaigning is not intrinsic. I am not knowledgeable about the 2014 Act, but since my hon. Friend has raised it I will go and have a look. He may well be right to suggest that it contains enough protections, but I maintain my point that the special status of these charities, and the fact that they raise their money because of their association with the NHS, means that the Secretary of State must maintain some kind of toe-hold. To set those charities completely free is asking for political disaster at some point in the future.

The second part of amendment 2 would mean that if all trustee positions were vacant for three months, the Secretary of State could—and indeed should—appoint some new trustees to kick-start the organisation. That obviously will not happen often, but much of the business of this House involves planning for the unexpected. If a charity were for some awful reason to lose all its trustees at once—perhaps they are all off on a fact-finding mission together and there is a horrible accident; who knows what may happen, but let us pray to God that it does not—the Secretary of State will have the power to appoint people.

Seema Kennedy: I apologise to the House for being repetitive, but my hon. Friend has a vision of doom for the trustees and others. I once applied to be a trustee of

[Seema Kennedy]

Great Ormond Street hospital, and there were hundreds of applications. Those places are filled, and the amendment provides for a situation that does not seem to have any basis in fact.

Kit Malthouse: I apologise if that is a vision of doom, but much of our life in this House involves dealing with the stream of human misery that comes through our letterbox daily. We have urgent questions and statements on all manner of horrific events here and overseas, and much of our legislation is to plan for the unexpected, which seems sensible. Much of our legislation dates back many hundreds of years, and I hope that this Bill will last for a similar period. Who knows whether there will be trustee vacancies in the generations to come. I hope not, but if there are, it would be sensible for the Secretary of State to appoint someone. At the moment, there is nobody else to do it.

Jeremy Quin: In these hopefully extremely unusual circumstances, does my hon. Friend envisage that, once again, the process could drag through both Houses? If a charity tragically loses all its trustees, are we expected to go through the full rigmarole of full parliamentary scrutiny? That seems strange.

Kit Malthouse: I do not think that I have attached that requirement to this straight appointment. If there are no trustees, who objects to the Secretary of State making those appointments? Can anyone think of anybody better? I certainly cannot. Possibly the chief executive of the hospital, but given that they are probably appointed under the influence of the Health Secretary, why not allow the Health Secretary to do it?

Tom Tugendhat (Tonbridge and Malling) (Con): My hon. Friend is generous in allowing interventions. Barely 150 years ago we abandoned press-ganging for the Royal Navy, yet we are now reintroducing it for the charitable sector. It strikes me as odd not to "encourage" the Secretary of State or chief executive to recruit more trustees, but rather to force them to do so. As my hon. Friend rightly said, trustees are volunteers who step forward and step up for the community. They do something that is above and beyond their social duty every day, and we should encourage them in that. He is right to place such an important weight on that, but I question the legislative requirement of making the Secretary of State able to make those appointments. He seems to be asking not for the Secretary of State to be able to ratify a volunteer, but rather for them to go out and call somebody in from the fields, factories and cities and tell them to take up that position. That is slightly losing the focus. If the Secretary of State is not required to do that, all we need is for people to have the opportunity to volunteer, in which case the chief executive or Secretary of State can merely advertise the post.

Kit Malthouse: That is exactly what I am proposing. If there are no trustees for three months, the Secretary of State will have the power to appoint someone. They could run an advert, or decide to press-gang somebody if they want—they can choose their own method. The point is that somebody has to do it.

An interesting technical point that Members who belong to Conservative associations may know is that if an association runs out of trustees its members can appoint a new trustee in a special general meeting. Great Ormond Street charity has no members. There is no group of people who can appoint a trustee, so if it all falls vacant the thing effectively dies. In my view, the amendment is very sensible and I am amazed it is causing such controversy. This very sensible amendment would allow the Secretary of State to appoint one or more trustees to get the thing going again.

11.30 am

Craig Whittaker: I need to challenge my hon. Friend on the assumption of "Who else better than the Secretary of State?" Of course, our current Secretary of State is a very highly esteemed colleague of great standing—I do not question that at all. What I question is the previous string of people who have appointed politically biased appointees to various quangos around the country. Surely he can see that a Secretary of State would have the potential to be not the best person to make the decision.

Kit Malthouse: My hon. Friend will make a great diplomat when the time comes. I agree there is the possibility of misbehaviour by politicians, but we politicians come with a great advantage. We have had a few thousand people vote for us and those few thousand people can vote us out if they think we have behaved badly. There are not many other people in public life who come with that brake on their behaviour.

Kevin Foster: I will make this my last intervention. My hon. Friend has been very generous. With the provisions in the Bill I was expecting today to go off on a trip to Neverland. Instead, with all the death, doom and disaster in this speech I feel we are in an episode of "EastEnders." Does he not agree that there is a very large area of charity regulation to deal with things going wrong and difficulties emerging? Charities will still be subject to that. Merely allowing the Secretary of State to appoint the odd trustee will not deal with any systemic problems. That is what the wider area of regulation is there for.

Kit Malthouse: Many years ago, my mother and father went on a camping trip in Europe. On their first night, they pulled in, in their Thames van, to what they thought was a campsite. In the dark, my father attempted to pitch the tent. Every time he tried to hammer a tent peg into the ground it went "Ping!" and disappeared off into the darkness. Only in the morning did he realise he had been trying to hammer the tent pegs into a concrete tennis court. That is how I feel this morning.

I have tried to explain many times now that these charities are different. They come with a badge upon them that says to the public they are partially in the public sector. Secretaries of State will always have an eye to their conduct, because what they do will impact politically and financially on the national health service and on whichever party happens to be running it at the time. I realise that, in the eyes of the sponsors, I might be pushing water uphill. Most people know I am a

relatively optimistic person and I am hesitant to put these pessimistic circumstances to the House; nevertheless, someone has to do it.

I will move on now, finally, to other amendments. Amendment 9, in the name of my hon. Friend the Member for North East Somerset, seems eminently sensible and reflects exactly the point I have been making about the special connection. In these days of the internet, it is quite easy to download the NHS logo from any hospital website, affix it to a piece of paper and fire it off to raise money. I am sure it has, on occasion, been used fraudulently to raise money. I therefore completely support his wish to have some kind of control over the use of the logo, the name and the brand.

Giving that power to the Secretary of State seems eminently sensible to me, not least because these charities maintain most of their fundraising ability through their connection with the NHS. The leverage is extremely powerful and very useful. Many will raise millions and millions of pounds off the back of their connection with the NHS and they should be encouraged to do so. The judicious use of the brand, the logo and the name is absolutely to be supported, but it needs to be done in a relatively nimble way. The only way I can think to do that is via the permission of the Secretary of State, so I support the amendment.

Unfortunate amendment 4 deals with consultation. As I said in my intervention earlier, during my career in local and city politics consultation became the bane of my life, and of my residents' lives. We all knew, when we participated in a consultation, that the decision had broadly been taken already and that the politician or Department in question was largely going through the motions to make sure they were not judicially reviewed or challenged.

Of course, the notion of consultation was promulgated by the Blair Government. It is a characteristic of our managerial, technocratic politics. Where we have a House filled with conviction politicians who know what they believe, and that what they believe is right for the country, they do not need to go out and consult. They consult once every four or five years through general elections and display the philosophical sheet-anchor that sits underneath every decision they make. However, when politicians drift from their basic principles into unknown waters, they feel a bit uncertain. They feel a need to consult, to be told what to do and to get a feel. That is what politicians do these days: they have focus groups and polls. They consult constantly about their image and what they should and should not do.

I would therefore like to play a small part in doing our bit to rein back the amount of consultation. We could get to a situation where this House becomes redundant. With the advent of technology, the thing that naturally follows consultation is permanent referendums where everybody can vote from their desks, and we do not need to have a House that discusses and debates from points of experience and different aspects. I therefore firmly oppose the amendment.

Michael Tomlinson: Is my hon. Friend not being, once again, overly pessimistic this morning? Does he not recognise the benefits of public consultation, such as the very one that produced this Bill?

Kit Malthouse: No, I am not being pessimistic. I am, I hope, exhorting a message of confidence and optimism that we as politicians should have some sense of belief in what we do. We take our chances—sadly, only once every five years now, rather than once every random number of years—and have confidence. Like my hon. Friend, I want to be a champion for the power and the outlook of this House, so that we do not have to go out and consult constantly, that we are based in a philosophy of which we are sure, and that people understand why our decisions are made given what they have seen of that philosophy.

Mrs Sheryll Murray: My hon. Friend mentions his experience in previous roles of engaging in unnecessary and lengthy consultation procedures. How much of a financial burden does he feel they have been on the taxpayer?

Kit Malthouse: I cannot give my hon. Friend an exact figure, but it is enormous. Many, many hundreds of millions, if not billions, have been spent on consultation where, broadly, minds were made up beforehand. I well remember, back in 2002, the then Mayor of London, Ken Livingstone, consulting on bringing in the congestion charge. He, of course, had already made the decision. In fact, during the consultation the gantries to put the cameras in were already going up. Of course, the response from the public came back overwhelmingly against—nobody wanted it. We could all see the disaster it would be, not least because it was not a congestion charge but a tax on central London. He just shoved it in anyway.

I led the judicial review against the congestion charge in the High Court and sadly failed. The only chink in the armour we could find was the environmental audit, which was useful to me then but is a vehicle that Ministers and other politicians go through to tick the box. We find ourselves, as a country, in this enormous box-ticking exercise. So uncertain are we of what we should and should not do, and so wary are we of the vagaries of public opinion and fashion, that we feel the need to consult constantly.

The wider point is that it communicates to the public an uncertainty about political institutions and therefore undermines respect for them. When people talk about the politicians they respect, they always talk about—even though they did not agree with him—the great Labour Member, Tony Benn. Tony Benn always used to say, "Say what you mean and mean what you say." I do not think Tony Benn ever consulted about anything in his entire life. He had his beliefs pretty much set at an early age and he delivered them. Everybody knew where he stood. Our former great leader, Margaret Thatcher, was exactly the same. A lack of consultation with her party colleagues might have done for her in the end, but consultation on the broad thrust of policy was anathema to her. She displayed and promoted what she believed. On that note, I commend my amendments to the House.

Several hon. Members *rose—*

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I did not want to interrupt the excellent flow of the hon. Gentleman's argument, but, for the sake of clarity and the avoidance of doubt, and because he referred to the numbering and order of amendments—he has not said

[Madam Deputy Speaker]

anything wrong; I wish merely to educate the House—I wish to explain that the order in which amendments are numbered is that in which they are received in the Public Bill Office, but the order in which they appear on the amendment paper is that in which they relate to the Bill. It is actually very logical, but if one does not know why, it sometimes is not obvious.

Wendy Morton: As the Bill's promoter, I rise to contribute to its Report stage.

We have listened to some interesting amendments from hon. Members, for whose submissions and contributions I am grateful, as they have enabled us to discuss, probe and question the Bill further, which is really important. It is worth reminding ourselves that, as of March 2015, there were about 206 NHS charities, with a combined income of £327 million. They do a terrific job and make a huge contribution to many patients, hospitals and NHS staff. Everyone will agree that the vast majority of them, like all charities, do fantastic work and that only occasionally does something go wrong. Sadly when it does, as has been said today, it always makes the headlines.

The vast majority of NHS charities use the corporate trustee model, whereby the Secretary of State does not appoint the trustees.

Pauline Latham: I do not know whether my hon. Friend plans to mention the special care baby unit at Royal Derby hospital, but it has existed for more than 50 years and raises millions of pounds to help those special babies who are born prematurely and need extra help. Does she agree that all the charities that support NHS hospitals do incredibly valuable work?

Wendy Morton: I agree wholeheartedly, and I am grateful to my hon. Friend for sharing with us the example of a hospital charity in her constituency and the fantastic work it does.

I thank my hon. Friend the Member for Mid Dorset and North Poole (Michael Tomlinson) for his amendment that would oblige the Secretary of State to carry out public consultation before making regulations consequential to the removal of his power to appoint trustees to NHS bodies. I understand where he is coming from. In my time as a councillor, many were the days when we discussed the pros and cons of public consultation. On the one hand, we often want more public consultation, but there are times when, as my hon. Friend the Member for North West Hampshire (Kit Malthouse) said, we feel it leads nowhere. It is an interesting point, though, and one that has provoked some lively debate. We, as elected representatives, often ask these questions about public consultation.

Craig Whittaker: I am reminded of my family's frequent trips to Disneyland Paris when my three children were much younger. Their favourite ride was the Peter Pan ride. They played a game to see who could first spot Wendy quivering on the end of the gangplank as Captain Hook chased her into the sea. Does my hon. Friend think that Wendy might be quivering that little bit harder at the thought of yet more public consultation?

11.45 am

Wendy Morton: Absolutely. I hope not to be pushed out to sea either, but that remains to be seen. I sincerely believe, however, that the Bill has a lot of support, as I will mention later on Third Reading.

Michael Tomlinson: Does my hon. Friend not recognise the central thrust of my argument—that the Bill itself was the product of public consultation? All those doom-mongers who have spoken against public consultation fail to see that such consultation has produced some good—namely, her own Bill.

Wendy Morton: My hon. Friend is correct that my Bill is the result of public consultation, as I will expand upon later.

Schedule 1 already makes a range of amendments to primary legislation consequential to the removal of the Secretary of State's powers in England to appoint trustees to NHS bodies and to appoint special trustees, and it would be unusual to consult the public on regulations making such consequential changes. Proper scrutiny of such consequential amendments would be undertaken by Parliament. That is the main reason I do not support his amendment even though it is a valid discussion point.

I will move now to those amendments that relate to the appointment of trustees. My hon. Friend the Member for North West Hampshire has clearly given a lot of thought to my Bill and introduced some very worthy and interesting amendments. I wish to make it clear, however, that I do not wish to swap the letterbox of Aldridge-Brownhills for that of North West Hampshire, given the apparent tone of much of the mail that he receives, and neither would I wish to go camping with his family—the thought of my sleeping bag being laid on concrete does not appeal. I would prefer something more comfortable. Even a field would be preferable—ideally undercover.

The removal of the Secretary of State's powers to appoint trustees is central to my Bill. Having him appoint trustees makes it difficult for these NHS bodies to demonstrate visible independence from Government in the eyes of potential donors. That cuts to the heart of my Bill. Having read and considered the amendments carefully, and having listened to this debate, I struggle to see how they would work on a technical level. The current power is to appoint trustees to particular NHS bodies or to appoint special trustees, not, as the amendments suggest, to appoint trustees to NHS charitable trusts. They therefore seek to re-establish a power that does not currently exist in such a form. I know that the Bill at times gets very technical, but we have to keep coming back to what it sets out to do and the consultation it came from. Similarly, the amendments seeking to retain the Secretary of State's power to appoint trustees in particular circumstances, when there is a commitment to remove them, are not appropriate.

Before I talk further about amendments relating to trustees, it is important to remind ourselves of the background to clause 1, which I have alluded to before. The Bill concerns the removal of the Secretary of State's powers to appoint. Since 1973, the Secretary of State has had powers to appoint so-called special trustees to manage charitable property on behalf of hospital boards.

In 1990, powers for the Secretary of State to appoint trustees in relation to NHS trusts were enacted, and have since been extended to other NHS bodies. These powers are now set out in the National Health Service Act 2006, as amended.

My private Member's Bill fulfils a commitment made by the Government subsequent to the Department of Health review and consultation—there is that word again—in 2012, which covered the governance of NHS charities. As a result, NHS charities will be allowed to convert to independence and the Secretary of State's powers to appoint trustees will be removed at the earliest opportunity. That is what my Bill is designed to achieve.

Mrs Sheryll Murray: In the light of what my hon. Friend has said, are not some of the amendments completely unnecessary, because consultation has already taken place? Is that correct?

Wendy Morton: Absolutely. As I am explaining, the amendments, worthy of consideration though they be, are not necessary in the light of the research I have done, and they would fundamentally change the objectives of the Bill.

The amendment to make

"provision for one trustee to be appointed by the NHS institution…for whose benefit the charitable trust exists"

is an interesting one, but again I do not believe it necessary. Under the new independent charity model there can be a "blend of trustees", meaning there can be a link to the hospital—on the proviso that the NHS members remain in the minority. That is important. When we are seeking to move away from Secretary of State appointments to a more independence model for special charities, it is the word "independence" that is crucial. These charities are seeking to be independent of Government for fundraising and many other purposes.

