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**HOUSE OF COMMONS  
OFFICIAL REPORT**

**PARLIAMENTARY  
DEBATES**

**(HANSARD)**

**Tuesday 26 January 2016**



# House of Commons

*Tuesday 26 January 2016*

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

## PRAYERS

[MR SPEAKER *in the Chair*]

## Oral Answers to Questions

### JUSTICE

*The Secretary of State was asked—*

#### Prison Governors

1. **Nigel Huddleston** (Mid Worcestershire) (Con): What his policy is on the autonomy of prison governors; and if he will make a statement. [903234]

**The Lord Chancellor and Secretary of State for Justice (Michael Gove):** Our prison system needs reform, and, in particular, we need to give governors greater freedoms to innovate to find better ways of rehabilitating offenders.

**Nigel Huddleston:** In December, the outgoing chief inspector of prisons said that he was concerned about Islamic extremism in prisons. In some prisons, including in Long Lartin in my constituency, the Muslim population is as high as 40% of inmates. What additional powers or support are the Government giving to tackle religious extremism?

**Michael Gove:** My hon. Friend makes an important point. Radicalisation in prison is a genuine danger not just in England, but across the European Union. That is why we have charged a former prison governor, Ian Acheson, with reviewing how we handle not just the security concerns, but the dangerous spread of peer-to-peer radicalisation in our prisons. It is also the case that, in appointing a new chief inspector to follow on from the excellent work of Nick Hardwick, the experience of Peter Clarke in this particular area will count very much in his favour.

**Keith Vaz** (Leicester East) (Lab): I welcome the steps that have been taken to tackle radicalisation in prisons, but the problem exists once people come outside prisons. In a previous report of the Home Affairs Committee, we talked about the need to monitor people when they come outside. Will the Secretary of State ensure that there remains that connection with the Home Office, so that those who have had lessons or initiatives to do with counter-radicalisation are able to continue with them when they get outside?

**Michael Gove:** Absolutely. I make it my business to talk regularly to the Home Secretary about this issue, as we share the concerns of the right hon. Gentleman. I also know that the Under-Secretary of State for Justice,

my hon. Friend the Member for South West Bedfordshire (Andrew Selous) and the Minister for Security, my right hon. Friend the Member for South Holland and The Deepings (Mr Hayes) meet regularly to ensure that we do everything possible to monitor the matter. Across the House, there is a recognition that we must deal not only with violent extremism, but with extremism itself. Those who seek to radicalise and to inject the poison of Islamism into the minds of young men need to be countered every step of the way.

#### Departmental Spending

2. **Sir Edward Leigh** (Gainsborough) (Con): What steps his Department is taking to increase value for money in its spending. [903235]

**The Parliamentary Under-Secretary of State for Justice (Mr Dominic Raab):** We are determined to help eliminate the budget deficit and deliver better justice, which is why we are cutting 15% from the Ministry of Justice budget over the spending review, but finding £1.3 billion to overhaul the prison estate so that we drive down reoffending and ensure that my hon. Friend's constituents get better value for money and better bang for their buck out of the justice system.

**Sir Edward Leigh:** The Ministry of Justice has faced spending cuts as deep, or deeper, than any other Department in Whitehall, and yet, despite the occasional criticism and row, I am not sure whether the public has noted any discernible reduction in the service provided by the Department. Will my hon. Friend summon in the Secretaries of State for Health, Work and Pensions, International Development and Defence and give them a verbal tongue lashing about how we can emulate the private sector and create more wealth, goods, enterprise, deregulation and lower taxation and still provide better services?

**Mr Raab:** I thank my hon. Friend for his insightful remarks. As a former Public Accounts Committee Chairman, he will appreciate that we have already slimmed back-office by £600 million so that we can extend rehabilitation to the 45,000 offenders on short sentences, where we have some of the highest reoffending. Now we are cutting the admin budget by 50%, but investing £700 million to modernise our courts. It shows that, whether we are talking about delays at courts or the offenders passing through them, we can drive efficiencies and deliver a more effective system.

**Nick Thomas-Symonds** (Torfaen) (Lab): Given the Secretary of State's U-turns on things such as the criminal court charge and the ban on books being sent to prisoners, may I gently suggest that a good way of saving money would be to avoid such mistakes in the first place and listen to the Labour party?

**Mr Raab:** With great respect to the hon. Gentleman, given the litany of mistakes, errors and systemic failings that we have had to clear up over the past five years and will continue to do over the next five years, we might just reject that particular piece of counsel.

**Robert Neill** (Bromley and Chislehurst) (Con): One important area in which both service can be enhanced and value for money achieved is through greater efficiency both in the courts estate and the courts system. Is my hon. Friend satisfied that the Ministry has sufficient in-house capacity to deal adequately with major issues such as court restructuring, where negotiations have to take place at high commercial contractual levels, or will he bring in outside expertise where necessary?

**Mr Raab:** My hon. Friend is absolutely right. I have already explained some of the back-office savings that we are making not only to deliver better value to the taxpayer but to find the savings to reinvest. He is right to say that, where we need to engage with the private sector—or the voluntary sector for that matter—to take advantage of their ingenuity and innovation, we will do so.

**Margaret Ferrier** (Rutherglen and Hamilton West) (SNP): Figures released yesterday by the Department show that more Ministry of Justice staff received bonuses last year than the previous year, and that the average size of bonus increased by more than 7%. Considering that the whole public sector has had a 1% pay rise cap, is this not a case of one rule for one and a different rule for another?

**Mr Raab:** No. I am afraid that that is not fair or reasonable to any of our hard-working public servants. There are strict rules and parameters on bonuses within the 1% pay cap and the guidance on that, but it is important, notwithstanding the savings that we have to make, especially in bureaucracy, back office and headquarters, that we recognise outstanding performance.

**David Mowat** (Warrington South) (Con): We are the only country in the world that uses taxpayers' revenue to pay lawyers to sue our own soldiers as they return from active duty. Is that an area of saving that the Minister might consider?

**Mr Raab:** My hon. Friend is absolutely right that we need a balanced approach to access to justice. I will answer some specific questions about the military claims later, but he is right to say that we need to look at the rules on legal aid, and that is what we are already doing and will continue to pursue.