Kevin Foster: My hon. Friend may be aware that the Public Accounts Committee recently considered a report on the sustainability of NHS trusts, many of which are in deficit. Does she agree that if they had a right to appoint a trustee, it could reinforce in the public's mind that these charities are about back-filling money into the NHS that could or should be provided by the Government rather than being independent charities providing extra money to what is provided by the Government and the public sector?

Wendy Morton: My hon. Friend raises an interesting point. The key point of my private Member's Bill is to enable this group of charities to achieve what they said they wanted in the consultation, which is a shift away from the Secretary of State's powers to appoint so that they can demonstrate independence. The charity world has moved on so much since charities were first created, and the model of governance needs to change in the same way.

What makes this particularly interesting is that previous rules surrounding the appointment of individual trustees were restricted to one linked person only. In any case, I believe that the new arrangements in the Bill—not the amendments—are far better and far more beneficial because this "blend of trustees" helps further to help and enhance communications and understanding by both the charity and the trust. Surely that can only be a good thing.

If I may, as the Member in charge of the Bill, I would like to touch on amendment 9, which deals with the use of the NHS logo and was tabled by my hon. Friend the Member for North East Somerset (Mr Rees-Mogg). I shall not make too many references to fashion. Although I could make many a link between logos—and, indeed, brands—and fashion, I shall leave Members to draw their own conclusions about the fashion, style or otherwise of my hon. Friend. To be fair, he raised the issue of the NHS logo on Second Reading, so it is only right for him to bring it forward today as an amendment for consideration. I bow, if not to his fashion sense, to the grace and eloquence of his style in speaking to his amendment today. Perhaps we could share some lessons.

The term "logo" can be defined as a symbol or other small design adopted by an organisation to identify its products, uniforms, vehicles or perhaps a company or organisation. It is often uniquely designed for ready recognition, and I think the NHS logo fits that definition. It is instantly recognisable, and the public know exactly what it is all about. However, I cannot support the amendment because I believe it is a matter best explored through the Department of Health or perhaps through the memorandum of understanding, which is part of the move to independent charity status. It should not become part of this Bill.

At risk of sounding—hopefully not appearing—more like Hook than Wendy Darling, I will bring my comments to a conclusion by simply saying that although we have explored worthwhile amendments this morning and raised some important points, I shall not support any of those amendments.

Maggie Throup: I am delighted to speak in support of this important Bill on Report and congratulate my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) on leading it through the complexities of the House. In the time available—I shall keep my contribution short because I realise how long it has taken us to get this far this morning—I shall speak specifically against amendment 2. If accepted, it would give the Secretary of State the power to introduce secondary legislation to re-establish his or her right to appoint trustees to NHS charities.

Charitable giving is one of the cornerstones of our society, with the Charities Aid Foundation estimating that in 2014 alone £10.6 billion was donated by the British public to a variety of good causes. Indeed, we are the home of some of the world's greatest charitable fundraisers such as Children in Need, Comic Relief, Sport Relief, and not forgetting, of course, Live Aid.

One clear message that came out of the 2014 consultation on the governance of NHS charities was that potential donors felt put off by the perceived lack of independence of the charities from the Government. One of the Bill's fundamental principles that seeks to rectify this perception—one that I wholeheartedly support—is the removal of the right of the Secretary of State to appoint trustees to particular NHS bodies or to appoint special trustees.

The Bill is designed to give more autonomy to NHS charities to appoint their own trustees and bring them into line with most of the rest of the charitable sector, in

[Maggie Throup]

which that is already common practice. As well as removing the perception that the charities lack independence from Governments, such a move would enable them to adopt different legal forms specific to their needs, particularly those offering limited liability. It would remove the barriers of dual regulation under both NHS and charity legislation, which currently make it difficult for NHS charities to achieve and demonstrate true independence.

Seema Kennedy: My hon. Friend is making a very good point. Members may have seen a report in today's *Times* about trusted professions. Apparently doctors are trusted by 89% of the population, but Ministers—not politicians as a whole—are trusted by only 22%, although I am sure that that does not apply to my hon. Friend the Under-Secretary of State. Surely vesting independence in these charities independently and drawing them away from Governments will only enhance their local reputation.

Maggie Throup: I entirely agree. That is exactly why I feel that they need to be independent from Secretaries of State and Governments. I must read the whole of that article: it sounds extremely interesting. We must think about how we can improve our image in the public domain.

12 noon

I understand the need for safeguarding measures, which I believe amendment number 2 genuinely seeks to introduce, but although the amendment is well intentioned, I feel that it is unnecessary and inappropriate in this case. In the past, sadly, there have been instances in which trustees have clearly not acted in the interests of the charities that they purported to represent. We have already had too much doom and gloom this morning, so I will not go into any more detail, but that has only served to damage the reputation of charities and disrupt the great work that the majority of them do in and for our society. However, I believe that the issue has been addressed to a great extent by the Government's own Charities (Protection and Social Investment) Bill, whose remaining stages will be debated in the House next week, and which seeks to implement new safeguarding measures that include giving the Charity Commission the power to remove trustees who have acted in an inappropriate or negligent manner.

Furthermore, I believe that the amendment would have an undue impact on the process of making all NHS charities with appointed trustees independent, or returning them to a corporate model. By reintroducing the role of the Secretary of State, we would give the impression that where that process had not taken place the status quo was adequate, which contradicts what was said by NHS charities during the consultation that was conducted during the last Parliament. I therefore cannot support amendment 2, and must politely ask my hon. Friend the Member for North West Hampshire (Kit Malthouse) to consider not pressing it.

Kevin Foster: I am conscious of the time, so I shall be careful not to be either repetitive or irrelevant, and to confine my remarks to the amendments. I should make it clear at the outset that, while I respect the points of passion—and fashion—that have been made in support of them, I do not think that any of them would enhance the Bill.

Amendment 4 deals with public consultation. We surely do not want to ask people to comment on a matter that has already been decided, or in circumstances in which a response to a consultation will not make any real difference to the outcome—other than, as was pointed out by my hon. Friend the Member for South East Cornwall (Mrs Murray), potentially helping to take funds away from either the charity and its objectives or the Department of Health, which is paying for the consultation.

As several Members said, nothing is more likely to build public cynicism about politics than the idea that people have been asked to comment on something and their comments will then be virtually ignored. I can think of an example in local government. A council wanted to reduce free weekend parking, because that had been a manifesto commitment and the council had been returned with a majority. However, it then had to engage in a legal public consultation to find out whether motorists objected to the idea of free parking at the weekend, as opposed to the idea of paying for it. That was absolute nonsense. Several thousand pounds were wasted on advertising in the local press with public notices, and, funnily enough, no motorist wrote in saying, "Do you know what, I would actually like to pay two quid next time I park."

We should not introduce measures that will engender cynicism. We should not say that a measure has been decided on and announced, but will be subject to a consultation; nor should we provide for a consultation on a matter that is highly technical, and with which very few people will be able to engage. When I was preparing for the Second Reading debate and for today's Report stage, I found myself burrowing into a huge amount of detail. I do not see how a consultation would be effective.

Mrs Sheryll Murray: With individual consultations as well, there is no guarantee we are going to reach everyone. I remember when a consultation was entered into on whether Cornwall should have a unitary council, and the company used admitted in the end that it had not reached all the households concerned, so a lot of people were missed. This is one of the downsides of consulting on individual things.

Kevin Foster: My hon. Friend makes excellent points about the difficulties in reaching everyone. In the consultation that created Cornwall Council, there was a major discussion to be had on, I believe, six district councils and one county council being merged into one. There was significant media coverage on, for instance, BBC "Spotlight" and BBC Radio Cornwall, but still, even after all that, some people will have said, "I didn't know the consultation was going on," or "I didn't know exactly what the nature of the consultation was."

I sat through discussions about future local government structures, including referendums on an elected mayor, during my time in the midlands. People could, I think, engage with some things—for example, planning decisions or social services decisions—but in terms of how a local charity board is structured at the local hospital, and who can make appointments, how they are structured

and the process gone through to make them, I cannot see many people saying, "I want to go out to talk about that on a Tuesday night in mid-February."

If we are having consultations, they should be meaningful. On the question of what is "appropriate", we should be asking what the appropriate stage is of decision making for each item. As I have argued in the Chamber before, on major constitutional change—the voting system for this House, for instance, or whether we abolish, or significantly change, the other place—we would probably at least need a manifesto commitment, and without that people should be directly asked for their consent to make that change. In terms of the fundamental constitution, it should have the direct consent of the people, therefore. At the other end of the spectrum, however, none of us would argue that the things that this House deals with through secondary legislation would be appropriate subjects for public referendums.

We should ask what the appropriate process is, and in this case the appropriate level of consultation would more be along these lines: "Yes, the charities should talk to each other and, yes, they should go through the normal process to appoint trustees by speaking to their members, but they do not necessarily have to host a public meeting to discuss that." If this amendment were passed, there would be the nonsense that these particular charities would be required to go through a public consultation, yet the vast majority of charities in this country, who are regulated under the normal method for charities, would not have to do so. I recognise the intention of my hon. Friends the Members for Erewash (Maggie Throup) and for Mid Dorset and North Poole (Michael Tomlinson) in wanting people to be able to engage with the NHS and its services, but this amendment is not the right way of going about it.

On amendments 1, 3 and 2, tabled by my hon. Friend the Member for North West Hampshire (Kit Malthouse), I found the level of doom and disaster that was presented as possibly affecting these particular NHS charities quite interesting. If anyone listening is thinking of becoming a trustee, they might be slightly put off from doing so when they hear all the things that could possibly happen to them as a member of the board of trustees of one of these charities. I am not at all convinced that we need special provision in this Bill for these charities, rather than the wealth of charitable legislation that we already have, including a Bill currently before this House to change that legislation.

I do not think these amendments would tackle the issues, and worst of all they still give the idea that the Secretary of State is in control of a charity. As I said on Second Reading, at the heart of this Bill is independence. It is about these charities not being seen as an arm's length part of the Department of Health—not being seen as government by the back door.

Wendy Morton: Does my hon. Friend therefore agree that these amendments on trustees, which seek to re-establish the powers that my Bill wishes to remove, represent a regressive step, rather than the progressive step the Bill seeks to deliver?

Kevin Foster: My hon. Friend is right. The whole point of the Bill is to free these charities from being, in effect, arm's length parts of the Government. If we say, "We want to free you, but now we want to pop back in the Secretary of State having specific powers that do not apply to any other charities", that is not a coherent argument and it would not produce coherent legislation. Hon. Members may have concerns about how charities are regulated and whether someone can go off to the Seychelles with the money, but that is a debate about the wider system of charity regulation in this country. They should not seek to put something specific into this Bill that adds another layer of bureaucracy for the charities involved, given that the whole point of the Bill is to get shot of such bureaucracy. I am not persuaded by those amendments.

Amendment 9 deals with the NHS logo. It was put forward eloquently by my hon. Friend the Member for North East Somerset (Mr Rees-Mogg), but, sadly, I will not be joining in the fashion of supporting it. I appreciate that the bodies it deals with are working closely with the NHS, but so, too, do other charities. For example, the Torbay Hospital League of Friends has its own logo and it successfully raises money for Torbay hospital. The name makes it obvious what it is linked with.

Mrs Sheryll Murray: We could extend that point even further. A lot of the surgeries in my constituency have "friends of the surgery" organisations. Are we saying that they should be allowed to use the NHS logo, too? Where does this end?

Kevin Foster: I thank my hon. Friend for that good point. Once we start on the principle of these changes, where do we stop? Karing, a charity in my constituency—it is in Preston, in Paignton—is very closely linked with a local doctor's surgery, and it was lucky enough recently to have had its new base opened by Esther Rantzen. It is not, however, part of that surgery. Clearly, the two work together, with Karing supporting and providing great services, giving real benefits to local people, but, crucially, it is not part of the business that is the surgery, nor is it part of the business that is the NHS. That is where the logo point comes in.

Tom Tugendhat: My hon. Friend is making a strong, clear point. In my constituency, Edenbridge hospital has a league of friends, which is there not only to support the hospital—it does that incredibly impressively—but to support the needs of the community and to advocate when the hospital gets it wrong, which, occasionally, it may have done. Keeping that independence is essential so that the charity can actually do its job and not merely be an adjunct to the hospital.

Kevin Foster: My hon. Friend makes the excellent point that many people will see a league of friends at a local hospital as not just having a function of holding some money in an account, but as also being a stakeholder in the process, able to speak independently and fearlessly about the local hospital and the charities. It needs to be seen as neutral and independent. As we have mentioned, the Public Accounts Committee looked in depth this week at the financial sustainability of NHS trusts. There are concerns about that, and we have seen examples where NHS trusts have gone badly wrong. Thankfully, this Government have been far more prepared to talk about that and deal with it than previous Governments have been. If the charity is seen to be part of the trust, we go back to the idea that the charity is not bringing in additionality. People will think, "I am not donating

[Kevin Foster]

money so that there is something extra; I am donating money that could or should have been provided by the Government or by the trust."

If we start spreading the logo around, we open up other debates that are not particularly helpful, as we set a precedent. That was touched on briefly in the intervention by my hon. Friend the Member for South East Cornwall. People are very precious about the NHS—it is a symbol of the public sector, delivered by the public sector. That is a very important point. If we start extending use of the logo to charities, what do we do about other bodies that might wish to start using it? For example, we regularly see the NHS logo used alongside "in partnership", for example with a foundation trust or the Department of Health, but we do not see groups such as my local league of friends abandoning their long-established and very well-recognised brand within the local area to say that they are collecting for the NHS. The Torbay Hospital League of Friends is doing a great job with its "This is Critical" campaign to get money to help equip the new critical care unit of the hospital, but it is not the NHS, and the essence of that approach is that what it provides is additional and that it is independent. That is why, for me, the amendment would go against the whole spirit of the Bill, which is about independent charities and independent trusts. For me, amendment 9 does not make sense and I will not be supporting it. I hope that my hon. Friend the Member for North East Somerset will not press it to a vote.

12.15 pm

As I have mentioned in my interventions, this is a worthwhile Bill that sets a great framework for having an independent set of charities and a facility whereby people can more easily raise funds and make a difference for their local hospital and their local community. Some of the amendments would emasculate those aims, making it look as though the organisations covered by the Bill were part of the Government. I therefore do not think that the amendments can stand.

The Bill as it has come from the Committee makes sense, sets out the appropriate safeguards and should not be seen as sweeping away regulation or oversight of these charities. It places the charities under the oversight that this Parliament has provided for every other charity in this country. If the regulation system is good enough for Rowcroft hospice, a place that provides exceptional care to those in the final stages of their life, and for the Torbay Hospital League of Friends, it is good enough for the charities covered by the Bill. I urge the Members who have tabled these well-meaning amendments, supporting the overall objective of the Bill, to realise that many of them do not help the Bill's aims and in fact strike at its heart. I hope that they will not press them to a vote.

Jeremy Quin: It is a pleasure to follow my hon. Friend the Member for Torbay (Kevin Foster). Like him, I am a great supporter of the Bill and, like him, I think that it emerged in good shape from Committee. I congratulate my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) on steering it on its merry path to get here today. It is because I support the Bill that I look askance at some of the amendments. I wish the Bill a smooth passage today; that is why I oppose the amendments, particularly amendments 4, 2 and 7. My hon. Friends have been incredibly generous in giving way to a number of Members this morning, including me, so I do not feel the need to speak at length. However, there were one or two points that I thought would be useful contributions to the debate.

On amendment 4, tabled by my hon. Friend the Member for Mid Dorset and North Poole (Michael Tomlinson), I thought that my hon. Friend the Member for North East Somerset (Mr Rees-Mogg)—the fashionable Member for North East Somerset—was somewhat cynical in his approach to public consultations. There are at least three circumstances in which public consultations can be valuable. My hon. Friend the Member for Torbay mentioned one: cases of great constitutional import for this Chamber and this country. My hon. Friend the Member for North West Hampshire (Kit Malthouse) referred to others, and made an excellent point about the consultation on the congestion charge in London—a matter of wide regional interest. The cost of that consultation was borne to ensure that the relevant authorities had a proper appreciation of the views of the electorate, which was a wise step in those circumstances.

There are also circumstances in which consultation is appropriate at a local level. One such case in my constituency related to school catchment areas, which matter greatly. It is important that those consultations are carried out properly, and that all those who will be affected—or, in this case, whose children will be affected—are able to contribute to those consultations. Not every consultation is conducted to as high a standard as we would all wish.

The amendments are extremely technical. I urge my hon. Friend the Member for Mid Dorset and North Poole to reconsider his amendment 4, as it would place a huge burden on the Secretary of State and on the trustees to go through a process of consultation on highly technical issues that are not matters of constitutional, regional or local import affecting individuals. Although I greatly respect my hon. Friend, going through a process of public consultation is unnecessarily burdensome, particularly where the matter will be reviewed and can always be brought to the attention of this House through the normal procedure. We should empower the trustees to take decisions.

Understandably, my hon. Friend was not able, although pressed by my hon. Friend the Member for South East Cornwall (Mrs Murray) and by me, to give an approximation of the costs or who may bear them. That should be a point for consideration by the House.

Michael Tomlinson: I am grateful to my hon. Friend for not being quite so cynical about public consultations as other hon. Members have been during the debate. Perhaps he should cite one further consultation: that which was the foundation of the Bill. On cost, he does not press me to come up with a precise figure, I know, but does he accept the broad point that if public consultation is right in principle, the cost will have to follow, come what may?

Jeremy Quin: I am grateful to my hon. Friend for clarifying his views. I have no problem with paying for consultations when they are necessary and appropriate, but I do not believe that the circumstances likely to pertain to the Bill will be in that category. Issues worthy

of consultation are those described by my hon. Friends the Members for Torbay and for North West Hampshire, and the local issues to which I referred.

On amendment 2 tabled by my hon. Friend the Member for North West Hampshire, I hope he will not be upset if I refer to it as the magic circle amendment—now you see it in the Bill, now you don't—hey presto. With one stroke, his amendment would remove a power that is at the core of the Bill, as it creates clarity for the charities concerned. I know that every hon. Member who has tabled an amendment today is a passionate supporter of those charities, as are we all. The benefit of the Bill is that it provides clarity to the charities. Under the Bill, trustees will become fully independent. They are left in no doubt about who is responsible for the conduct of the charity and about their own corporate governance. That is a good thing, which empowers them and encourages responsibility.

Kevin Foster: My hon. Friend has made some excellent points. Does he agree that the point of the Bill is to make these charities independent and regulated like others? This is the Peter Pan Bill, but the tale of disaster behind the amendments will make them the Tinker Bell amendments.

Jeremy Quin: I am grateful for my hon. Friend's knowledge of pantomimes. No doubt Captain Hook is in there somewhere. I certainly accept the pith of his remarks. By making the charities fully independent, we provide clarity not only to the trustees by empowering them, but to donors, who will know that their generous gifts to the charities will be looked after by independent trustees.

My hon. Friend the Member for South Ribble (Seema Kennedy) referred to the sad state of current polling on Government Ministers. I think we would all agree in this House that those who fulfil the functions of charity trustees are good people doing a good task, and are recognised as such. They are the people whom the generous donors to these charities want to be in command of the assets that they transfer, rather than any other body. That is why I oppose the amendment.

Amendment 7, which stands in the name of my hon. and fashionable Friend the Member for North East Somerset, would merely add to complexity and cost, neither of which is required. In particular, a report from the Comptroller and Auditor General is an unnecessarily bureaucratic step.

Seema Kennedy: Does my hon. Friend agree that if we are trying to increase the public's confidence in these charities, involving bodies such as the Comptroller and Auditor General—names that are alien perhaps to many of us, and definitely to our constituents—will not fulfil the purpose of this Bill?

Jeremy Quin: The Comptroller and Auditor General already has a very valuable role, and I would not wish to place extra burdens on him. I take my hon. Friend's point.

The purpose of the Bill is to provide clarity, so that donors know that the boards are in control of their destiny and will look after their assets appropriately in the interests of the charitable endeavours that they serve. Involving bodies such as the Comptroller and Auditor General would merely invite bureaucracy and confusion. There are myriad auditors prepared to do a good job to support charity trustees in their work and to ensure that their accounts are kept in good order, so I do not see the need to involve public bodies. With that in mind, in particular, I beg to differ with my hon. Friend the Member for North East Somerset, and I hope that he will not press his amendment.

I congratulate my hon. Friend the Member for Aldridge-Brownhills on introducing this Bill, which I wish a smooth passage. I hope that those who have tabled amendments will think again and not press them to allow for that smooth passage.

Barbara Keeley (Worsley and Eccles South) (Lab): I congratulate the hon. Member for Aldridge-Brownhills (Wendy Morton) on bringing her Bill through to Report. The Bill will improve the independence of NHS charitable trusts, and I am pleased to speak on it. I did not serve on the Committee, but I note that it lasted only 10 minutes. The House has obviously since developed an appetite for debating amendments, which could be seen as surprising. However, the hon. Lady dealt with them very well, so I will keep my comments short.

Michael Tomlinson: Will the hon. Lady give way?

Barbara Keeley: No, because I want to keep my comments short, as I say.

As we have heard, funding from NHS charities supports innovation and research and enables the provision of additional facilities, services and equipment for their associated hospitals. Some Members have cast a shadow of doubt over the value of NHS charities, and I want to challenge that. Salford Royal NHS Foundation Trust in my local area has its own charity, and last year it raised over £450,000, which was used to provide additional services at the hospital. As with other NHS charities, the majority of its funding comes from donations and legacies, with some from investment income; there has been a great deal of debate about how donors feel about that. In some cases, however, donations come from patients and their families who are grateful for the care that they have received. Salford Royal is an excellent hospital, so it is very good that patients and their families are able to make donations via the charity to express their thanks. That is a very important aspect.

The charity funding of Salford Royal NHS Foundation Trust has been put to good use. In the past year, it has provided additional staff training and supported medical research, with the aim of promoting health and improving the treatment and care of patients. There has been a negative aspect to this debate, with doubt being cast on the value of NHS charities, but I do not agree with that. I agree with the hon. Member for Aldridge-Brownhills that the various amendments will not improve the Bill, and I am happy to support that position on behalf of the official Opposition.

12.30 pm

The Parliamentary Under-Secretary of State for Health (Jane Ellison): What a fascinating morning this has been. I add my congratulations to my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton), who has dealt with some of the amendments. I hope to add some additional information and clarification, and to

[Jane Ellison]

provide the useful history behind the need for and origins of the Bill. It is good that it has been debated with such thoroughness and that it has been given clear attention.

Michael Tomlinson: I am grateful to the Minister for mentioning the thoroughness of this debate. Does she agree that one of the reasons for the short Committee stage was that this House was debating the important matter of Syria? The Bill is important, but some might argue that the Syria debate was more important. Perhaps that explains why the Committee stage was so short.

Jane Ellison: That is probably a helpful thing to put on the record. All Members have to use their time wisely and appropriately, whatever the business of the House is at any one time. That seems to have been a sensible thing to do. Thankfully, we have been able to give this small but important Bill the time and attention it deserves this morning.

I thank my hon. Friend the Member for Mid Dorset and North Poole (Michael Tomlinson) for tabling amendment 4, which seeks to oblige the Secretary of State to carry out public consultation that he considers appropriate—we have dwelt on that somewhat—before making regulations that make provisions consequential on the removal of the Secretary of State's powers to appoint trustees to NHS bodies and to appoint special trustees. I do not believe that the amendment is necessary, for some of the reasons covered by others and on which I will try to elaborate.

Schedule 1 already makes a range of amendments to primary legislation that are consequential on the removal of the Secretary of State's powers. They remove references to trustees in other legislation, because they would no longer make sense given that such trustees will no longer exist. The regulations that the Secretary of State does have the power to make under clause 1(2) are technical and remove any outdated references to such trustees, so that, in effect, tidies up all related provisions in primary or secondary legislation that might come to light in future.

It would, therefore, be unusual to consult the public. Members have given interesting examples of consultations in their own constituencies. It is fair to say that a degree of cynicism has been expressed, perhaps unduly, but I certainly agree with the principle that one should go into a consultation with an open mind. I assure the House that the Government seek to do that when they enter into consultations.

The situation with technical issues, however, is slightly different. The amendment seeks to consult the public on regulations that make technical, consequential changes, but proper scrutiny of such consequential changes is undertaken by Parliament. Indeed, Members have referred to such occasions. That is especially the case when consequential amendments are made by regulations to primary legislation, as the regulations are subject to debate and approval in both Houses. I hope that that gives some comfort to those who were concerned about the consultation issue.

Amendments 1 and 2 propose the retention in one form or another of the Secretary of State's powers to appoint trustees, and we have had a good debate about that. Amendment 1 would give the Secretary of State the power to make provision, by secondary legislation, to re-establish the Secretary of State's powers to appoint trustees to NHS charitable trusts. It would make such secondary legislation subject to the affirmative procedure and require that the draft secondary legislation be published three months before it is laid before Parliament.

Amendment 2 makes provision for the Secretary of State to appoint one or more trustees where he or she is satisfied that

"exceptional circumstances exist, or…all the trustee positions in relation to a particular charitable trust have been vacant for a period exceeding three months".

As has been said, independence is the next stage in the evolution of NHS charities. Now that NHS charities have the choice to become independent or to remain as NHS charities with corporate trustees, the Secretary of State's powers to appoint trustees have served their purpose and are no longer necessary.

Before the Government's reform of the regulation and governance of NHS charities, nearly all the largest NHS charities had trustees appointed by the Secretary of State. As other hon. Members have said, particularly the Bill's promoter, my hon. Friend the Member for Aldridge-Brownhills, such charities were frustrated by the dual regulation of NHS and charity legislation, and one can quite understand why they felt limited in their ability to best support their beneficiaries. Many of the charities wanted the opportunity to become independent so that they could fully realise their potential. Other hon. Members have made good points about their need to express their independence and distance from the Government.

The Government's reform of the regulation and governance of NHS charities has given those that wished to do so the opportunity to convert to independent status under the sole regulation of the Charity Commission. Six of the largest NHS charities with trustees appointed by the Secretary of State have already converted to independence, having decided that that is their best option for the future. The vast majority of the remaining 15 NHS charities with trustees appointed by the Secretary of State have indicated that they, too, plan to convert to independence in the near future. Three NHS charities with corporate trustee arrangements have also indicated that they wish to convert to independence.

At this point, it might be useful for the House and assist hon. Members who have tabled amendments that question some aspects of the Bill if I go a little into the history of this reform. It has always been a challenge to develop a system of regulation and governance that is workable for both the small number of very large NHS charities and charities with income of only a few thousand pounds a year. Within the sector, income is heavily skewed towards charities linked to large, high-profile hospital trusts, some of which have been mentioned during the debate. In 2012, the top five NHS charities accounted for more than a third of the total income, the top 15 for more than half of the total income and the top 30 for more than two thirds of the total income. However, the 50 smallest registered NHS charities had an average annual income of less than £10,000. The largest NHS charities require a different level of professional management.

Pauline Latham: Does my hon. Friend agree that NHS charities helping to put defibrillators in public places are doing a good job for the country? I am trying

to persuade all my churches to have defibrillators outside their buildings for the benefit of the community, and some have already done so. It is an important fact that charities within the health service do a huge amount of good out in the community, as well as in hospitals.

Jane Ellison: My hon. Friend is absolutely right. Several hon. Members have mentioned charities in their area that are doing great work to increase the public availability of defibrillators. Perhaps I may take a moment to update the House on that matter. The Government were delighted, in partnership with the British Heart Foundation, to provide £1 million for defibrillators, meaning that this life-saving equipment will be given to communities right across the country—we have heard about several examples this morning, and my hon. Friend has mentioned another great example in Derbyshire—and that more people can be trained in cardiopulmonary resuscitation. That will make it easier for people to act in an emergency, and ultimately it will of course save lives.

I can update the House by saying that applications opened last October and interest was very high. The British Heart Foundation allocated funding to applicants who could demonstrate that the criteria had been met, and the application process has now closed. We look forward to hearing more about all the places around the country—I am sure that some of them will be in constituencies of hon. Members in the Chamber—where such life-saving work will be enabled.

Kevin Foster: I am interested to hear the Minister's remarks. Given the slightly negative perceptions of charitable work and the descriptions of things that could go wrong that we heard earlier, would she like to comment on the things that are going very well? Will she put on the record her thanks, on behalf of Her Majesty's Government, to the Torbay Hospital League of Friends? Over 62 years, it has raised millions of pounds to support local people and it is currently running its "This Is Critical" campaign to provide equipment for the new critical care unit that is under construction at Torbay hospital.

Jane Ellison: My hon. Friend is exactly right. At times, the debate has moved into rather gloomy territory. He used the "EastEnders" analogy. During the contribution of my hon. Friend the Member for North West Hampshire (Kit Malthouse), I began to think he was speaking to the Private Frazer amendment—the "We're doomed!" amendment.

My hon. Friend the Member for Torbay (Kevin Foster) is right to bring us back to the great work that is being done. My experience of a local league of friends is similarly positive. Often, in the cut and thrust of our debates on legislation from Monday to Thursday we do not have time to put on the record the thanks of Parliament and the Government for the efforts of groups like his league of friends. It is welcome that this morning, when we have a little more time, we are able to put on the record our thanks to people who are not in the spotlight, but who are doing wonderful work in all our constituencies. I congratulate him on doing that and join him in praising the Torbay Hospital League of Friends.

Jeremy Quin: On that note, may I draw to the Minister's attention one charity in my constituency? Like my hon. Friend the Member for Torbay (Kevin Foster), we have charities that support the local hospital, but we also have Action Medical Research, which does a wonderful job for children. It was formed back in 1952 and has the distinction of being supported by Paddington Bear, which is wonderful. It runs the largest regular London to Paris bike ride to raise funds to support research into diseases that affect young children. It is not directly linked to the NHS, but it is a wonderful medical charity. I hope that the Bill will empower many more such charities to get going.

Jane Ellison: How nice it is to hear about that charity. I congratulate my hon. Friend on taking the opportunity to praise it and to shine a spotlight on a charity that so richly deserves it. Indeed, well done to him for name-checking Paddington in a debate that has been otherwise dominated by Peter Pan. We will see whether any more well-loved characters make an appearance before the end of the debate.

Maggie Throup: I cannot lay claim to any characters in my constituency. It is not just the work that charities do in hospitals that is important, but the work that they do outside hospitals to make sure that people do not go into hospital. One of my local charities, Community Concern Erewash, recently linked up with the Alzheimer's Society to work in the community to help people suffering from Alzheimer's to cope in their own homes and stay in their homes a lot longer. Will my hon. Friend praise that charity and recognise the contribution that such charities make to our society?

Jane Ellison: I am delighted to add my praise for my hon. Friend's charity. I was honoured after the election to have dementia policy added to my portfolio as public health Minister. She is right to draw our attention to the need to work outside hospital to keep people safer in their own homes. As I know from working with dementia charities, large and small, much of that work is done by small local charities. I am delighted to echo her praise for the charity in her constituency.

To return to the amendments, although the largest charities require a level of professional management, the same is not required by many of the smallest ones. The corporate trustees arrangement, whereby the board of the trust or, prior to that, the board of the hospital acts as the trustee, is not sufficient to manage the large sums that are held by the largest NHS charities. They need a more professional approach, in many cases. The Government first took steps to address that issue in 1973. The Secretary of State took powers to appoint so-called special trustees to manage charitable property on behalf of hospital boards. Three hospitals—Moorfields, the Royal National Orthopaedic hospital and Great Ormond Street—appointed such special trustees to manage their charitable funds.

12.45 pm

With the advent of NHS trusts in 1990, the Secretary of State acquired powers to appoint trustees to them. Those powers have since been extended to other NHS bodies, although they have been used to appoint trustees only to NHS foundation trusts as well as NHS trusts.

Corporate trustees, who consider that separate trustees might be appropriate, can approach the Department of Health to ask the Secretary of State to use his powers to enable the appointment of separate trustees. The size of the charitable funds was the key determinant in deciding whether separate trustees were appropriate.

Guidance that the Department issued in 2011 stated that assets of more than £10 million and an annual income or expenditure of £1 million would provide a clear case for the appointment of separate trustees. It was considered that charities of this size had the critical mass to benefit from the cost of employing specialist expertise in administering the fund. I think that we all recognise the common sense of that. In total, 18 NHS charities have separate trustees appointed by the Secretary of State.