**Andy Slaughter** (Hammersmith) (Lab): Talking of value for money, how much has the miscalculation of divorce settlements cost so far? The 2,200 closed cases will require specialist legal advice and negotiation to correct. Who is going to pay for that—the taxpayer or the people his Department has so badly let down? On the back of it, the legal press has dubbed the Under-Secretary of State for Justice, the hon. Member for North West Cambridgeshire (Mr Vara), the Minister for cock-ups. We disapprove of this scapegoating. Does not the whole ministerial team deserve that title?

**Mr Raab:** I am glad that the hon. Gentleman disagrees with scapegoating. When we make mistakes, we recognise them. We have written to all the people affected, and we will make sure that it does not happen again.

## Women's Prison Estate

3. **Heather Wheeler** (South Derbyshire) (Con): What plans he has for the future of the women's prison estate. [903236]

**The Parliamentary Under-Secretary of State for Women and Equalities and Family Justice (Caroline Dinenage):** Our announcement of the closure of Holloway prison signals a new beginning in the way we treat female offenders. It reflects our commitment to hold women in environments that better meet their specific needs and support their rehabilitation, helping them towards better lives on release.

**Heather Wheeler:** I thank my hon. Friend for that answer. I have Foston Hall ladies prison in my constituency. Can my hon. Friend outline how the changes that are happening at Holloway will assist the prisoners and staff at Foston Hall?

**Caroline Dinenage:** Foston Hall is now a resettlement prison, so it is much better placed to support inmates throughout their time in prison and back out into the community. My hon. Friend will know that many female offenders have complex needs, which is why we have introduced a personality disorder pathway and a centralised case management system for female offenders. We have also ensured that family engagement workers are in place at all public sector women's prisons, including Foston Hall.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): The Minister might know that New Hall women's prison is quite close to my Huddersfield constituency. Does she agree that often literacy issues stop women getting back into society and leading a good life? Also, many people—women particularly—are on the autistic spectrum, but are never tested. Could more attention be paid to special educational needs in women's prisons so that we can help women more?

**Caroline Dinenage:** The hon. Gentleman makes an excellent point, and we will certainly take it into consideration. I visited New Hall prison towards the tail end of last year and had a look at some of the excellent work that it is doing to help women offenders both with literacy and numeracy and with their various other complex needs.

**Crispin Blunt** (Reigate) (Con): My hon. Friend will be aware, as will her colleagues, of the work of RAPT—the Rehabilitation for Addicted Prisoners Trust. She may not know that it began its work in Downview prison in my constituency when it was a category C/D male resettlement prison. That work had to come to an end when it was re-rolled as a female prison back in 1999-2000. Now that the Minister is moving women prisoners to Downview, will she make sure that RAPT can restart its work as the prison reopens?

**Caroline Dinenage:** My hon. Friend makes an important point. So many of our female offenders come into the prison system with addictions to both substances and alcohol, and it is fundamental that that is a key part of their rehabilitative process.

**Anne McLaughlin** (Glasgow North East) (SNP): On the advice of organisations such as Families Outside, the Scottish Government have been trialling community sentencing for women serving sentences of six months or less, in order to reduce reoffending. Given that early indications suggest that that is working, will the Minister commit to looking at rolling it out across the whole United Kingdom?

**Caroline Dinagen:** I am keen to look at the Scottish model and see what progress has been made. I am also keen to intervene earlier in women's offending journey to make sure that the right wrap-around services are put in place to try and divert as many people as possible away from ending up in prison, because we know that every woman in prison represents a potentially broken family and children potentially taken into care.

**Philip Davies** (Shipley) (Con): Given that the Minister is usually such a great champion of gender equality, may I suggest that instead of trying to turn the women's prison estate into some kind of holiday camp, she makes sure that if a woman commits an offence, she is treated in exactly the same way as a man, and that female prisoners are treated in the same way as male prisoners? It is still the case that for every single category of offence, a man is more likely to be sent to prison than a woman. Why is a female offender who commits burglary any better than a male offender who commits the same offence?

**Caroline Dinagen:** I fear we may have been down this road before with my hon. Friend. I take on board his comments. Sentencing is a matter for the judiciary, but I will always defend my strongly-held belief that equality of outcome is what we are looking for in the female prison estate. At present, female prisoners are much more likely to have many complex needs and are far less likely to gain employment once they leave prison. I am seeking to tackle that.

### Psychoactive Substances (Prisons)

4. **Mr David Burrowes** (Enfield, Southgate) (Con): What steps he is taking to tackle the use of new psychoactive substances in prisons. [903237]

**The Minister for Policing, Crime and Criminal Justice (Mike Penning):** Quite rightly, we do not tolerate drugs in our prisons and we are bringing forward tough new measures, including the new legislation on psychoactive substances, which will make possession in a prison a criminal offence, unlike the position in the rest of the country.

**Mr Burrowes:** I congratulate the Minister on spearheading that new legislative tool, but if the scale of harm demonstrated by a significant increase in ambulance attendances and suicides were happening in other places where there is a duty of care—hospitals, children's homes or schools—would we not have what is needed, which is a root and branch review of how best to tackle supply and demand for drugs in prisons?

**Mike Penning:** We must make sure that these drugs do not get into our prisons. Psychoactive substances and drugs have been in our prisons for some time.

Following a request not only from the prisons Minister, but from prison officers as well as prisoners around the country, we made sure that possession was a criminal offence. We need measures such as new sniffer dogs, which can sniff out such products, and they are in training. We must eradicate these drugs from our prisons.

**Mary Glendon** (North Tyneside) (Lab): The National Offender Management Service has revealed that the amount of alcohol found in prisons in England and Wales has almost trebled since the Government took office. Will the Minister explain what urgent steps he is taking to address this serious problem?

**Mike Penning:** One of the ways we can deal with that is by making sure that individual governors have full control within their prisons so that they can work with their staff to make sure that not only drugs, but alcohol, which is not supposed to be in our prisons, is not there. Much of that alcohol is brewed within the prisons and we need to work hard to make sure that we eradicate that.

**Mr Philip Hollobone** (Kettering) (Con): We do not tolerate drugs in our prisons, but drugs use is widespread throughout every jail in this country. Is there any realistic prospect whatsoever of a drug-free prison establishment?

**Mike Penning:** The Prison Service works very hard to try and make sure that we eradicate as many drugs as possible. The new legislation will help. We know that assaults on prison officers and inmates by people taking psychoactive substances have been prevalent and are a blight on our prisons. With the new legislation we will have powers that we did not have before.