Although separate trustee arrangements enabled the largest NHS charities to benefit from more expert management, there were still frustrations. Several of the largest NHS charities called for reform because of concerns that the NHS legislative framework limited charities' freedom to grow and develop their charitable activity to best support their beneficiaries. They cited a number of issues with separate trustee arrangements.

The fact that the Secretary of State appoints the trustees made it difficult to demonstrate visible independence from Government to potential donors. Several colleagues made that point well in the debate. Donors feared that charitable donations would simply be swallowed up in running the trust rather than giving a clear charitable benefit.

Being bound to NHS legislation prevented the charities from adopting different legal forms appropriate to their specific needs, particularly those offering limited liability. There has been a good debate this morning about the encouragement that we might give people to come forward as charity trustees: what might encourage people to embrace that opportunity and also what might put them off. That is important. Understandably, trustees and potential trustees were nervous about the personal risks that they faced in relation to their liabilities.

The "Agenda for Change" arrangements that govern NHS staff pay and conditions are often not a good fit for NHS staff who support NHS charities. In addition, the Charity Commission believes that dual regulation, under both NHS and charity legislation, made it difficult for NHS charities to achieve and demonstrate independence.

As a result of the concerns, the Department conducted a review of NHS charities in 2011, consulting publicly, although not especially fashionably, on its proposals in 2012 and publishing its response in 2014. I do not want to labour this point but, as we all know, the Government announced that they would allow NHS charities to move to independent charity status. Charities that decided to become independent would no longer be NHS charities, but independent charities, regulated solely by the Charity Commission and responsible for appointing their own trustees. The Department put safeguards in place to preserve the unique relationship between the charities and the trusts with which they are associated.

I think that a concern was in the back of some hon. Members' minds as they discussed the possible unhelpful directions in which independent charities could go off in. The funds that are transferred to the new charity can be used only for the same charitable purpose as originally intended. I hope that that gives hon. Members some comfort. The NHS body should have some involvement in a new charity's governance arrangements, for example, by having a specific place on the board. The Department and the Association of NHS Charities—I know that that body is well respected; my hon. Friend the Member for Aldridge-Brownhills has worked closely with it and she might say more about that on Third Reading—have published detailed guidance for charities on that policy.

The Department concluded that, in view of the responses to the consultation and the new freedom for NHS charities to become independent, the Secretary of State's power to appoint trustees was no longer necessary. We would all—certainly Government Members— agree that we do not want unnecessary legislation.

As I have set out, NHS charities with separate trustees have seized the opportunity to become independent. Independence is also attracting strong interest from some of the larger NHS charities with corporate trustee arrangements, and we will see further movement over the next few years.

Let me say a little about why amendments 1 and 2 are unnecessary. There are a number of policy and technical legal issues, which is I why I believe that the amendments should be withdrawn. The Government gave a clear commitment in their consultation response that the Secretary of State's powers to appoint separate trustees would be repealed at the first legislative opportunity. It would therefore be unusual to remove those powers now, and then include a power to re-establish them in the same Bill. That would demonstrate indecision, and send a mixed message to the charity sector and to donors—the opposite of what we are trying to achieve.

Clear independence from the Government was one of the main drivers for the charities involved—again, that has been drawn out in our debate. What message would it send to donors if charities could revert to having trustees appointed by the Secretary of State? Such a measure would also undermine the process set up to move all NHS charities with separate trustees to independence, or back to corporate status. We do not want to give the impression that continuing with the status quo might be acceptable when that is not the case.

There are also technical problems with the amendments. Amendment 1 would not work because the Secretary of State's current powers allow them to appoint trustees to particular NHS bodies, or to appoint special trustees, and not—as the amendment suggests—to appoint trustees to NHS charitable trusts. That is a technical distinction. As has been said, the appointment of trustees is already governed by charity law for independent charities, or, for NHS charities with corporate trustee arrangements, by the provisions that govern appointment to the board of NHS bodies.

A difficulty with amendment 2 means that it too would not work. Regulations in clause 1(2) are aimed at enabling the Secretary of State to make consequential amendments to legislation that are necessary as a result of the removal of the Secretary of State's powers to appoint trustees to NHS bodies, and to appoint special trustees. To extend the scope of those regulations to empower the Secretary of State to appoint trustees in particular circumstances is entirely inappropriate, as such a provision would not be considered consequential on the removal of the Secretary of State's powers.

Rather, it is a direct contradiction of that position. Equally, it is unclear in the amendments to which bodies the Secretary of State would have the power to appoint trustees.

For amendment 3 my hon. Friend the Member for North West Hampshire invoked the Private Frazer-style of debating, and made us all feel—hopefully not people outside the House—that they might be doomed were they to engage in what we all know to be a particularly satisfying form of charitable and public service, which is serving as a charity trustee. My hon. Friend the Member for Torbay (Kevin Foster) was effective in giving some of the reasons why many of us were unconvinced by that.

Kit Malthouse: Will the Minister give way?

Jane Ellison: I will; it is only fair.

Kit Malthouse: By no means was I trying to give the impression that charity workers and trustees across the UK are not doing brilliant work. Most of them are well-minded, and efficient in disposing of their duties as they should. As I am sure the Minister will agree, much of our legislation involves dealing with exceptions. Most people live their lives largely untouched by legislation in this House—although more and more they are touched by legislation from over the water in Europe—but we are dealing with exceptions. All I was trying to do was to deal with an exceptional circumstance where a negative situation may arise, and I have nothing but admiration and optimism for the vast majority of charities, charitable workers and trustees.

Jane Ellison: That is a helpful note of clarification. I sense we all felt that beneath the Private Frazer amendment lurked a Private Walker amendment instead. My hon. Friend is right to draw our attention to some very high-profile exceptions to the general rule. His exposition of the challenges that some high-profile charities face was compelling. It is helpful for us to have that on the record and to go forward with consensus on the merits of being a charity trustee.

Amendment 3 seeks to give the Secretary of State the power, in the regulations he may make, to make provision consequential on the removal of the Secretary of State's powers to appoint trustees in clause 1(1) to make

"provision for one trustee to be appointed by the NHS institution, service or function for whose benefit the charitable trust exists."

The guidance to NHS charities, produced jointly by the Department of Health and the Association of NHS Charities, suggests that the constitution of the new independent charity could provide for at least one trustee on the board being appointed by, or from, the NHS-linked body. It is a suggestion, rather than a binding obligation, that the new charities constitution should make this provision. The constitution of the new independent charity is a matter best decided by those nearest to the beneficiaries. In the case of an NHS charity with separate trustees, the board of the linked NHS body must support the terms of the conversion, including the terms of the new charity's constitution, for the Secretary of State to agree to the revocation of their appointment. In the case of a charity with corporate trustee arrangements, it is self-evidently the board of the relevant NHS trust or NHS foundation trust that agrees the constitution of the new charity—again, offering that safeguard.

Ultimately, this is all about independence and local autonomy. The level and the nature of the agreement between the NHS body and the new charity needs to be a matter of local agreement. It is a matter for the local NHS and the charity to agree a constitution for the new independent charity that best meets the needs of beneficiaries.

Amendment 3 has similar technical difficulties to those I outlined in relation to amendments 2 and 4. It is unclear to which bodies amendment 3 relates, and what is meant by

"the NHS institution, service or function".

A service or function referred to in the amendment cannot appoint a trustee. Again, I am afraid that such regulation-making power would not be workable.

Amendments 5 and 6 seek to remove the requirements that the regulations, which may make provision consequential on the removal of the Secretary of State's powers in clause 1(1), would have to be subject to the affirmative resolution procedure if they amend legislation. Instead, the two amendments propose that the removal of the Secretary of State's powers should be subject only to the negative resolution procedure. We believe that the affirmative resolution procedure is the appropriate form of oversight for these regulations. Parliament should have the opportunity actively to debate and vote on secondary legislation that amends primary legislation. Making such regulations subject only to the negative resolution procedure would not provide an appropriate level of parliamentary scrutiny.

There has rightly been much discussion this morning about the appropriate level of parliamentary scrutiny—and indeed the meaning of the word "appropriate"—but I think there was a strong feeling in the House that there are moments when parliamentary scrutiny is very important, particularly when it can be done with the level of detail we have seen this morning. I believe the current level of parliamentary scrutiny provided for in the Bill for this regulation is appropriate, and there are a huge number of precedents to support this approach.

I thank my hon. Friend the Member for North East Somerset (Mr Rees-Mogg) for tabling amendments 7 and 8. The amendments seek to provide that the regulations that may be made by the Secretary of State under clause 2(1) to transfer trust property from appointed trustees for an NHS trust or NHS foundation trust back to the NHS trust or NHS foundation trust, should be subject to the affirmative resolution procedure. The amendments would also require that such transfers be accompanied by a statement by the Comptroller and Auditor General—again, a title that attracted a bit of debate in itself—that he is satisfied with the treatment of public assets and funds envisaged in the regulations.

1 pm

Clause 2 provides that those regulations would be subject to the negative resolution procedure, which we consider to be the appropriate level of public scrutiny in this case. Any regulations made under this power would be simple and technical, transferring all the trust property held by the appointed trustees back to the NHS trust or NHS foundation trust to which they were appointed. We do not think that such regulations would require

active debate in both Houses or a report from the Comptroller and Auditor General. The National Health Service Act 2006 contains several equivalent powers for the Secretary of State to transfer trust property between NHS bodies by means of secondary legislation subject to the negative resolution procedure, as the regulations in clause 2 would be. I hope I have reassured my hon. Friend that an affirmative procedure is not required in this regard.

Mr Rees-Mogg: I am grateful for the Minister's reassurance, and I am more than happy to accept it.

Jane Ellison: I thank my hon. Friend. It gives me great pleasure, as a Minister at the Dispatch Box, to receive such a note of approbation from him, given that he is rather expert when it comes to Friday sittings and these technical amendments. I am honoured, indeed, by his intervention.

On amendment 9, my hon. Friend took the opportunity to praise a local charity in his constituency promoting the use of defibrillators. In common with other hon. Friends who drew attention to this, I thank his local charity for its work on this important undertaking. I am glad that, as has been mentioned, the Chancellor was able to give £1 million to this important cause, which is working with the British Heart Foundation to bring far more defibrillators into public places in North East Somerset and far beyond.

I thank my hon. Friend for his question about the use of the NHS logo. I know from his contribution on Second Reading that he has interest in its licensing. I hope I can put his mind at rest by confirming that independent charities, including former NHS charities, can use the localised NHS logo of the NHS organisation for which they raise funds. Independent charities can arrange permission to use the logo, if they are working in partnership with an NHS organisation. We heard examples of local charities working in close partnership. In addition to heaping praise, rightly, on the Torbay Hospital League of Friends, my hon. Friend the Member for Torbay mentioned a Paignton charity working closely with a local NHS body. That is a good example.

The NHS logo generates high degrees of trust and reassurance among patients and the public, as my hon. Friend the Member for Horsham (Jeremy Quin) drew out in his contribution. We all understand why. We can all cast our minds back to the many occasions when that trust and reassurance have been in the public spotlight. I think, in particular, of the opening ceremony of the Olympic games. Who can forget the spelling out of "GOSH"? I am sure will hear far more about that admirable institution on Third Reading.

The use of the NHS logo is carefully controlled because it indicates that the NHS is in some way accountable and responsible for the services or materials to which it is applied. It is a registered trademark and an important public brand, so there are strict rules governing the correct use of the NHS identity. Generally, the NHS identity guidelines do not permit independent charities to use the NHS trademarks in their names or promotional material, as it could cause confusion and give the public the incorrect impression that a charity is officially endorsed or organisationally linked to the NHS, as many hon. Friends have said. As I have mentioned, however, independent charities can seek approval to use the NHS logo, if they are working in partnership with it. An independent charity will often set up an agreement with a local NHS organisation to fundraise on its behalf. We have already heard some examples of close, long-standing links between charity organisations and the NHS, and I am sure that Members will be aware of many more in their constituencies. It is possible for a local organisation to use the NHS's identity in a supporting position with respect to promotional and fundraising materials—on the proviso that there is a local agreement in place for the fundraising activity to benefit solely local NHS services.

It is fair to say that there has been some slightly wild speculation in the course of our debate about some of the far-flung places to which people might go, using NHS charity resources inappropriately. It is important to ensure that the association with the NHS is guarded. From a legal perspective, however, the amendment would make no change to the current position. The Secretary of State is the registered owner of a number of NHS trademarks. As such, the Secretary of State is already free to license trademarks to independent charities in accordance with his statutory powers and duties. Furthermore, as the registered trademark owner, the Secretary of State may set the terms of any such licence as he chooses, including specifying the notice period required for termination—an important power, as I think Members would agree. In some circumstances, it may be more appropriate to make provision for a licence to be terminated at shorter notice or immediately—where, for example, a charity is in breach of the licence terms.

On that important point, about which Members were rightly expressing a degree of concern, I hope I have been able to provide reassurance. I hope, too, that I have provided clarity as well as reassurance on some of the other amendments.

Mr Rees-Mogg: May I ask the Minister about one further point? When the NHS logo is licensed to small charities, I hope the process will not be too bureaucratic or onerous for them and that the application of the regulations will not be too pettifogging.

Jane Ellison: My hon. Friend is wholly consistent on this issue. Since he came here in 2010, I have been delighted to hear him stand up on many occasions for people who find overbearing state bureaucracy at either the national or local level. He seeks to ensure that any such bureaucracy is always light touch and appropriate. He rightly seeks reassurance and I think I can give him that. We would never seek to make the process overbearing. It would obviously be inappropriate, given that the central drive of the first part of this important private Member's Bill is to bring clarity and to avoid double-regulation. It would be nonsense if any aspect of what we have discussed this morning added to the bureaucratic burden. We are trying to head in an entirely different direction—one of which I hope my hon. Friend, given his long-standing role as a champion in this House, will approve.

Pauline Latham: My hon. Friend has twice referred in her speech to defibrillators and the money that the Chancellor has given to the British Heart Foundation to provide more of them. I urge her to continue to lobby the Chancellor on this issue. In his forthcoming Budget,

he might be prepared to consider adding to that fund so that more people in the community could benefit from defibrillators.

Jane Ellison: My hon. Friend has effectively just undertaken such an act of lobbying. The take-up of this fund is extremely encouraging, and I would be happy to give her more information, as I know she has spoken about this subject here on many occasions—as, indeed, have other Members. We had Backbench Business debates on it in the last Parliament, and I am sure it is one to which we will return. It is an area in respect of which parliamentarians can be great champions in their local areas. I greatly welcome hearing my hon. Friend speak with such enthusiasm about this matter.

Nigel Huddleston: May I encourage the Minister to continue her lobbying efforts in that regard? In my area, the west midlands, just 12% of the population feel confident enough to use a defibrillator. What is important is not just the provision of defibrillators, but the training that accompanies it, which I know is being promoted by the British Heart Foundation.

Jane Ellison *rose—*

Madam Deputy Speaker (Natascha Engel): Order. Before the Minister responds, I should point out that the subject of defibrillators is some distance away from any of the amendments. The hon. Gentleman might like to save it for Third Reading.

Jane Ellison: I am sure we all recognise the truth of your judgment, Madam Deputy Speaker, but the example was given earlier of an NHS charity that had championed defibrillators in the local community, and I think that that is how the topic was introduced. My hon. Friend the Member for Mid Worcestershire (Nigel Huddleston) has made a good point, and I shall be happy to give him more information about the proportion of the fund that the British Heart Foundation has been able to spend on the training that he described.

I hope that what I have said about the amendments has been of assistance to the House.

Michael Tomlinson: In the light of the reassurances that have been given, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Third Reading

1.11 pm

Wendy Morton: I beg to move, That the Bill be now read the Third time.

Let me begin by thanking Members who are here today for giving up another constituency Friday to take part in the debate. Some of them were also present on Second Reading, including my hon. Friends the Members for Erewash (Maggie Throup) and for North East Somerset (Mr Rees-Mogg), who is no longer in the Chamber. I also thank those who served on the Public Bill Committee, absenting themselves from the debate on Syria to be present on that day, and, again, I thank Members on both sides of the House who sponsored my Bill last summer after my name had been drawn in the ballot, allowing Peter Pan to find his Wendy—or, at least, I hope so. I thank the Department of Health for its help, and, as a new Member, I thank those in the Public Bill Office, whose patience has been admirable. I should also record my thanks to the hon. and learned Member for Holborn and St Pancras (Keir Starmer) for supporting the Bill; sadly, he is not present today.

I welcome my new Tinker Bell to the Dispatch Box. I feel duty bound to reassure her that I remain on my guard for ticking crocodiles, Captain Hook and, of course, those unruly Lost Boys, although they are not here at the moment.

I am, of course, delighted that my NHS (Charitable Trusts Etc) Bill—commonly known, I hope and believe, as the Peter Pan and Wendy Bill, without brackets or Etc—has safely arrived at its Third Reading. There has been no exit stage left, or right, taking it directly to Neverland; it is still en route to another place, and, I trust, to Royal Assent.

On Second Reading, we were given many examples—some based on personal experience—of the importance of NHS charities and their role in supporting hospitals, patients, parents and staff. That has been underlined by the accounts that we heard today of the tremendous work that NHS charities do, and it also demonstrates the Bill's importance in helping those charities to continue and flourish.

As I have mentioned before, NHS charities are regulated under charity law, but they are also linked to NHS bodies and bound by NHS legislation. They are charitable trusts, established under NHS legislation, and have as their trustee an NHS body such as a foundation trust, or trustees appointed by the Secretary of State for an NHS body. It should be borne in mind that NHS charities are distinct from independent charities established solely under charity law.

Funds donated to the NHS must be held separately from Exchequer funding provided by the taxpayer. These charities exist to support their beneficiaries, and there is a special relationship between them and the trusts with which they are associated. Some wonderful examples have been given today of local hospital charities and the special relationship that they have with their local NHS trusts.

The first part of the Bill makes provision to remove the Secretary of State for Health's powers to appoint trustees for NHS charities in England and makes amendments to primary legislation concerned with this. It is important to remember that this fulfils a commitment by the Government in 2014, subsequent to a DOH review and consultation on the governance of NHS charities. The outcome of the consultation was that NHS charities would be allowed to convert to independence if they chose to do so and the Secretary of State for Health's powers to appoint trustees to NHS charities under the National Health Service Act 2006 would be removed at the earliest opportunity.

It is fair to say that a number of the larger NHS charities called for reform because of concerns that the NHS legislative framework limited their freedom to grow and develop their charitable activity to best support their beneficiaries and to demonstrate to potential donors a visible independence from Government. That is an important point, and some have already grasped the

[Wendy Morton]

opportunity to become independent while others are in the process and some are planning to do so in the future.

Collectively across the country about 260 charities currently exist to receive and manage charitable funds on behalf of NHS charities. I am sure Members will be interested to know that just over £345 million was raised by these charities in the last financial year, supporting patients and staff right across the country, so we should be doing all we can to support them. They make an outstanding contribution, yet their work often goes unheralded. I hope that today's debate helps to publicise their work and the valuable contribution they make to hospitals as well as to the lives of patients, their families and clinicians. But just as healthcare moves on, so does the charitable environment, and there is a real need to place certainty in an already complex structure. I hope, and believe, that that is what this Bill will do.

There are currently 16 NHS charities that have trustees appointed by the Secretary of State for Health, and all of them are affected by my Bill. They are bound by charity law and NHS legislation. They are unincorporated and their trustees have unlimited liability.

Maggie Throup: My hon. Friend mentions that NHS charities are bound by charity law as well as other legislation. We both sat on the Charities (Social Investment and Protection) Public Bill Committee. Can she expand on why her Bill should be a separate Bill and why its measures cannot go through as part of that Bill?

Wendy Morton: My hon. Friend makes an interesting point. I also sat on the charities Bill Committee, and it comes back to the House next week, I believe. My Bill is a specific piece of legislation. It came about because of Great Ormond Street hospital and the need to move the right to the royalties. It also comes under the remit of the DOH, whereas the charities Bill is under the remit of the Minister for Civil Society and the Cabinet Office. My Bill, at its heart, goes to the fact that the original Act on the Peter Pan royalties and the extension to the signed copyright patent was unique—so that unique bit of legislation needed another unique bit of legislation.

Sixteen of the charitable trusts have chosen either to revert to a corporate trustee model or to become independent. Most hospital charities operate the corporate trustee model anyway, and we have heard a lot about that today. Many have indicated that they are seeking to make this transition and many others are also considering it.

Six charities have already completed the transition to independence. These include Barts Charity, which raises money for Barts Health NHS Trust, including St Bartholomew's hospital. This was the first to receive an independence order. The others are Alder Hey in Liverpool, Birmingham Children's Hospital Charity, which is close to my own constituency of Aldridge-Brownhills, Guy's and St Thomas' Charity, and the Royal Brompton and Harefield Hospitals Charity. They are all now able to benefit from greater independence and less bureaucracy, and that further demonstrates the benefits of the Bill. Great Ormond Street's is one of the six to have converted to independence. I will come back to that, as well as to its unique status and the need for specific legislative change to remove the statutory obstacle currently preventing the charity from becoming fully independent. Of the remaining NHS charities, about half have agreed to convert to independence but have not yet formally informed the Department of Health, while the others are in discussion with their trustees and hospital boards.

Importantly, the Bill is supported by Great Ormond Street hospital and NHS charities more generally. It also has the support of the Association of NHS Charities, and I would like to put on the record my thanks to it for its help. Let me provide a quote from a chief executive of an NHS charity, as that is a good way of explaining why the Bill is important. This chief executive said that

> "this is exactly the right move for us as it deals with a peculiar anomaly in our status. Moving to full independence will mean that we can compete on a level playing field with other health and social care charities in our fund raising and other activities. No longer being seen as part of government."

On Report, we received some interesting amendments from hon. Members, who gave us the opportunity to explore and question a number of points in relation to the Bill. Although I am pleased they were not pressed to a vote and were not accepted, I believe each was worthy of our sincere consideration.

Turning now to the second part of the Bill, it is important to remind ourselves of the special link that Great Ormond Street hospital has with J. M. Barrie, who made a very generous bequest to it of the right of royalties to the "Peter Pan" stories. As I explained on Second Reading, J. M. Barrie bequeathed all rights to "Peter Pan" to GOSH in 1929. He died in 1937, with GOSH enjoying a further 50 years of royalties. On the eve of the copyright expiring, the J. M. Barrie bequest acquired its unique legal status as a direct result of Lord Callaghan's amendments to the Copyright, Designs and Patents Act 1988. That reserved royalty income to the hospital trust and carried the stipulation of the creation of a special trust at that time. Though now held in perpetuity by GOSH, legislation is needed to enable the receipt of royalties to move to the new, independent Great Ormond Street Hospital Children's Charity. My Bill, with its provision for amendments to the 1988 Act, will do that. It will enable GOSH to take full advantage of this move to independent status, thereby giving it greater freedom to attract additional funding. It will also reduce the burden of bureaucracy by leaving it under the sole jurisdiction of the Charity Commission.

I am sure Members will be interested to know that I have met representatives from the GOSH Children's Charity, and, as I reported on Second Reading, I have visited the hospital to see for myself the work the charity does and the huge contribution it makes. I have also met members of staff and clinicians to hear about some of the cutting-edge research and treatments they are working on. My visit to GOSH further emphasised the importance of this Bill. One cannot go there and fail to be touched by the work that goes on there, the commitment, the dedication and the inspiration—it is truly amazing, as indeed is the work of all our NHS hospitals and charities.

As we all know, the work and influence of Great Ormond Street children's hospital stretches way beyond Greater London, which is why so many Members are in the Chamber to support and watch the progress of this

Bill. In the financial year 2014-15, the GOSH charity raised a staggering £80,981,000, an increase on the previous year's figure.

In November, I am sure that avid newspaper readers will have noticed that *The Independent* and the *Evening Standard* launched their Gift to GOSH Christmas appeal, attracting celebrity backing as well as a pledge from my right hon. Friend the Chancellor of the Exchequer to match donations pound for pound from the Treasury with up to £1.5 million. I am fortunate enough to have an update from Great Ormond Street hospital, which tells me that to date £2.7 million has been raised as a result of that appeal. That reflects the warmth felt by the British public towards Great Ormond Street, as well as their generosity. The campaign still has not ended—it runs until 14 February—so who knows what the final total will be. Those funds are going to support things such as paediatric research and a new specialist unit for children with heart failure.

One of the most generous donors over the years has been, of course, J. M. Barrie, whose bequest of the royalties from "Peter Pan" is one of the reasons we are here today. It is amazing that even today, 79 years after the death of Barrie, the bequest is still a crucial source of income to the charity, which demonstrates that "Peter Pan" remains a firm favourite of us all. I must confess that I watched it over Christmas and, as one might expect, the book has had a permanent place on my desk for number of months. It is probably in my handbag in the Chamber today.

By supporting the Bill today, I believe that we are all doing a little bit to help the work of Great Ormond Street Hospital Children's Charity by securing the J. M. Barrie income stream for the new independent charity. Without this Bill, it would be unable fully to complete its conversion to independent charity status. Without it, I believe that there could be risks to legacies to the charity, and I would not wish to see that happen. It also creates further complications, because operating two charities side-by-side requires a duplication of governance, separate accounts and, potentially, duplicate returns to the Charity Commission. The Bill is not just needed, it is wanted, and Great Ormond Street Hospital Children's Charity has confirmed this. It is also supported by the chair of the hospital trust, Baroness Blackstone, who I must also thank for her support, and the charity's chair of trustees.

To summarise my Bill, it has received support from Members on both sides of the Chamber, for which I am grateful, from Great Ormond Street Hospital Children's Charity and from the Association of NHS Charities. It delivers on commitments that followed a Department of Health review and consultation on the governance of NHS charities, whereby charities were given the opportunity to seek greater independence under the sole regulation of the Charity Commission and the Secretary of State's powers to appoint trustees were no longer necessary. It paves the way for sensible housekeeping.

We listened to some interesting amendments today that enabled further scrutiny of the Bill, for which I am grateful. I hope that this Bill, which I have believed in from the outset, does not end up in Neverland but heads out of this Chamber across Central Lobby to land safely on the Red Benches of the other place to continue its passage. I commend the Bill to the House.

1.28 pm

Barbara Keeley: As we have heard, this Bill will improve the independence of NHS charitable trusts, and I am pleased to speak on Third Reading. As we have also heard, Great Ormond Street hospital provides essential care for many children in the UK and across the world through its research into many child health issues. I am glad that the Bill will ensure that the trust charity will continue to be able to benefit in perpetuity from royalties and other payments in relation to performances or publications of the play "Peter Pan". I can assure the hon. Member for Aldridge-Brownhills (Wendy Morton) that the hospital's research and care stretch well beyond Greater London.

The Bill will also remove the requirement for the Secretary of State for Health to appoint trustees of NHS charities. I hope that reducing the involvement of the Department of Health in NHS charities will provide the organisations with more freedom to grow, and with clear independence. I hope they will be able to attract additional donors; that is important for NHS charities such as the Salford Royal NHS Foundation Trust, which I mentioned earlier. The research that it has helped to fund spans a wide range of departments, from physiotherapy and urology to a joint project with the University of Manchester looking at factors that lead to complications for patients with type 2 diabetes. That shows what an important role our NHS charities can play in potentially life-saving research. Like many others, the charity has also focused on improving patients' experience in the hospital. Equipment has been purchased by the charity to aid patients in their recovery. For example, the charity purchased reclining chairs for patients recovering from neurosurgery, which enable them to sit in a more comfortable posture.

NHS charities play a significant role in our hospital trusts. They provide funds for life-saving research and help NHS staff to provide the best care possible for patients and their families. On behalf on the official Opposition, I am pleased to support the Bill on Third Reading. It will help to ensure that NHS charities can continue their vital work supporting patients and staff in the NHS.

1.30 pm

Nigel Huddleston: I congratulate my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) on choosing to introduce this important Bill. I felt compelled to speak today because I do not think my children would ever have forgiven me if I had failed to speak in a debate on a Bill dubbed the Peter Pan and Wendy Bill.

In supporting the Bill, I am reminded of the remarks of one of my predecessors as the MP for Mid Worcestershire, the late Eric Forth, who said that for a private Member's Bill to be successful, it should essentially be uncontroversial and fairly obvious. By my reckoning at least, this Bill solidly passes that test. It has support not just from this House, but from NHS charities and their representative bodies. It will help to deliver the operating model they require and the freedom that the charities themselves have asked for. It should give them greater independence and greater money-raising potential. As my hon. Friend the Member for Aldridge-Brownhills mentioned, although the Great Ormond Street Children's Charity is deservedly the most famous,

[Nigel Huddleston]

there are 260 such charities around the country with around £2 billion of assets and a combined income of more than £340 million a year. Many are large, but many are small, including in Worcestershire the local NHS charity, the Worcestershire Acute Hospitals NHS Trust Charitable Fund.

The work of the charitable fund, like many NHS charities, is to go over and above current NHS provision and improve the experiences of all patients within Worcestershire and the surrounding areas. One of the fund's recent appeals is the £1.6 million Rory the Robot appeal, with funds raised going towards the cost of a state-of-the-art da Vinci robotic surgical system, primarily to treat patients with prostate cancer. In Worcestershire alone, 125 to 150 radical prostate cancer operations are carried out each year, and there are approximately 2,500 men in the region surviving prostate cancer at any one time. There is an obvious need that the charity is helping to fill.

People from our region and beyond have got behind this campaign. In September last year, more than 80 cyclists from across the county were joined by Team GB star Hannah Drewett on three cycle routes to raise money for the Rory the Robot appeal. There have also been charity golf days, a theatrical extravaganza and even a local production of "The Full Monty"; hon. Members will be relieved to know that that show was in the constituency of my hon. Friend the Member for Redditch (Karen Lumley) and not mine, so fortunately I was not required to participate.

This Bill fulfils a Government commitment made in 2014 following a 2012 consultation. Respondents to the consultation were clear that, first, they wanted NHS charities to be allowed to convert to independent status, should they choose to, and secondly, that the powers of the Secretary of State for Health to appoint trustees to NHS bodies should be removed. NHS charities were concerned that the current legislative framework was limiting their freedom to grow, develop and raise money. Change was therefore clearly needed.

I am very pleased that my hon. Friend the Member for Aldridge-Brownhills has brought forward this Bill. She has given the House the opportunity to deliver what NHS charities want. If we divide, I will support the Bill, and I encourage all Members present to do the same.

1.34 pm

Maggie Throup: I congratulate my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) on getting this very important Bill to its Third Reading, and I am delighted to support it in this debate. It is great to see a private Member's Bill get to this stage with the support of everybody in the House.

As I have said in this place before, our nation would be a poorer place without the thousands of charities and trustees who contribute their time and expertise without fear or favour. Close to my heart are the many hospital-related charities that play such an important role in supporting our free-at-the-point-of-care national health service, which has served us so well. It is vital that those charities are allowed to conduct their amazing work with as few barriers as possible.

I am often asked by people in this place and elsewhere, "Where exactly is Erewash?" My reply is that it is in Derbyshire, between Derby and Nottingham; for that reason, many of my constituents end up going to Nottingham hospitals for their care, as well as to Royal Derby hospital and our local Ilkeston community hospital. I know that my constituents will be pleased that I am supporting this Bill, as it will have an impact on the nearby Nottingham Hospitals Charity, which raises money to improve facilities and fund new equipment. It provides important additional services, supports staff development, and initiates local medical research at Queen's medical centre and Nottingham children's hospital, as well as at City hospital, Ropewalk House, and Hayward House. On its website, the charity outlines that

"thanks to the generosity…of its donors and fundraisers, it is able to fund the 'added extras' to make the experience of being in hospital better for people of all ages."

It truly is at the heart of care for patients.

Examples of how the charity's money has been spent include £15,000 for a heart function monitor for sick children, which helped to save the life of a six-month-old baby within hours of its being installed; £1.1 million for better ward facilities for children with cancer; £150,000 to kick-start medical research projects with the aim of improving treatment and services for a whole host of conditions and diseases; and £2.1 million towards a new centre to transform the care of cystic fibrosis patients. The charity currently has two main ongoing appeals: first, raising funds for an on-site helipad at Queen's medical centre, which is the east midlands' trauma centre; and secondly, raising money for a beautiful and serene courtyard garden for those suffering with ear, nose and throat cancer.