**Marie Rimmer** (St Helens South and Whiston) (Lab): There have been recent reports of prison officers falling ill after inhaling inmates' legal highs. The Minister says that new legislation is being introduced, but how will we deal with the problem when present governors are retiring and leaving? We need a culture from the top to implement measures within the Prison Service. How will the Government effect that?

**Mike Penning:** One of the ways in which we can improve the situation for prison officers is by listening to them. They categorically asked for the ban. At the moment such substances are legal, but they will be banned once the Psychoactive Substances Bill receives Royal Assent, so from April possession in prisons will be a criminal offence. That is what prisoner officers asked for, and that is what we have given them.

### Access to Justice

5. **Stephen Timms** (East Ham) (Lab): What steps he is taking to ensure that access to justice does not depend on ability to pay. [903238]

**The Parliamentary Under-Secretary of State for Justice (Mr Shailesh Vara):** We are committed to ensuring that our justice system delivers faster and fairer justice for all our citizens. Reform of our courts and tribunals will bring quicker and fairer access to justice and create a justice system that reflects the way people use services

today. We have also ensured that legal aid remains available for the highest priority cases, for example where people's life or liberty is at stake, where they face the loss of their home, in cases of domestic violence, or where children might be taken into care.

**Stephen Timms:** The result, as the Lord Chief Justice extraordinarily reported two weeks ago, is that:

"Our system of justice has become unaffordable to most".

Two constituents were sacked unfairly. One went to tribunal but was unable to afford legal representation and therefore lost. The other immediately gave up. With justice now available to only the well-off, does the Minister have any serious proposals to open up access to justice to ordinary people?

**Mr Vara:** I am grateful to the right hon. Gentleman for raising the issue of employment tribunals, because it allows me to say that this Government's aim is to ensure that people do not have to go to court or tribunal in the first place, and therefore do not have to incur the legal expenses or experience the stress. In the case of employment tribunals—he might not be aware of this—the ACAS early conciliation service, which is free, was used by 83,000 people in its first 12 months. I very much hope that when constituents bring problems to his surgery in future, he will point them towards that free service.

**Andrew Bridgen** (North West Leicestershire) (Con): Since the Government changed the criteria for access to legal aid there has been a huge increase in claims of domestic violence. Has the Minister made any assessment of the link between those two items?

**Mr Vara:** We constantly ensure that matters are kept under review. We are committed to having a review of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 three to five years after its implementation.

**Rachael Maskell** (York Central) (Lab/Co-op): The Law Society describes access to justice as being "on the verge of a crisis".

Funding for civil cases has fallen by 62% since civil legal aid was cut. Will the Minister carry out a full review to understand the equality impact of the changes in civil legal aid?

**Mr Vara:** As I have just said, we will be carrying out a full review of the implementation of LASPO. We still have one of the most generous legal aid budgets in the world, notwithstanding the reductions we have made.

**Jake Berry** (Rossendale and Darwen) (Con): Some of the people who would struggle the most to pay court fees are those affected by family breakdown, often in chaotic families. Will my hon. Friend update the House on what plans he has to simplify and reduce costs to access child arrangements orders, and will that include any further statutory rights for grandparents?

**Mr Vara:** On court fees, what I will say is that where people have difficulty attending court, there is a fee remission system available, which can be for remission in full or in part.

**Christina Rees** (Neath) (Lab): We learnt this week that a district judge is suing the Ministry of Justice, blowing the whistle on the rising number of death threats and the increasingly violent claimants that our judges are having to deal with day in, day out. Given that that comes so soon after the Lord Chief Justice's warning that judges face a rising number of challenging and emotionally charged cases, what action is the Minister taking to address these claims, or is this just another admission that his party's failed austerity policies have made our courts more dangerous, both for judges and for victims?

**Mr Vara:** I welcome the hon. Lady to her new post on the Opposition Front Bench. She will appreciate that, given that there is ongoing litigation, I cannot possibly comment on that from the Dispatch Box.

### Prisons' Engagement with Employers

6. **Simon Hoare** (North Dorset) (Con): What steps his Department is taking to improve prisons' engagement with employers; and if he will make a statement. [903239]

11. **Stephen McPartland** (Stevenage) (Con): What steps his Department is taking to improve prisons' engagement with employers; and if he will make a statement. [903244]

13. **Stephen Hammond** (Wimbledon) (Con): What steps his Department is taking to improve prisons' engagement with employers; and if he will make a statement. [903247]

**The Parliamentary Under-Secretary of State for Justice (Andrew Selous):** Providing prisoners with vocational skills and employment opportunities is an important factor in preventing reoffending. The Employers Forum for Reducing Reoffending brings together employers who are willing to employ offenders, and we are working with the Department for Work and Pensions to increase the involvement of more businesses. Community rehabilitation companies also have an important role to play in helping ex-offenders find employment.

**Simon Hoare:** I am grateful to my hon. Friend for that encouraging answer. I am sure he would agree with me that it is beholden on as many employers as possible to offer training in prisons, so that when prisoners leave prison they are ready for employment and equipped with the required skills. I invite him to welcome the work that Cleansheet does in our prison estate, particularly in Guys Marsh in my constituency. I have seen it at first hand and it really gets people ready for work.

**Andrew Selous:** I thank my hon. Friend very much for his interest in this important area and am delighted to praise the work of Cleansheet and so many other organisations that try to get prisoners into work. A number of companies—Timpson, Halfords, the Clink restaurants, the Census Data Group, Aramark and many others I could mention—are rising to the challenge. We want many more to join them.

**Stephen McPartland:** Does the Minister agree that providing work—and the right sort of work—is the real key to an effective rehabilitation process for prisoners?

**Andrew Selous:** My hon. Friend is absolutely right. We have the hard evidence: if a prisoner leaves prison and goes into work, they are less likely to reoffend. We know that reoffending costs between £9 billion and £13 billion a year and creates many more victims. We can avoid that by getting more prisoners into work.

**Stephen Hammond:** My hon. Friend will know that access to the skills likely to be required in the working environment is key. I welcome what he said about the employers' forum, but will he say what more the Government will do to get more employers to recognise the potential of providing those skills and of the opportunity to employ ex-offenders on release?

**Andrew Selous:** As a London Member, my hon. Friend may have noted that a week or so ago the Mayor of London pointed out that when employers hire ex-offenders, they report above-average commitment and loyalty; the issue is not only an important part of social responsibility, but very good business sense. London is leading the way in this area, with more joined up work between local enterprise partnerships getting extra skills funding into prisons. I want to see what is happening in London spread across the whole of England and Wales.