No doubt the general public would think that Nottingham Hospitals Charity, like the majority of charities, is free to appoint its own trustees, but under current legislation this is likely not to be the case. Yet nearby in Ilkeston, at our community hospital, there is a very active league of friends that does have complete freedom to appoint its own trustees. We have heard today about the good work of leagues of friends across the whole country, and Ilkeston community hospital's is no exception. It raises money with the same aims as Nottingham Hospitals Charity—to fund the added extras to make the experience of being in hospital better for people of all ages. It is also at the heart of care for in-patients and out-patients at Ilkeston community hospital.

The league of friends is a dedicated group of people who, in addition to making cups of tea for patients and visitors, hold a wide array of fundraising events. For a busy person anywhere near Ilkeston next December, I recommend that they visit the Christmas fair, as I am sure there will be a stall there, as there was last December, selling really nice Christmas cakes. As I had not had time to make my Christmas cake, one of those cakes saved my life; the people who came to my house were able to sample its delights. Recent fundraising has resulted in the charity buying a scanner for the Valerie Jackson scanner suite at the hospital, to name just one successful project that the group has supported.

So why do we need this Bill? As I see it, there are three main disadvantages to the current structure of NHS charitable trust status. First, potential donors may perceive that the charities lack independence from Government, and that may put them off donating. Secondly, being

bound by legislation prevents the charities from adopting different legal forms specific to their needs, particularly those offering limited liability. Thirdly, the Charities Commission believes that dual regulation under both NHS and charity legislation makes it difficult for NHS charities to achieve and demonstrate independence. It is therefore vital that NHS charities have the opportunity to move to independent charity status. My constituents in Erewash, like so many others across the UK, are extremely generous in their support for charities. It is important that every barrier, whether perceived or real, is removed, to allow maximum generosity and altruism.

I want to touch on Great Ormond Street Hospital Children's Charity. As my hon. Friend the Member for Aldridge-Brownhills has said, despite the hospital's location in London, and owing to the specialist nature of its work, it provides a truly national resource for children with some of the most severe and complex illnesses imaginable. I am sure that at least one child in at least one family in every constituency has benefited from the healthcare provided by Great Ormond Street hospital. Like every hospital, whether generalist or specialist, it has fantastic doctors and nurses, and a whole host of healthcare professionals who together make our NHS the envy of the world. I am sure that the whole House will agree that we owe them a great debt of gratitude for the work they do.

A number of years ago, I had the privilege of seeing at first hand, in a professional capacity, the work of Great Ormond Street hospital. We often see news of the groundbreaking work it does. There was a good news story recently about the innovative work carried out on gene editing, which means that a one-year-old girl is now in remission from blood cancer. That is fantastic news for the girl and her family, and it also gives hope to other families in similar situations. I am sure that, without J. M. Barrie's generous and powerful donation of the rights of "Peter Pan" to Great Ormond Street, such work would not be possible.

The first time this Bill came before this House, I was rightly corrected by my hon. Friend the Member for North East Somerset (Mr Rees-Mogg) when I suggested that J. M. Barrie would have been cheering from the Gallery if he had been able to hear that his wishes are to be continued as a result of this Bill. My hon. Friend pointed out that the good author would have been ruled out of order for cheering from the Gallery, but I am sure he would have been cheering very quietly if he had been here today.

The Bill provides for some much-needed changes to legislation, and it will benefit NHS charities generally and Great Ormond Street hospital specifically. I commend it to the House.

1.42 pm

Kevin Foster: It is a delight to be called to speak in this Third Reading debate. I will keep my remarks relatively short, given the time.

It is a delight to speak again about the "Peter Pan" Bill promoted by Wendy. Although it is amusing to allude to "Peter Pan", this debate is backed up by the serious work done by the charities affected. Securing the royalties for the future will ensure that one of the world's best places for treating sick children—a place that does groundbreaking work and allows people who would otherwise not have survived to see their adult years, not to mention to have a full chance in life—will be able to continue. That is so important, which is why I am pleased to support the Bill.

The Bill also sends a powerful message about the independence of charities. The charities affected will not be seen as arm's length parts of Government, but as independent organisations that offer something additional to what the NHS provides. I opposed a number of amendments because they were not in keeping with the Bill's golden thread: the idea that NHS charities are independent organisations that add extra to the NHS, not arm's length Government bodies trying to collect donations to do what many people feel the NHS should either be doing already or looking to be doing in the future.

I know from my experience of working with charities that work closely with the NHS—I touched on that earlier—that some of the fears associated with the independent status of the charities are false. Many charities work very well in collaboration with local authorities, the NHS and other public sector bodies to deliver services and make a difference in their communities. That is what this Bill will fundamentally allow such charities to do.

It has absolutely been worth while giving the Bill the level of scrutiny it has received today, given that the Committee was truncated by the Syria debate. It is important to send to the other place a very strong message about our support for the Bill, the fact that it makes sense to enact it, and the fact that it should not head off into the Neverland of endless debate, but should in due course receive Royal Assent.

The Bill is the right step to take with regard to monitoring NHS charities. It frees them from being part of the Government, but not from the overall provisions regulating charities, or from the overall duties of trustees under laws passed in Parliament. The charities will still have to follow those laws and are not free to do anything they want, but they can say to someone who is honestly thinking of making a donation, "We are not part of the Government or an arm's length part of an NHS organisation; we are an independent charity that provides extra services to support the work of the NHS and the local hospital to which we are affiliated." What the Torbay Hospital League of Friends does in my constituency should be done across the whole country.

It has been a pleasure to be in the Chamber today, and to speak on Third Reading. I hope that it will not be necessary to have a Division, but that the Bill will receive unanimous support from all parts of the House.

1.46 pm

Seema Kennedy: I pay tribute to my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) and commend her efforts in bringing the Bill to Third Reading.

Clauses 1 and 2 remove the Secretary of State's power to appoint trustees to certain NHS bodies, which is only right and proper. Many charities predate the national health service, and even the hospitals and hospices that they now support. They are deeply rooted in their communities, and they receive strong and consistent support from the towns and villages they serve. It is therefore only right that local people, not the Secretary of State in Whitehall, should decide who sits as trustees.

[Seema Kennedy]

The Bill responds to calls from charities about how they should be regulated. They have said that they want to grow and develop freely. We all know how different fundraising is from when we were growing up, in the days of jumble sales and potato pie—bring your own fork—suppers. Charities need to compete with others for people's time, attention and, crucially, money, so they need to be nimble.

Clause 1 gives charities independence from the Government, which is important if they are to appeal to the widest possible range of donors. I am especially thinking of local health charities, such St Catherine's Hospice Care and the Rosemere Cancer Foundation, which so ably serve my constituents in South Ribble. Independence from the Government can only enhance their reputations, and thereby their fundraising potential.

Clause 3 has given the Bill the name by which posterity will no doubt remember it—the Peter Pan and Wendy Bill. Many Members will remember the Disney version of the "Peter Pan" story, with comedy pirates and a flying fairy—Great Ormond Street hospital has benefited greatly from that retelling of the tale in its myriad merchandised and marketed forms—but anyone who saw the 2015 version of the film "Pan" will recognise a much darker side, with orphaned boys left to fend for themselves in a poorhouse by joining a gang. J. M. Barrie, who lived in Edinburgh and London in the late 19th and early 20th centuries, will have seen such boys around him every day. The story starts so sadly, but the conclusion is a happy one, with Peter and the lost boys adopted by the Darling family.

Barrie did not have children of his own, but was determined that, in real life as well as in fiction, the children of London and, indeed, of the whole of the UK, should have better lives. He had love, respect and, most importantly, hope for children. His great hope was that their lives be better than those of the lost boys. Such a hope lives on in the heart of every parent and in the heart of every child treated at Great Ormond Street hospital. The Bill will embed that hope for the future. With the Bill, we honour Barrie's legacy today. I am delighted to support it on Third Reading.

1.49 pm

Mrs Sheryll Murray: I will be as brief as possible, Madam Deputy Speaker. I congratulate my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) on her expert stewardship in guiding the Bill through Report to Third Reading.

I must declare a special interest as a former doctors' receptionist in my constituency for more than 20 years. I witnessed several occasions when patients needed treatment that was not classed as a priority, but was naturally very important to them. This is where NHS charities can play, and have played, a vital role.

I also pay tribute to the Seafarers Hospital Society and commend the work it does. It was established about 200 years ago and still provides services to seafarers and fishermen at the Dreadnought unit in St Thomas's hospital, just across the Thames. It provides vital services for those very brave men who operate in very dangerous conditions.

We must not forget the wonderful work, which many Members have mentioned today, of the leagues of friends, which provide comfort and support to patients and their families, often at difficult times in their lives. Staff in my South East Cornwall constituency and across the country benefit considerably from their work.

I want briefly to mention the way in which the family of one of my constituents benefited directly from the amazing work of Great Ormond Street's charitable fund. It meant that essential treatment was provided to their daughter at a critical time. I put on the record my thanks to Great Ormond Street Hospital Children's Charity and to the hospital and its staff for their work at what was a very difficult time for that young lady and for improving her life so considerably.

There are some outstanding NHS charities in the south-west. Obviously, I could not sit down without mentioning the fantastic work of Cornwall Partnership NHS Financial Trust charitable fund and Plymouth Hospitals General Charity, which enables Plymouth Hospitals NHS Trust to improve services for patients, many of whom are my constituents.

To conclude, I warmly welcome the Bill and offer my support and congratulations to my hon. Friend the Member for Aldridge-Brownhills. Her vision and tenacity will help NHS charities to continue, thrive and evolve.

1.52 pm

Jane Ellison: We have had a productive debate on this Bill. I thank hon. Members from both sides of the House for their contributions—well, there was a contribution from the Opposition Front Bench—and put on the record my appreciation of the consensual way in which the Bill has been approached by all parties. This has been a welcome opportunity to name-check a number of excellent local charities and some well-loved characters from fiction.

As others have done, I put on the record my thanks to my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) for her dedication to piloting the Bill through the House. She has put a great deal of time and effort into understanding the issues that face charities. She has met the Association of NHS Charities, attended the annual business meeting for its members and wrestled with the complexities of charity law and its relationship with NHS legislation. I am sure that the House will join me in thanking her for her dedication to ensuring that the Bill has made such great progress.

Although I do not want to repeat what my hon. Friend has said, I will quickly summarise the aim of each of the measures in the Bill. The Bill completes the reform of the regulation and governance of NHS charities. It delivers the Government's commitment to repeal at the first opportunity the Secretary of State's powers in England to appoint trustees to NHS bodies and special trustees. Those powers are no longer needed. NHS charities can choose to become independent under the sole regulation of the Charity Commission or remain as NHS charities with the linked trust as corporate trustee, in which case they are subject to dual regulation by the Charity Commission and the Secretary of State.

The reform of NHS charity regulation and governance delivers the changes that NHS charities have asked for. A number of the largest ones, which we have spoken about in the course of this debate, have made it clear

that they need those changes. The Charity Commission believes that dual regulation—being under both NHS and charity law—can make it difficult for NHS charities to achieve and demonstrate independence. That is why in 2014, following the public consultation, the Department announced its intention to allow NHS charities to move to independent charity status under charity law. Charities that decide to become independent are no longer NHS charities, but independent charities that appoint their own trustees.

The Department also made it clear in its response that, given the new freedom for NHS charities to become independent, the Secretary of State's powers to appoint trustees were no longer necessary. The charities with trustees appointed by the Secretary of State need to decide whether to move to independence or revert to corporate trustee status before the powers are removed. Independence is not an option solely for NHS charities with trustees appointed by the Secretary of State. Many of the charities that we have discussed with corporate trustee arrangements are large enough to be able to consider independence as a viable option for the future. Corporate trustees should also actively consider whether independence is in the best interests of their beneficiaries.

The Department has indicated that the powers to appoint trustees will not be revoked before April 2018 to provide a period of grace for trustees appointed by the Secretary of State to determine the most appropriate legal form for their charity.

Should any NHS charity not have resolved its future by the time the powers are repealed, the Bill confers powers on the Secretary of State to make regulations to transfer charitable property from the trustees of an NHS trust or NHS foundation trust to the trust itself. There are strong grounds for believing that those powers will not need to be exercised. However, it is necessary to take such powers to ensure that all NHS charitable assets are appropriately protected and dealt with before the powers for the Secretary of State to appoint trustees are repealed.

The Government have listened to NHS charities and delivered what they asked for: the choice to become independent under the sole regulation of the Charity Commission or to remain NHS charities. Some of the largest and most successful have already taken the opportunity to become independent; others are preparing to follow in their wake. The vast majority of NHS charities with trustees appointed by the Secretary of State have indicated that they intend to become independent. All are actively considering the legal form that most favours their beneficiaries. It is therefore clear that the Government's decision to repeal the Secretary of State's powers to appoint trustees at the earliest legislative opportunity is right. The powers are no longer necessary and should therefore be removed from the statute book.

As we have heard from the measure's promoter, the Bill will also secure Great Ormond Street Hospital Children's Charity's rights in perpetuity to royalties from performances and publications of the play "Peter Pan". The hospital has always relied on public support, even after the founding of the NHS in 1948. It is important that that can continue.

The mission of Great Ormond Street Hospital Children's Charity is to raise money to enable the hospital to continue to provide the very best care for its young patients and their families and to do all the groundbreaking work that we have heard about in the debate. Great Ormond Street Hospital Children's Charity was eager to take the opportunity to become independent and it became partially independent on 1 April 2015. However, it was unable to complete its conversion to become an independent charity as the NHS charity had to remain in existence until the Copyright, Designs and Patents Act 1988 was amended, to avoid its statutory rights to "Peter Pan" royalties being lost. The Bill confers the rights to royalties from the play "Peter Pan" on the new independent charity for Great Ormond Street hospital.

The two parts of the Bill are very much related in that Great Ormond Street Hospital Children's Charity needs to be able to complete its conversion to independent status without losing its rights to the "Peter Pan" royalties so that the Secretary of State's powers to appoint trustees to NHS bodies may be repealed. The Government would not remove those powers until the charity no longer needed its Secretary of State-appointed trustees to receive royalties from "Peter Pan".

The Bill is about completing the reform that NHS charities asked for. The Government have enabled NHS charities to become independent if they decide that that is in the best interests of their beneficiaries. Great Ormond Street hospital is one of the most cherished institutions in the NHS. The royalties from the play "Peter Pan" have been a hugely valuable source of funds for Great Ormond Street Hospital Children's Charity in its support of the amazing work that we have heard about today. We want the charity to continue to receive those royalties in perpetuity, as J. M. Barrie would have wished. The Bill will secure the charity's rights to the royalties from the play "Peter Pan", enabling it to complete its conversion to an independent charity.

My hon. Friend the Member for Aldridge-Brownhills has shown, in steering the Bill so ably through the House, what we all know from our childhoods: Peter Pan and Wendy make a great team.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Local Area Referendum (Disposal of School Playing Fields) Bill

Second Reading

1.59 pm

Tom Pursglove (Corby) (Con): I beg to move, That the Bill be now read a Second time.

On 29 June 2015 when I first introduced this Bill, we were coming up to our great British summer. It is a time when we see increased use of our open spaces for sports such as tennis and—more importantly, in my view—cricket, as well as walking and other activities. The Bill's Second Reading comes at the start of the new year, when everyone has probably eaten a little too much over Christmas and is motivated to kick the year off by exercising, or perhaps by joining a new club or team—organisations that take pride in using local pitches and playing field facilities. Dare I mention last year's rugby world cup? Although England did not make the final rounds, many young people were captivated, and the players of tomorrow are now halfway through the rugby union season.

School playing fields are a vital part of local life, and in many cases they bring together communities through their use by local sports teams, as well as by school pupils at breaks, lunchtimes and PE lessons. The Bill will give residents a real say over the future of their local recreational ground—something that currently is explicitly limited to a local authority decision.

Craig Whittaker (Calder Valley) (Con): I am sure that we all have a degree of sympathy with the aim of this Bill. My hon. Friend just said that such matters are down to the local authority, but that is not quite the case. There is already a rigorous process, and a whole raft of protocols, hoops and public consultation to go through before the Secretary of State gives their consent for a disposal. In the light of those already strict criteria, does my hon. Friend think that this Bill is a little like overkill?