**Gavin Robinson (Belfast East) (DUP):** In November, I raised the issue of the barrier that insurance premiums pose to employment for ex-offenders. I am pleased to say that the Minister has engaged with the issue. Does he have an update for the House?

**Andrew Selous:** I do indeed. The hon. Gentleman is right to pursue this matter. Recently, I have come across the issue of insurers imposing a blanket stipulation that employers should have no ex-offenders on their premises. I am not only the prisons Minister but a former chartered insurer; shortly, I will be having a meeting with the Association of British Insurers to challenge it on that issue and see whether that is really necessary. As a former underwriter myself, I suspect that it is probably not.

**Jo Stevens (Cardiff Central) (Lab):** This morning, the Minister has talked about employment on release from prisons. Education and skills are crucial to an offender's chance of making something of themselves and getting a job on release. However, the Minister has admitted, in an answer to a question from my hon. Friend the Member for Hammersmith (Andy Slaughter), that Prison Service anti-riot squads were drafted in on 339 occasions in the year to 9 December 2015—an increase of 52% on the previous year. Does the Minister accept that prison overcrowding, coupled with his Government's cuts in resources, has led to a prison estate that is not fit for educational purpose?

**Andrew Selous:** First, let me warmly congratulate the hon. Lady on her new position; I look forward to debating these important issues with her in the months to come. She is absolutely right to raise the issue of education, which is a crucial part of helping get offenders into work. The Government's whole prison reform programme is front and centre of part of the answer to try to deal with the issues of violence and disorder that she has identified: more purposeful work, better education, better outcomes, better ordered prisons.

19. [903256] **Mr Alan Mak (Havant) (Con):** Hampshire's community rehabilitation company plays a vital role in connecting prisons and offenders with local employers across the Havant constituency. Will the Minister join me in congratulating it on its work and in encouraging more employers to consider employing ex-offenders, including through job fairs run by Members of this House?

**Andrew Selous:** I certainly will. I warmly congratulate my hon. Friend not only on organising a jobs fair in his constituency—a very practical way in which to help our constituents find work—but on realising that it needs to be equally open to ex-offenders. He is leading the way, and I hope others will follow. I wish him well with his enterprise.

**Several hon. Members rose—**

**Mr Speaker:** Order. Before I call the hon. Member for Barrow and Furness (John Woodcock), I remind the House that the Crown Prosecution Service is reconsidering this case and a second inquest is awaited. Right hon. and hon. Members should take account of that in carefully framing their remarks on the matter.

#### Poppi Worthington

7. **John Woodcock (Barrow and Furness) (Lab/Co-op):** What assessment he has made of the coroner's role in the case of Poppi Worthington. [903240]

**The Parliamentary Under-Secretary of State for Women and Equalities and Family Justice (Caroline Dinenage):** The death of Poppi Worthington is deeply, deeply distressing and very tragic. I offer my deepest sympathies to those who loved her and those who cared for her. I am unable to comment on the decisions of the previous coroner, but I note that the new Cumbria senior coroner took steps to hold a fresh inquest as soon as he was appointed. As the Under-Secretary of State for the Home Department, my hon. Friend the Member for Staffordshire Moorlands (Karen Bradley), rightly said last week, "there is nothing more important than keeping children safe."—[*Official Report*, 20 January 2016; Vol. 604, c. 1419.]

That is why the Government have given child sexual abuse the status of a national threat in the strategic policing requirement.

**John Woodcock:** I thank the Minister for that answer, and the Lord Chancellor for his swift reply to my letter, which I received this morning. Our community wants accountability and wants to see improvements in services that have so tragically failed in these circumstances. So will the Minister make it clear that there is no reason why the serious case review into Poppi Worthington's death and the Independent Police Complaints Commission's report need be delayed pending the second inquest being carried out?

**Caroline Dinenage:** The hon. Gentleman is absolutely right to stand up for his constituency and fight for the truth in this way. I completely agree with him that a second inquest should be conducted as soon as possible. Both the IPCC report and the serious case review are of course independent of Government and decide their own timescales. However, I can confirm that neither is required to wait upon the coroner.

### Probation Service Workers

8. **Ian Lavery** (Wansbeck) (Lab): What support his Department is providing to probation service workers at risk of redundancy. [903241]

**The Parliamentary Under-Secretary of State for Justice (Andrew Selous):** Community rehabilitation companies are responsible for supporting any of their staff at risk of redundancy, in line with employment law. We encourage them to follow good industry practice and the ACAS guidelines. We are working closely with community rehabilitation companies to make sure that they fulfil their contractual commitments to maintain service delivery, reduce reoffending, protect the public, and deliver value for money to the taxpayer.

**Ian Lavery:** There is the potential for 900 probation officers to be made compulsorily redundant within just three CRCs in the very near future. These are the people who stood by the Government at the time of the transitional period into privatisation. They should not be penalised; they should be praised. Will the Minister guarantee that these professionals receive full voluntary redundancy terms and will not be booted out? They provide a very valuable service in the role provided by these private companies on the cheap.

**Andrew Selous:** I repeat what I said just now—we will make sure that the community rehabilitation companies comply with employment law as they are supposed to do. We closely monitor their performance in line with the contracts that they have signed. Last year, 195 extra probation officers became qualified, and we had 750 new probation officers in training. That is the largest intake of newly qualified probation officers for some considerable period.

### Youth Custody Provision

9. **Daniel Zeichner** (Cambridge) (Lab): What plans he has to improve youth custody provision. [903242]

**The Lord Chancellor and Secretary of State for Justice (Michael Gove):** Our system of youth justice does need reform. Although youth offending is down, recidivism rates are high, and the care of young offenders in custody is not good enough. I know that concerns across this House can only have been heightened following the “Panorama” investigation into events at the Medway secure training centre. That is why today, in a written statement, I have appointed an independent improvement board to investigate what has happened at Medway and to ensure that the capability of G4S, the Youth Justice Board and other organisations to meet appropriate standards is sufficient.

**Daniel Zeichner:** The roll-out of the new minimising and managing physical restraint system has been delayed for a year. In 2013-14, there were almost 3,000 assault incidents in the children’s secure estate—a 7% increase on 2012-13, even though the number of children in custody had fallen by 20%. What is the Secretary of State doing to address this rising number of incidents and to ensure that a new, safer system is implemented?