Tom Pursglove: My hon. Friend and I agree on many things but not on that point. The facts speak for themselves. Between 2001 and 2010, there were 242 disposals of school playing field land, and there have been 103 since 2010. I have great confidence in communities making decisions that are right for their area. For example, neighbourhood planning has been a positive step forward because it has allowed local people to determine the vision for their area. There is a lack of confidence in the way that the system currently works, and particularly in the mechanisms that work through the Department for Education, and as I said, a number of playing fields have been disposed of. Ultimately, once those spaces are gone they are gone for good, and I will return to that point later in my remarks.

Mr Peter Bone (Wellingborough) (Con): I am grateful to my hon. Friend for giving way, and he and I share the same county council. I am rather surprised by the attitude of my hon. Friend the Member for Calder Valley (Craig Whittaker), because he is speaking against Government policy. The Government are absolutely in favour of localism and in letting local people decide. I am not sure his remarks were very career-enhancing, and I want to support the Government and get this Bill on the statute book.

Tom Pursglove: I always appreciate the support of my hon. Friend and neighbour on these matters.

In late November 2013, Public Health England launched the "Healthy People Healthy Places" programme, which aims to help improve health and wellbeing through better planning and design, and to reduce the impact of poor physical and natural environments. The priorities include incorporating physical activity, such as brisk walking and cycling, into everyday life and creating an environment where people actively choose to be mobile as part of their routine. That can have a significant effect on public health, by reducing inequalities in personal health.

The National Institute for Health and Care Excellence—it is shame that the Health Minister is no longer in her place—estimates that physical inactivity costs the national economy £8.2 billion a year, which is a significant sum. It is therefore ironic that although successive Governments have promoted the importance of healthy living and the role that sport and walking play in that, there has been a dwindling amount of open space in which to get out and get active, and an increasing number of playing fields have been sold.

Clearly, open spaces such as school playing fields are key to getting people active, and as many people as possible should have access to this land. Indeed, there are many excellent examples all over the country where schools open their doors and their grounds for use by the community, both out of term-time and out of school hours. In too many cases, however, the land is being sold off by public bodies for development purposes.

John Glen (Salisbury) (Con): My hon. Friend is making an interesting case, but does he not agree that the provisions in the National Planning Policy Framework mean that no school is able to get rid of any playing fields unless a suitable replacement is found elsewhere and there will not be a net loss of playing field provision to that school?

Tom Pursglove: I will make some progress, but I will come on to the specific issue of replacement later on in my remarks.

At the moment, the Government are being very bold in their commitment to additional housebuilding and the right to buy. Indeed, as the Minister knows, in Northamptonshire—not only in the county, but in my constituency—we are at the forefront when it comes to building new homes. In fact, Corby is the fastest-growing town in the whole country, a clear sign of our strong and stable economy built under a Conservative Government and evidence of the fact that our area has been quite ambitious in grappling with the Government's agenda and in trying to support housebuilding where we can. I am, however, a very firm believer—in all the time I spent in local government prior to entering this House, I continued to stress this point—that alongside housebuilding there must always be the infrastructure in place to support it. By selling off school playing fields, not only do we lose the space for schools to expand—Education Ministers openly acknowledge the fact that we have far too many landlocked schools, and

this is a particular concern to my constituents in Oundle—but with housing growth we inevitably need more open space and greater pitch provision to meet growing local need.

Clearly, land for housing should be chosen carefully and not at the expense of land that exists to serve the local community. As such, the Bill comes at a good time to help to safeguard school playing field land. On a number of occasions since my election in May 2015, I have referenced a local case where Northamptonshire County Council has been working towards selling off part of the playing field at the site of Oundle Primary School. This has been met with huge opposition not only from local residents but from Oundle Town Council and East Northamptonshire Council. Unfortunately, this work is still ongoing, but luckily the local campaign against it continues to sustain its momentum. Indeed, the petition has now received over 4,000 signatories and is still growing—bear in mind that this is a town of 4,500 people. This point comes back to an earlier intervention: there is such overwhelming support for the playing field land not to be sold that it is wrong to ignore that fact through the statutory processes that exist.

I am led to believe that the case will go before the Secretary of State for Education to decide whether this playing field can be sold off. I am in the process of drafting my very strongly worded submission against the sale and I hope the Secretary of State will take it, and the monumental scope of the local campaign, into account when reaching her decision. The playing field continues to be well used by Oundle Primary School. Over the years, many sports clubs have used the land to fulfil weekend fixtures, and weekend and week-night training opportunities for adults and young people. The land will continue to be well used by the local community, as long as it is retained for that particular purpose. There is a real lack of sports provision, pitches and green open space in Oundle for people to get out there and get active. In Northamptonshire, we are already plagued by a situation in which far too many sports teams have to go out of county to fulfil home fixtures. That is very, very wrong. They should be able to play their home games in the vicinity of where they come from.

Craig Whittaker: I think there is a bit of confusion here. Prior to 2010, of course, the process my hon. Friend talks about was in place. Since 2010, however, the rules on the disposal of playing fields have been changed. The Secretary of State makes the final decision. He or she will take into account the statutory six-week consultation, four of which have to be in term-time. They will take into account local people's views and they will say yes to disposing of them only if the sporting needs, not just of the particular school but neighbouring schools, are taken into account.

Tom Pursglove: That is a welcome step forward, but I maintain that it does not go far enough. How can it be right that 4,000 residents in a town could be ignored in the system? We have a referendum if council tax is put up above a certain level. I think it makes sense to have a referendum if local people are getting out there, getting motivated and running a well-organised campaign. That should be acknowledged, but I will come back to the detail later.

It is important that I say a huge thank you to Julie Grove and the Oundle recreation and green spaces committee for their efforts in support of the Oundle campaign and to the recently started campaign, through the same auspices, to save Fletton field, which is a hot topic locally. The committee is not only continuing the fight to save Oundle Primary School's playing field, but turning its attention to Fletton field, which is a community field for which Oundle Town Council has recently submitted an application for village green status. Around the same time, Northamptonshire County Council submitted an application to build 13 houses, with no prior consultation with the community, despite its being a well-used piece of land.

My Bill seeks to improve the consultation with communities when land is up for sale or when that is being considered by a local authority. Presumably, the county council is attempting to attract the best value for this land, which planning permission would help it to achieve, but in doing so it has shown no regard for the village green application. I find that unacceptable. How can it be right that the wishes of the local community can be ridden roughshod over and the land sold against its wishes?

I turn now to another part of my constituency. I was pleased when, at the end of last year, Kings Cliffe Active, a sports and recreation complex set on a 12-acre site in the village of Kings Cliffe, secured a grant of £74,000 from Sport England. The grant will go towards building and maintaining new tennis and netball courts. The case of Kings Cliffe Active demonstrates that grants and support are available for sports provision and that the demand is clearly there, and I was delighted to visit this fantastic sporting facility to discuss its plan just prior to Christmas.

On a national level, I have spoken to many supportive right. hon. and hon. Members from across the House about similar issues in their constituencies. In fact, if one googles "MPs and playing fields", one will find that many colleagues have championed local cases such as the one I am helping with in Oundle. The evidence is there and plain to see. I have also been contacted by an astounding number of local associations, sports clubs, charities and other organisations wanting to share their experiences and express their support for the Bill. In particular, I would like to thank Meryl Smith, the secretary of the National Playing Fields Association, for her continued help and support.

Interestingly, a national petition has also been set up in support of the Bill asking the Government to do almost exactly the same thing as the Bill seeks to do. This further demonstrates the strength of feeling not just in my area, but across the country. I thank James Allen Hardaker for his work setting up the petition.

I turn to the crux of the Bill. It seeks to build on the localism agenda and the Government's excellent measures around protecting assets of community value. It would enshrine it in the law that should a public body wish to sell off school playing fields, it must go through a statutory consultation. One of the biggest complaints is that consultation on these sales nationally has been shockingly woeful. I propose, therefore, that should a verifiable percentage of electors in any ward who are specially and directly affected sign a petition, it would trigger a local referendum, the result of which would be

[Tom Pursglove]

binding for up to 10 years. Essentially, this would provide a genuine localist lock and ensure that the strength of local feeling is reflected in the decision taken.

John Glen: Does my hon. Friend not concede that in some communities across the community an important case could be made for increasing provision in a school area and moving additional provision elsewhere and that this might be popular in terms of the school's development, but that it could come up against opposition from people familiar with that space near the school? Is there not a risk of allowing vexatious and bureaucratic processes to enter into the system, when the National Planning Policy Framework already contains safeguards?

Tom Pursglove: I thank my hon. Friend for that contribution, which raises an important point—one that I intended to reach in a few seconds' time. He has pre-empted what I was about to say. Clearly, there are concerns about that, which I shall address as part of my remarks.

At the moment, I believe that the provisions on neighbourhood planning in the National Planning Policy Framework are not yet tested and tried sufficiently to know for sure that they are watertight in respect of these issues. As I say, where such an overwhelming strength of local feeling can be demonstrated, local people should ultimately have a right of veto.

In other words, the Bill is designed to prevent a situation in which the 4,000 people in Oundle or electors anywhere in the country can be ignored in the way that they have been in the past. In short, this is about a community right to veto any proposal to sell a playing field where the local community feels strongly that doing so is not in the best interests of the area.

Kevin Foster (Torbay) (Con): My hon. Friend is delivering a most interesting speech. Would this right of veto be absolute if, say, a piece of national infrastructure were planned and the school attached to the playing fields was going to be closed? Would a referendum still apply in those circumstances or apply only if it were intended that the school would continue?

Tom Pursglove: I thank my hon. Friend, who always asks very difficult questions. A number of particular regulations are specified in the Bill that would require the Department for Communities and Local Government to do some consultation work. We could get to the crux of that sort of issue in a Bill Committee. Ministers would need to look at the provisions in some detail to get the Bill right. I am not saying that I have all the answers already. I view the Bill as offering a broad outline of something that could be done to provide greater protection for school playing field land. As for the finer regulatory details that would need to play a part in this, it is important to take account of the various case studies up and down the country and ensure that the arrangements are right.

Let me return to the issue of provision elsewhere. The Bill does not seek to stop the selling of playing fields per se. It merely allows those who use these important green spaces to make the case for them to be kept, and to have a real say over the decision. If, of course, it can be demonstrated that the benefits from selling any such land, such as a new school being built with equal or upgraded facilities or alternative provision being provided elsewhere as a direct swap, there is nothing to fear.

I am aware of a local case where this happened. In Kibworth in Leicestershire, David Wilson Homes was very keen to build a new development on a piece of land that included the site of the cricket club. An agreement was reached between the local community, the cricket club and the builders, which meant that the existing cricket club land was built on, but it was replaced elsewhere, delivering not only a better pavilion facility but an extra cricket square. There was a demonstrable benefit to the local community from that taking place, and local people came in behind that and supported it. I would not view that differently for anywhere else in the country where better facilities or direct swaps are being proposed. What we are seeing in Oundle, however, is the taking away of land in an area where there is limited open space for people to get out and get active.

Mr Bone: My hon. Friend is generous in giving way, and he is making a powerful and persuasive case. I would like to suggest that my hon. Friend the Member for Torbay (Kevin Foster), who made such a good intervention, should be a member of the Bill Committee after Second Reading. My hon. Friend the Member for Corby (Tom Pursglove) will know from his own experience of the lack of cricket pitches and playing fields in Northamptonshire. In fact, I have to travel to the next county to play home games for Wellingborough Old Grammarians. We really must stop unnecessary sales of playing fields. Has my hon. Friend had the same experience?

Tom Pursglove: My hon. Friend knows that I have had exactly that experience. I would be delighted to have my hon. Friend the Member for Torbay (Kevin Foster) on the Bill Committee. He would bring a great deal of expertise, knowledge and interest to proceedings.

I think I have now dealt with the particular point about making alternative provision elsewhere. The balance is about right when it comes to protecting existing playing fields, but if enhancements and improvements can be delivered elsewhere, this Bill does not, of course, stand in the way of that happening.

Let me draw my remarks to a conclusion. The Bill is about ensuring that local communities have a genuine say and a real opportunity to influence the future shaping of their areas. It builds on many actions taken by the Government of which I am very proud, such as neighbourhood planning and community rights to bid and buy. Those initiatives have proved successful throughout the country, but I think the Bill would take that success a step further, and would be greatly welcomed everywhere.

Today I have stressed the health benefits and the community value that are associated with accessible school playing field land, but I hope that the Bill will also bring an end to the ignoring by public bodies and local authorities of local grassroots campaigns in which residents fight hard to protect their local playing fields. The Minister may claim that that the planning system and the Department for Education procedures provide specific protection for school playing fields, but I am afraid that, as I have said before, people out there in the country simply do not share that confidence, owing to both past and present experience.

The outcome of the Oundle case remains to be seen, but I shall be submitting the strongest possible objection. People will be very disappointed if the sale is allowed. As I have said, there is already a lack of space, and members of the community are keen to become involved in trying to protect that piece of land. I have no fond memories of playing cricket on the site of Oundle Primary School, but I still think that the site has an important role in our community, and I want the land to be protected for cricketers—and, indeed, sportsmen of all kind—in the years to come.

I also think that the Bill is consistent with the Prime Minister's localism agenda. It would provide a localist lock, and would put local people truly in the driving seat for perhaps the first time. We really do have a duty to protect school playing fields for future generations, and I commend the Bill to the House.

2.21 pm

Dr Roberta Blackman-Woods (City of Durham) (Lab): I have some sympathy with the case presented by the hon. Member for Corby (Tom Pursglove). I think that Members on both sides of the House recognise the importance of school playing fields to the development of fitness in our young people, and also to the wider community. We want both sportsmen and sportswomen to benefit.

Michael Tomlinson (Mid Dorset and North Poole) (Con): Given that the hon. Lady is now championing these sports fields, does she regret the fact that, according to research conducted by Fields in Trust, more than 2,500 were sold between 1997 and 2005? That is more than 26 sites per month.

Dr Blackman-Woods: I was just coming to that point. In 2004, the Labour Government introduced new measures to protect our school playing fields, and to ensure that such land was subject to a decision by the Secretary of State. The revised guidance contained a general presumption against the need to sell, dispose of or change the use of playing fields. It also maintained the existing presumptions that only sports pitches that were surplus to the needs of local schools and their communities should be sold, and all proceeds should be reinvested in the improvement of local sports facilities.

Furthermore, planning policy guidance note 17 sought to strengthen the protection of school playing fields through the planning system, and explained how such sites could be renewed, upgraded and extended to serve the needs of the whole community through dual use of facilities. I am sure that the hon. Gentleman will be delighted to know that, in 2012, the national planning policy framework updated some of the policy in PPG note 17, although not in quite as much detail as the hon. Member for Corby might like. The 2004 guidance was updated in May 2015, again to continue the protections that were already in place for school playing fields.

The Bill seeks to balance the power that rests with the Secretary of State with a greater say for the local community, and, as I have said, we strongly approve of that. However, it also provides for public consultation, a petition, and, if the threshold is met, a possible referendum. I think we should be given more detail about which members of the public will be consulted over what area, about who will pay for that, and about who will pay for the referendum if one is triggered. As we all know, local authorities, particularly in our more disadvantaged areas, are struggling because of Government cuts, and the Bill will obviously add to their responsibilities.

I wonder whether the hon. Member for Corby has concluded that the assets of community value provisions and neighbourhood planning are not quite up to the task of requiring greater consultation before there is a disposal of playing fields. They are clearly not adequate, or else he would not have to introduce this Bill. I also wonder whether he has looked at the provisions in the Housing and Planning Bill, under which, if a playing field is designated as brownfield, it could simply have permission in principle given to it, and it could be given planning permission for the development of housing without going through any process.

We very much agree with the sentiment behind the Bill. We would like to see greater community consultation before disposal is made, but some questions need to be asked.

2.26 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones): I congratulate my hon. Friend the Member for Corby (Tom Pursglove) on securing this private Member's Bill. I am afraid that while his aims at first glance seem laudable, for the reasons I am going to explain, the Government are not able to support this Bill.

School playing fields are important both as spaces for healthy exercise and as valuable community assets. That is why under existing legislation any local authority or school seeking to dispose of publicly funded school land must seek the Secretary of State for Education's consent before doing so. The Government maintain particularly strict controls around the disposal of school playing field land. In addition, where a local authority is considering disposal of such an asset, the decision should be taken in an accountable and transparent manner.