**Michael Gove:** The hon. Gentleman rightly draws attention to the fact that there has been a reduction in the number of young people in the youth estate. However, as the number has reduced, so those who remain tend to be those who have been arrested for the most violent crimes and who pose the greatest difficulties for those who have to care for them and keep them in custody. It is vital to ensure that when restraint is applied, it is done so in a way that minimises risks to young people, but also ensures that safety can be restored. One of the purposes of Charlie Taylor’s review of youth justice is to make sure that the workforce is appropriately trained to restrain young people in their own interests and those of others.

**Suella Fernandes** (Fareham) (Con): I recently visited Swanwick Lodge, a secure home for 10 to 17-year-olds in my constituency. Its work focuses on tackling the root causes that have led to those young people’s loss of liberty with education, substance misuse therapies and early intervention. Will my right hon. Friend describe what other measures are in place to tackle youth rehabilitation and reduce reoffending?

**Michael Gove:** Before my hon. Friend came into the House, she did a great deal of work to help disadvantaged children achieve better educational outcomes. She will know as well as anyone in the House that some of the children who end up in trouble with the criminal justice system have grown up in homes where love has been absent or fleeting, and where no one has cared enough to tell those young people the difference between right and wrong. The work being conducted by the Education Secretary to improve our child protection system and the work being led by the Communities and Local Government Secretary to tackle the problems of troubled families are integral to ensuring that we reduce the number of young people who fall into crime.

**Helen Jones** (Warrington North) (Lab): It was obvious to those who watched the “Panorama” programme that the G4S workforce was under-qualified, under-trained and under pressure not to report incidents that should have been reported, because of the threat to G4S’s profits. Is it not now time that we recognised that the most difficult and vulnerable children in our system should not be looked after by a profit-driven organisation, but by properly trained and publicly accountable staff?

**Michael Gove:** I do not doubt for a moment the hon. Lady’s sincerity in caring about these young people. The allegations about what happened in Medway were of course terrible. It is also important, however, to take on board the fact that private sector organisations, including G4S, are responsible for the care of young offenders, not least at Parc in Bridgend, and have been doing an exemplary job in other areas. It is quite wrong to draw conclusions about the private sector or the public sector. What matters is getting outcomes right for children. We should not, on the back of human misery, try to carry forward a narrow ideological argument.

**Richard Drax** (South Dorset) (Con): Will my right hon. Friend join me in congratulating the distinguished former soldier General Sir Rupert Smith on taking on the airborne initiative at the young offenders institution

on Portland? Does he agree that getting appropriate young offenders out on to the moors for five testing days is an excellent scheme that demands our support?

**Michael Gove:** I could not agree more with my hon. Friend. I have to say that the capacity of cadet forces and military involvement to turn around the lives of young men who find themselves in trouble has been attested to over the years. Everything that we can do to support the Education Secretary in extending the work of cadet forces or to support General Sir Rupert Smith, a man who is a hero in my eyes, in helping to rescue the lives of young people we should do.

**Wayne David (Caerphilly) (Lab):** The allegations in the “Panorama” programme on 11 January about Medway secure training centre were truly appalling. I am glad that the Secretary of State has listened to the chief inspector of prisons and to us, and will appoint an independent improvement board. I also note that the director of Medway has just resigned.

The three STCs in England—Medway, Oakhill and Rainsbrook—are run by G4S. Following a damning inspection report last year, the Rainsbrook contract was taken away from G4S. This has nothing to do with ideology, but on the basis of the evidence before us, will the Government now take away G4S’s Medway contract and ensure that G4S is not awarded any future contracts?

**Michael Gove:** The hon. Gentleman is absolutely right: it is because the allegations are so serious that we have to investigate them properly. The independent improvement board will both investigate what went on and ensure that children are safe. When any organisation fails in the delivery of public services, as G4S did at Rainsbrook, we will take steps to remove the contract, and a new organisation has been given that contract. Of course, if G4S has failed in this regard, then we will take all steps necessary to keep children safe.

### Safety in Prisons

10. **James Berry (Kingston and Surbiton) (Con):** What steps his Department is taking to improve safety in prisons; and if he will make a statement. [903243]

15. **Alex Chalk (Cheltenham) (Con):** What is his Department doing to improve safety in prisons; and if he will make a statement. [903249]

**The Parliamentary Under-Secretary of State for Justice (Andrew Selous):** Violence in prisons has increased in recent years. The nature of the offenders who are currently in custody and the widespread availability of novel psychoactive substances have contributed to prisons becoming less safe. There is no simple single solution that will improve safety in prisons, but we are making progress. We are trialling the use of body-worn cameras and training sniffer dogs to detect NPS, but ultimately the only way to reduce violence is to give governors the tools to more effectively reform and rehabilitate prisoners.

**James Berry:** One threat to safety inside and outside prisons is the ability of inmates to access mobile phones. On Friday, a serving prisoner at Rochester prison was sentenced to 12 years for arranging the supply of reactivated firearms via a mobile phone from his prison cell. Random

checks are only so good and prison officers do their best, but I think it is time to cut off the head of the snake and go for mobile phone jamming devices.

**Andrew Selous:** We already employ a number of measures. We have body orifice scanning chairs, metal detecting wands, signal detectors and blockers, and specially trained dogs. My hon. Friend is right that we need to refocus and redouble our efforts in this area, particularly in respect of the use of blockers and detectors. I assure him that the Secretary of State and I are fully engaged in this area.

**Alex Chalk:** The safety of young people in our prison estate was, as we have heard, called into question by the “Panorama” programme about Medway secure training centre. What assurances can be provided that the safety of young people across the prison estate, not just in Medway, is being prioritised?

**Andrew Selous:** My hon. Friend will have heard the answer that the Secretary of State gave to a previous question on this issue. I will not repeat that, save to say that we take this issue extremely seriously. That is why the Secretary of State commissioned Charlie Taylor, the former chief executive of the National College for Teaching and Leadership, to conduct a review of youth justice and youth custody across the piece. That will have not only safety at its heart, but improved outcomes for young people in custody.

**Sarah Champion (Rotherham) (Lab):** The example of Medway shows that the use of restraint for good order and discipline can be exploited. Will the inquiry look into that issue across all prisons, because I do not think it is appropriate in this day and age?

**Andrew Selous:** There are occasions in custody when, for the safety of the young person and others, we have to use restraint. The chief inspector has acknowledged that the new process of minimising and managing physical restraint is an improvement, but that is the case only if it is used properly and appropriately, and not if it is abused. We are very mindful of that.

**Dr Rupa Huq (Ealing Central and Acton) (Lab):** The report by the outgoing chief inspector of prisons quoted a member of staff at HMP Wormwood Scrubs as saying that one cell was so unsafe,

“I wouldn’t keep a dog in there.”

I know that you can’t teach an old dog new tricks, but will the Minister tell us what is being done to deal with the Tory prisons crisis?

**Andrew Selous:** I hope that the hon. Lady would be fair enough to recognise that this Government have accepted that much of our prison estate is simply not good enough. It is too old, it is inappropriate and we cannot provide the education or work that we need to provide. That is why the Chancellor has provided £1.3 billion to build nine new prisons, in addition to the new prison that we are building in north Wales, the new house blocks that we have delivered and the two further house blocks that we are going to deliver. We want a fit-for-purpose estate where we can rehabilitate people properly.

### European Convention on Human Rights

12. **Mr David Hanson** (Delyn) (Lab): What representations he has received from (a) international bodies, (b) the Council of Europe and (c) the UN on the UK's membership of the European Convention on Human Rights. [903246]

16. **Andrew Gwynne** (Denton and Reddish) (Lab): What representations he has received from (a) international bodies, (b) the Council of Europe and (c) the UN on the UK's membership of the European Convention on Human Rights. [903250]

**The Parliamentary Under-Secretary of State for Justice (Mr Dominic Raab)**: I have met many of our international partners, from the Council of Europe Commissioner for Human Rights, Nils Muižnieks, to the United Nations High Commissioner for Human Rights, Prince Zeid. The Secretary of State for Justice has met many others, including Secretary-General Jagland of the Council of Europe. Those meetings are important opportunities to reinforce Britain's proud tradition of promoting freedom and discuss how the Government intend to strengthen it both at home and abroad.

**Mr Hanson**: I am sure that if it was just the Labour party saying, "Don't scrap the human rights act," the Minister could roll with it, but when the Minister met Prince Zeid, did Prince Zeid say that the Government's proposals would be

"damaging for victims and contrary to the country's commendable history of global and regional engagement"

and that

"many other states may gleefully follow suit"?

Is it not important that we listen to the United Nations?

**Mr Raab**: The right hon. Gentleman is absolutely right that we should listen to all our international partners. I can tell him that Prince Zeid did not say that to me at all. When we have those meetings, they are a good opportunity to discuss the reality of our plans for reform. I made it clear that our forthcoming Bill of Rights proposals are based on staying within the convention. I explained the kind of abuses that we want to be rid of under the Human Rights Act and some of the challenges that successive Governments have had with the Strasbourg Court. That allows us to contrast our common-sense reforms with some of the baseless scaremongering coming from some of our critics.

**Andrew Gwynne**: But the UN special rapporteur on torture, Mr Juan Mendez, has warned that the Government's plot to replace the Human Rights Act with a Tory Bill of Rights is "dangerous, pernicious" and would set

"a very bad example to the rest of the world".

Is he not right?

**Mr Raab**: That is not right. I can tell the hon. Gentleman that, in all the meetings I have had with all the UN officials that pass through Westminster, none has ever used that kind of language in front of me. I very much doubt that they would.

**Mr Stewart Jackson** (Peterborough) (Con): Since when was it the practice of foreign legal and other entities to decide the views of this Parliament, and to traduce its sovereignty and the electoral mandate we have to introduce a British Bill of Rights? It is a tragedy that the European convention on human rights, which was founded by British jurists, has been distorted by perverse decisions such as trying to give an axe murderer the vote, which we have rejected. Is it not time that we got on with our manifesto commitment to a British Bill of Rights?

**Mr Raab**: My hon. Friend is absolutely right and makes his point in his characteristically powerful way. I would point out that the Labour Government had problems with how the Strasbourg Court operated. They did not implement prisoner voting—I do not remember the right hon. Member for Delyn (Mr Hanson) calling for it to be implemented when he was a Minister—and nor did they implement the Abu Qatada judgment.

**Victoria Prentis** (Banbury) (Con): Will the Minister confirm that human rights have been part of our law in this country under the common law for many years, and that they will continue to be so after the repeal of the Human Rights Act, perhaps in a more modern and codified way?

**Mr Raab**: My hon. Friend is absolutely right. We have a long tradition and pedigree of respecting human rights, dating back to Magna Carta and before that. We protected human rights in this country before the European convention, and certainly before Labour's Human Rights Act. We shall continue to do so proudly in the years ahead.

**Ms Harriet Harman** (Camberwell and Peckham) (Lab): The Minister is yet to issue his consultation on the repeal of the Human Rights Act and its replacement with a British Bill of Rights, but it is eight weeks until the Scottish Parliament is dissolved and goes into purdah—it is the same with Northern Ireland and Wales. Will he give an absolute guarantee that he will not squash out Scotland, Northern Ireland and Wales from this important consultation by issuing his proposal before, or worse still during, the election purdah period? Will he give that absolute guarantee?

**Mr Raab**: There will be no squashing out of any of the devolved Administrations. We are already in detailed soundings. When we come to our consultation, there will be full consultation with all the devolved Administrations. There are clear rules and Cabinet Office guidance on purdah, and we will be mindful of them.

**Mr David Nuttall** (Bury North) (Con): Another perverse decision of the European Court of Human Rights was on prisoner voting. Will the Minister please confirm that there are absolutely no plans to change our laws on prisoner voting?

**Mr Raab**: As I have made clear to the Committee of Ministers and to our colleagues and partners in Strasbourg, it is for hon. Members in this House to determine whether prisoners should be given the vote. I see no prospect of that happening for the foreseeable future.

**Joanna Cherry** (Edinburgh South West) (SNP): When Nils Muižnieks, the Council of Europe Commissioner for Human Rights, visited the United Kingdom last week, he said that the repeatedly delayed launch of the consultation on the repeal of the Human Rights Act is “creating an atmosphere of anxiety and concern in civil society and within the devolved administrations”.

Will the Minister tell us exactly when the consultation will be published?

**Mr Raab:** As the hon. and learned Lady knows, I met Nils Muižnieks last week to talk through these issues, and there is absolutely no cause for anxiety. We will introduce proposals for full consultation in the near future—those proposals are going well—and she will hear more shortly.