Mr Bone: The Minister says that the Secretary of State will make a decision. Is he honestly saying that Secretaries of State will look at all these planning applications and make a decision—or is it bumped off to an official?

Mr Jones: I can reassure my hon. Friend that the decision is made by the Secretary of State, and the Secretary of State has to sign off any such disposal of playing field land. To reassure him further, I had a derelict site in my constituency. It had been a school a considerable number of years before and encompassed not a playing field but a playground. My local authority wanted to sell that land to fund new classrooms in a school with a playing field which was opposite that site. It took an inordinate amount of time for that process to take place, such is the high bar a local authority has to meet to dispose of a school playing field.

The planning system is concerned with the use and development of land. It has an important role to play in helping to achieve sustainable development through guiding land use change. Our national planning policy framework recognises that access to high-quality open spaces and opportunities for sport and recreation make

[Mr Marcus Jones]

an important contribution to the health and wellbeing of communities. The framework provides guidance for planning authorities in preparation of their local plans. It is also a material consideration in the determination of planning applications for individual development proposals. It states that planning policy should be based on robust and up-to-date assessments of needs for open space, sports and recreation facilities, and opportunities for new provision:

"Existing open space, sports and recreational buildings and land, including playing fields, should not be built on unless: an assessment has been undertaken which has clearly shown the open space, buildings or land to be surplus to requirements; or the loss resulting from the proposed development would be replaced by equivalent or better provision in terms of quantity and quality in a suitable location; or the development is for alternative sports and recreational provision, the needs for which clearly outweigh the loss."

Existing open space sports and recreational buildings and land, including playing fields, should not be built on unless an assessment has been undertaken which has clearly shown that the open space, building and land is surplus to requirements; unless the loss resulting from the proposed development would be replaced by equivalent, or better, provision, in terms of quality or quantity, in a suitable location; or unless the development is for alternative sports and recreational provision, the needs for which clearly outweigh the loss. The importance of a robust evidence base is crucial to good planning and the achievement of sustainable development. We recognise the importance of open spaces, including playing fields, to communities—

2.30 pm

The debate stood adjourned (Standing Order No. 11(2)).

Ordered, That the debate be resumed on Friday 11 March.

Business without Debate

RAILWAYS BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 11 March.

WORKING TIME DIRECTIVE (LIMITATION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 29 January.

PERSONAL, SOCIAL, HEALTH AND ECONOMIC EDUCATION (STATUTORY REQUIREMENT) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 11 March.

DEPARTMENT OF ENERGY AND CLIMATE CHANGE (ABOLITION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 11 March.

CROWN TENANCIES BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 29 January.

BENEFIT SANCTIONS REGIME (ENTITLEMENT TO AUTOMATIC HARDSHIP PAYMENTS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 11 March.

NEGLIGENCE AND DAMAGES BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 11 March.

NO FAULT DIVORCE BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 11 March.

MARRIAGE AND CIVIL PARTNERSHIP REGISTRATION (MOTHERS' NAMES) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 5 February.

HOUSE OF COMMONS (ADMINISTRATION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 29 January.

MARRIAGE REGISTRATION BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 5 February.

HOUSE OF COMMONS MEMBERS' FUND BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 29 January.

ACCESSIBLE SPORTS GROUNDS BILL *[LORDS]*

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 11 March.

Free School Funding (Sixth Forms)

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

2.33 pm

Mike Freer (Finchley and Golders Green) (Con): Free schools are a notable achievement of the last Government and, of course, of this Government. My constituency has embraced the free school concept and we have many excellent examples. The Archer Academy is one of them: a free school providing inclusive education for secondary-age children in N2 and the surrounding communities of N3 and NW11. It opened in September 2013 after a long and persuasive campaign by local parents. It has been over-subscribed since day one, and currently has 452 students on the roll, across years 7, 8 and 9. In the most recent round, it received 915 applications for the 150 places available from September 2016.

The children come from diverse socioeconomic backgrounds but enjoy an ambitious and stretching curriculum, with an extended day enabling all to participate in creative, sporting and character-building activities. The success of the school was underlined by Ofsted, which recognised behaviour and safety as "outstanding" and gave the whole school a grade of "good." Children at the school are making outstanding progress, and senior leaders estimate that 80% to 92% are on course to achieve A* to C grades at GCSE, or the equivalent, including in English and maths, when the first cohort takes those exams in summer 2017. Those high levels of achievement are a result of the relentless ambition and outstanding teaching being provided by the staff team. That is all the more remarkable given the mixed intake of children from a variety of backgrounds, many of whom face significant barriers to success as a result of deprivation, family breakdown and language challenges. It truly is a mixed London school.

When the founders applied to the Department for Education to establish the school, they evidenced the clear demand to provide much-needed spaces in the London borough of Barnet, given its acknowledged shortfall. The school was approved in July 2012 to serve 11 to 16-year-olds, and it opened to students in September 2013 on one site while a second site was acquired and works were completed in time for its opening in September 2015. The applicants made it clear in their original application that their aim was to provide sixth-form provision in time for the initial cohort, but they understandably focused initial efforts on developing the immediate key stage 3 and 4 phases. In the next academic year, the school will operate a lower and upper school using both sites. Barnet is one of the most popular boroughs for development, and one of the fastest-growing London boroughs in terms of population. Land restrictions in Barnet are the reason behind the need to operate across two sites and they contribute to the complications as the school seeks to offer a sixth form. Given the requirement from the Government for all children to remain in education to 18, the school is encountering significant pressure to meet need.

With the first cohort of children commencing their GCSEs, attention is turning to the post-16 offering, how to meet the needs of the pioneer cohort, and the continued demands of the local area. Discussions about options for expanding to include a sixth form started with the Education Funding Agency in 2015.

[Mike Freer]

Barnet remains a net exporter of sixth-form age students. That highlights the continuing shortage of provision in the borough. Students have to travel some distance to get a sixth-form education. Provision is an issue most acutely felt in the south of the borough, where the Archer Academy is sited. Most of my constituency suffers an acute shortage of places and will continue to do so unless we can allow good free schools to expand. The local authority's school place planning process recognises the shortfall across all ages, and its most recent strategic planning documents stated:

"The primary pressure will feed through to the secondary phase in the next few years and there is projected to be a significant shortfall in secondary school places by the end of the decade and beyond."

The shortage is projected to continue through to 2029-30. All this is set against a growing population in Barnet, and in Finchley in particular.

Let us turn to the process of approval for a sixth form and the funding sources available. In theory, the decision to approve the extension of provision rests with the regional schools commissioner, with whom I am in touch, as is the school. I have arranged for him to visit the school next month. However, his power to approve such a change is hampered by the specific problems arising from current funding provision, and the barriers that the process puts in place for schools where there is a shortage of sites. While schools out of London may be able to expand their offer to include a sixth form by expanding their premises or re-profiling existing space, the pressures on the Archer Academy mean that a new site is the only way forward. It is the only way that children can continue their now compulsory post-16 education at a through-11-to-18 school.

Current funding is provided through the condition improvement fund, a competitive fund capped at £4 million. Try buying a site for a new school in Finchley for £4 million. That would be a struggle and it would take up the whole fund. The fund's guidelines prioritise essential works, such as major repairs to boilers and roofs, from among all the applications received from schools across England.

Clearly, the provision of a sixth form is essential to enable the pupils of the Archer Academy to meet their potential, but the competitive nature of CIF makes it inappropriate for funding such essential provision. The cap of £4 million means that schools in areas such as Finchley, and especially in London, which require capital investment to acquire sites and develop and build new provision are effectively barred, as the cost of land and the low availability of sites make such expansion virtually impossible. Furthermore, the guidance from CIF recognises its limited role as a route for sixth-form expansion. Its own document states:

"The core priority for CIF is condition: keeping academy and sixth-form college buildings safe and in good working order…Most CIF funding aims to address issues with significant consequences that revenue or Devolved Formula Capital (DFC) funding cannot meet."

A second priority for CIF is expansion, providing a smaller proportion of CIF funding to support high-performing academies and sixth-form colleges that need to expand their facilities or floor space to increase the number of admissions in the main year of entry, or to address overcrowding. The CIF priorities do not specifically mention allowing existing cohorts to have an 11-to-18 education in one school. In 2015-16 CIF was four times over-subscribed. It is expected that over-subscription will continue in the coming financial year. Only applications that demonstrate a high project need aligning with those priorities are likely to be considered, let alone successful.

The guidance states that applicants preparing expansion projects should consider the alternative option of setting up a free school. I cannot believe that such a flagship policy that is working so well would say to successful schools, "The only way you can expand is by setting up another free school to meet that sixth-form need." That cannot have been the Government's original intention in supporting parents and meeting local demand by opening parent-led schools. Anybody who has tried to support parents through the process of opening a free school knows that it is cumbersome, lengthy and stressful for all involved.

Once again, this process of opening a new school or seeking to access CIF is not suitable for schools in densely populated areas where there are land shortages, and where the cost of that land is exorbitant. Also, forcing free schools to open an additional school to meet that need will deprive that school of any economies that arise from running schools on one site. Suggesting that the Archer Academy should run on three sites is nonsense. It would only create a less financially secure profile than is necessary or desirable. In the case of the Archer Academy, the need to address the issue is pressing. In two years' time, 150 children will complete their GCSEs without an obvious and appropriate sixth-form offer—and there will be a further 150 in each year after that. Clearly, although the need and demand for such provision exists, the funding structure is weighted against those in London and densely populated areas. The current funding options will penalise a successful and thriving school.

I will finish by touching on the local area-based reviews. These are perfectly laudable in terms of trying to ensure that the DFE has the right capacity to meet the needs of students and employers in each area—capacity provided by institutions that are financially stable and able to deliver high-quality provision. The reviews are ongoing and establish a long-term picture. However, this approach will not deliver for Barnet and for Archer Academy in time. It will not allow the academy to meet the pressing need of the existing cohort, who need to start their A-levels in September 2018 and are looking to make their decisions on their sixth-form placements in the imminent future. For those reasons, it is urgent that we are able to secure clear guidance as to how funding can be made available, recognising the particular circumstances of this thriving free school.

I ask my hon. Friend the Minister to explore how funds in the existing financial settlement for free schools can support the expansion of good free schools, and to say whether he or a colleague will meet me and the chair of governors to look at what urgent support the Department can provide.

2.46 pm

The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah): I congratulate my hon. Friend the Member for Finchley and Golders Green (Mike Freer)

on securing this debate. He raises a very important issue surrounding the ability of good free schools to expand the educational provision they offer. I assure him that this Government fully support good free schools expanding, but we must make sure that such decisions are based on a rigorous and evidence-based process to ensure that the school will remain educationally and financially viable.

The Government have a manifesto commitment to create at least 500 free schools by 2020, creating 270,000 school places. We have revised the application process for new schools to encourage more applications from good and outstanding schools, and high-performing trusts and sponsors. We are encouraging businesses, charities, cultural and sporting bodies, community groups and parents to enter the free schools programme. As announced in the spending review, the Government are investing a further £23 billion in school buildings up to 2021. This comes after we changed the rules to make it easier for good schools to expand.

We are opening free schools quicker, and at a lower cost, than in previous school-building programmes. We have opened over 350 free schools, university technical colleges and studio schools since 2010, creating over 190,000 school places. We have opened 69 free schools since the 2015 general election, and have over 150 free schools aiming to open in 2016 and beyond, creating 100,000 places. I am pleased to say that almost half of free schools have been opened in the most deprived communities in our country. The vast majority of those approved in recent years have been in areas where there was a recognised need for additional school places.

As my hon. Friend is aware, the Government want every parent to have access to a good school place for their child. This means that all new places need to be of good quality. The Department therefore expects that proposals for new sixth forms should usually be put forward only by good or outstanding schools. The current guidance from the Department sets out the process that existing academies have to follow in order to add a sixth form. This starts with a local consultation process to ensure that all those affected are able to comment. A business case on the proposal is then made to the Department. The relevant regional schools commissioner will consider the case and make a decision on behalf of the Secretary of State. As part of this business case, the academy will need to show that it has funding in place for the expansion.

As my hon. Friend said, free schools, like academies and sixth-form colleges, are eligible to apply to the Department for the condition improvement fund for additional capital funding to support expansion. The core priority of the fund is to keep academy, free school and college buildings safe and in good working order by tackling poor building condition, building compliance, energy efficiency and health and safety issues. A smaller proportion of the fund is available to support the expansion of good or outstanding free schools, academies and sixth-form colleges. That includes cases of overcrowding as well as sixth-form expansions.

The 2015-16 allocations for the condition improvement fund provided funding for 1,482 projects across 1,170 academies and sixth-form colleges at a total of £421 million. All applications were considered against rigorous criteria and prioritised to ensure that projects with the greatest need were successful.

Once a new sixth form has been agreed, day-to-day funding for pupils is based on the national 16-to-19 funding formula. All institutions providing education for 16 to 19-year-olds are funded on the same basis, whether they are academies, free schools, maintained schools or sixth-form colleges.

We announced as part of the spending review that we will protect the national base rate of £4,000 per student for the duration of the Parliament. I am sure that my hon. Friend will welcome the stability that that will bring to the sector and the vote of confidence it represents in 16-to-19 education. Within that formula, funding for existing sixth forms is based on lagged student numbers—that is to say, the funding in one year reflects the number of students recruited in the previous year. That would clearly not work for new sixth forms, so in those cases funding in the first year is often based on a third of the capacity of the sixth form. However, in some cases, particularly some free schools, funding is based on the school's estimated numbers.

I understand my hon. Friend's frustration at the challenges faced by Archer Academy in securing funding to add a sixth form. Archer Academy is subject to the same robust processes as all other academies and free schools that wish to expand. The Government do not perceive that process to be holding back good free schools from expanding; rather, it ensures that there is a need for high-quality places within the local area, and ascertains whether the school would remain both financially and educationally viable if it did expand.

My hon. Friend raised two particular questions towards the end of his speech. First, I assure him that the condition improvement fund is under review, as occurs annually, and the proportion of the fund available for expansion is also being reviewed. The Government have consistently supported good schools expanding, as I have demonstrated, but the process needs to be rigorous and evidence-based and we will consider applications on a case-by-case basis.

Secondly, I and my departmental colleagues and officials regularly meet headteachers and governors, and take great pride in doing so. I would very much like to meet my hon. Friend, headteachers and governors to discuss the specific issues in his constituency and those relating to Archer Academy.

I am grateful to my hon. Friend for raising this important issue. I hope he is happy with the confirmation that the Government fully support the expansion of successful free schools such as Archer Academy, which I look forward to seeing go from strength to strength.

Question put and agreed to.

2.53 pm

House adjourned.

Written Statement

Friday 22 January 2016

FOREIGN AND COMMONWEALTH OFFICE

National Memorial to British Victims of Overseas Terrorism

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood): Today, the Government are launching a public consultation to help inform the creation of a national memorial to the British victims of overseas terrorism.

We are all aware of the devastating terrorist events that have taken place overseas in recent years, not least the atrocities in Paris. Following the terrorist attacks in Tunisia last year, my right hon Friend, the Prime Minister, announced that funding would be made available for a memorial dedicated to UK nationals who have been killed in terrorist atrocities overseas. My right hon Friend, the Chancellor of the Exchequer, also announced in the Summer Budget 2015 that the national memorial would be funded by banking fines. *Official Report*, 8 July 2015, column 326.

We are launching this consultation in order to gather views on how the national memorial should be developed. We recognise that, for many, this will be a sensitive issue. We have worked with the Victims' Commissioner, Victim Support and the British Red Cross, and with representatives of victims' families to ensure that the consultation allows people to express their views, while remaining as sensitive as possible to individuals' circumstances.

We propose that the memorial should be an enduring physical memorial that allows those affected to reflect upon their own loss in a way that is meaningful to them. We should not attempt to prescribe the nature of events, or the loss experienced by families and friends, in a rigid way. Consequently, the memorial should carry a dignified inscription to the victims of overseas terrorism and should not bear individual names or terrorist events.

The consultation will ask respondents whether they would prefer the national memorial to be in central London—where it might be seen by some to give due prominence to the memory of those who have died—or at the National Memorial Arboretum in Staffordshire—a peaceful location for personal reflection at the heart of the United Kingdom.

The consultation will be open for six weeks until 4 March 2016.

[HCWS486]

WRITTEN STATEMENT

Friday 22 January 2016

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