**Joanna Cherry:** The commissioner also said:

“My impression is that the debate over the HRA in Westminster is not a true reflection of concerns outside England”.

Does the Minister appreciate that the impact on the devolved Administrations of an attempt to repeal the Human Rights Act would likely provoke a constitutional crisis?

**Mr Raab:** The hon. and learned Lady is absolutely right that the debate within the Westminster bubble, particularly the shrill scaremongering, is not reflective of wider public opinion outside the House, which is clearly and consistently in favour of a Bill of Rights to replace the Human Rights Act, including, she will note, in Scotland.

**Mr Speaker:** Last but not least, patience from Pudsey is duly rewarded. I call Mr Stuart Andrew.

### Female Offenders

14. **Stuart Andrew** (Pudsey) (Con): What steps his Department is taking to prevent female offenders reoffending. [903248]

**The Parliamentary Under-Secretary of State for Women and Equalities and Family Justice (Caroline Dinenge):** I want fewer women in the criminal justice system, which is why, in partnership with the Government Equalities Office, we have made £200,000 of grant funding available, to add to the £1 million already invested to support local pilots for female offenders. This is where multiple agencies work together and intervene earlier to help address the complex reasons why women offend and assist them in turning their lives around.

**Stuart Andrew:** Does the Minister agree that more needs to be done to steer vulnerable women away from crime and reoffending? I am aware that the Department is looking at this as part of a whole-system approach, but will she update the House on how it is progressing and what more is being done to tackle the issue?

**Caroline Dinenge:** Yes, the whole-system approach I have outlined demonstrates our commitment to divert as many women as possible away from custody by addressing the causes of offending, which left unchecked often spiral into prison sentences, family breakdown and children in care. That is why we will announce the successful bids for the pilot later this week.

### Topical Questions

T1. [903224] **Stephen Phillips** (Sleaford and North Hykeham) (Con): If he will make a statement on his departmental responsibilities.

**The Lord Chancellor and Secretary of State for Justice (Michael Gove):** I have already had occasion in the House to offer my thanks and gratitude to Nick Hardwick, the outgoing chief inspector of prisons, and to Paul Wilson, the outgoing chief inspector of probation. Their expertise will not be lost to the criminal justice system, however, because, as I am delighted to announce today, I will be appointing Nick Hardwick as the new chair of the Parole Board. He will succeed the current chair, Sir David Calvert-Smith, who is due to leave at the end of March. I thank him for his service.

**Stephen Phillips:** The courts Minister, my hon. Friend the Member for North West Cambridgeshire (Mr Vara), will know that last year I wrote a report on former service personnel in the criminal justice system that recommended, among other things, training for members of the Bar, solicitors and judges to deal with this cohort—albeit a small cohort—of offenders. What steps is my right hon. Friend taking to ensure that court staff—those actually employed in the courts—receive appropriate training to deal with these individuals?

**Michael Gove:** My hon. and learned Friend, who is a distinguished veteran as well as an outstanding silk, makes an important point. He produced an excellent report on offenders who have been in the armed forces. Court staff are trained to deal with the specific needs of veterans, and we are aware that there are particular needs, which might relate to post-traumatic stress disorder and associated mental health concerns, to which court staff need to be sensitive.

**Andy Slaughter** (Hammersmith) (Lab): I commend the Secretary of State for his appointment of Nick Hardwick to the Parole Board. I am sure he will be just as forensic there as in his current role.

Exactly a year ago, my right hon. Friend the Member for Tooting (Sadiq Khan), with his usual prescience, said that the new criminal legal aid contracts were

“making a pig’s ear of access to justice”

and should be abandoned. Will the Secretary of State confirm the press reports that he is about to do just that?

**Michael Gove:** I thank the hon. Gentleman for his praise for Nick Hardwick. I believe he is the right person to discharge this role precisely because he has spoken without fear or favour and has been an honest critic who has followed where the evidence has led him. I am sure he will appreciate the bipartisan support for his appointment.

We have had to reduce the spend on criminal legal aid to deal with the deficit we inherited from the last Government, but this country still maintains more generous legal aid than any other comparable jurisdiction.

**Andy Slaughter:** An hour ago at the Justice Select Committee, the Master of the Rolls described the fee increases affecting civil litigants of small businesses as a

desperate way of carrying on based on hopeless research. He laughed when asked by the hon. Member for Cheltenham (Alex Chalk) if anything in the Government's argument stood up to scrutiny.

**Alex Chalk** (Cheltenham) (Con) *indicated dissent.*

**Andy Slaughter:** It is another car crash. Is it time for another U-turn?

**Michael Gove:** I can hear, borne like music upon the zephyrs, words from my hon. Friend the Member for Cheltenham (Alex Chalk) suggesting that, for once, the hon. Gentleman may be misinformed about what precisely happened in the Select Committee. But putting that entirely to one side, one of the biggest barriers to justice, as the Master of the Rolls and others have pointed out, is costs. Action needs to be taken to reduce costs in civil justice. It is not enough simply to say that the taxpayer must shoulder the burden. We need reform of our legal system to make access to justice easier for all.

T2. [903225] **David Rutley** (Macclesfield) (Con): I know that my hon. Friend regards access to justice as a clear priority. With that in mind, and given the large area of north-east Cheshire that will be without easy access to a court under the proposals in the current consultation, can he tell the House what progress is being made in considering the Macclesfield proposal for a single, combined Macclesfield justice centre?

**The Parliamentary Under-Secretary of State for Justice (Mr Shailesh Vara):** I thank my hon. Friend for the meeting we had and for the justice centre report that he and his constituent presented to me. He will be aware that we are giving serious consideration to that report and, indeed, to the 2,000-plus submissions made in the consultation, to which we will respond soon.

T3. [903226] **Alex Cunningham** (Stockton North) (Lab): Women's Aid published a report last week entitled "Nineteen Child Homicides". It tells the story of 19 children and two mothers killed by known perpetrators of domestic abuse in circumstances related to unsafe child contact. How will the Department work with Women's Aid and others to ensure that no further avoidable child deaths take place where perpetrators of domestic abuse have been allowed contact through the family court?

**Michael Gove:** We take concerns about child safety extraordinarily seriously, and I know that my colleague the Minister responsible for family law has been in touch with charities that work in this sphere in the past. We will make sure that we pay close attention to that report.

T6. [903229] **Craig Tracey** (North Warwickshire) (Con): Does my hon. Friend share my anger and that of my constituent Carol Valentine, whose son Simon was tragically killed while serving his country in Afghanistan, at law firms such as Leigh Day, which are heavily involved in actions against veterans and serving members of our armed forces? What action can the Government take to close down this industry, which is causing so much unnecessary distress to our armed forces and their families?

**The Parliamentary Under-Secretary of State for Justice (Mr Dominic Raab):** We do share my hon. Friend's concerns. He will be aware of the Prime Minister's announcement on Friday. The professionalism of our armed forces is second to none, but we cannot have returning troops hounded by ambulance-chasing lawyers pursuing spurious claims. The Justice Secretary has asked me to chair a working group with the Minister for the Armed Forces to look at all aspects of this—no win, no fee; legal aid rules; time limits for claims; and disciplinary sanctions against law firms found to be abusing the system—so that we prevent any malicious or parasitic litigation from being taken against our brave armed forces.

T4. [903227] **Louise Haigh** (Sheffield, Heeley) (Lab): Can the Minister confirm how many times contract breaches at G4S establishments have occurred under contracts with his Department and what amount in fines has been incurred by G4S in respect of those breaches?

**The Parliamentary Under-Secretary of State for Justice (Andrew Selous):** I do not have the detailed information that the hon. Lady has asked for, but if she will allow me, I will write to her with the details.

T8. [903231] **Wendy Morton** (Aldridge-Brownhills) (Con): My hon. Friend is aware of the serious problems associated with radicalisation in our prisons. Can he update the House on what steps are being taken to tackle it?

**Andrew Selous:** I understand my hon. Friend's proper interest in this subject. As the threat evolves, we evolve our response. I can tell her that we are strengthening the training for new prison officers to ensure that they are able to tackle criminal activity in whatever form it takes within prisons. As the Secretary of State said earlier, he has asked the Department to review its approach to dealing with Islamist extremism in prisons, and we await that report shortly.

T5. [903228] **Alan Brown** (Kilmarnock and Loudoun) (SNP): It is worth repeating the damning indictment of this Government given by the Lord Chief Justice just two weeks ago:

"Our system of justice has become unaffordable to most".

Will the Secretary of State take heed of those comments and also follow the Scottish National party lead by committing to the abolition of tribunal fees?

**Michael Gove:** I take very seriously everything that the Lord Chief Justice says, and that is why I am delighted to be able to work with him on a programme of courts reform, which should make access to justice swifter, more certain and cheaper. Of course it is important that we learn from different jurisdictions, but even as we look to Scotland from time to time to see what we can learn from the development of the law there, it is also important that from time to time those charged with what happens in Scottish courts should look at the tradition of English justice, which, as a Scotsman myself, I would have to acknowledge has certain superior elements.

T9. [903232] **James Morris** (Halesowen and Rowley Regis) (Con): Does the Minister agree that improving the mental health of prisoners should be a top priority and specifically that when a prisoner is released from prison with a known mental health condition, there should be close liaison between the prison authorities, local GPs and local health services to put a care plan in place?

**Andrew Selous:** My hon. Friend is absolutely right, and I pay tribute to his long interest and great expertise in this particular issue. He will probably know that local commissioning groups in England and local health boards in Wales are responsible for services in the community. NHS healthcare staff in prisons are responsible there. It is their job to make sure that services provided in the prison are followed through in the community. We go to great efforts to make sure that happens.

T7. [903230] **Carol Monaghan** (Glasgow North West) (SNP): Will the Secretary of State meet his colleague the Immigration Minister to explain that the Minister's Bill, which would allow migrant families to be evicted without even a court order, is contrary to the rule of law and the right to a fair hearing, and must be urgently reconsidered?

**Michael Gove:** I enjoy meeting both the Home Secretary and the Immigration Minister, and this Government would never do anything that was contrary to the rule of law, but we must ensure that we safeguard our borders. It is an issue of profound public concern that immigration across the European Union is not being effectively controlled. Our Home Secretary is in the lead in taking the measures necessary to keep our borders secure. I would have thought it would be in the interests of every citizen of the United Kingdom to stand behind her in that fight.

T10. [903233] **Michael Fabricant** (Lichfield) (Con): Further to the question asked by my hon. Friend the Member for North Warwickshire (Craig Tracey), does my hon. Friend agree that people in this House will find it despicable that two firms and possibly more are actively seeking—soliciting, in fact—people in Iraq to make spurious and bogus claims against our servicemen overseas? Will he reject reports in newspapers that we still intend to give legal aid to these appalling claims?

**Mr Raab:** My hon. Friend will have heard my earlier remarks. I am concerned about the way in which the system operates. It is important to say that there is accountability for any wrongdoing, but that does not mean giving lawyers a licence to harass our armed forces. We will look at every angle, including the point about legal aid that he made, as well as no win, no fee, and, of course, disciplinary powers against lawyers who try to abuse the system.

**Conor McGinn** (St Helens North) (Lab): In 2012, the Minister's own Department spent £1.7 million refurbishing St Helens courthouse to accommodate civil and criminal proceedings in the same building, declaring that it was efficient and logical. Are we to assume therefore that considering the closure of the same courthouse just four years later is illogical and inefficient, or would the Minister like to rule that out today?

**Mr Vara:** No final decisions have yet been taken, and we are taking into account a whole variety of considerations. The consultation concerns 91 courts throughout England and Wales, and it is about making our system better and one of the best in the world.

**Amanda Solloway** (Derby North) (Con): Following the question from my hon. Friend the Member for Halesowen and Rowley Regis (James Morris), what steps are being taken to ensure that all prisoners with mental health issues are dealt with safely, appropriately and compassionately?

**Andrew Selous:** I am glad that my hon. Friend has raised this issue again. Whenever a prisoner comes into prison, they immediately have a full health assessment. That health practitioner has the ability to refer on to the prison's in-reach mental health services. Furthermore, through our liaison and diversion services, we now have either learning disability or mental health nurses available at police stations and in courts, so we can start the mental health treatment right at the beginning of the journey into the criminal justice system.

**Greg Mulholland** (Leeds North West) (LD): I hope that the Secretary of State, who takes a keen interest in this issue, will meet me and Brake to discuss my Criminal Driving (Justice for Victims) Bill. May I gently point out that the consultation on this started on 6 May 2014—a very long time ago, and we are not expecting to hear anything back from the right hon. Gentleman until later this year?

**Michael Gove:** I am grateful to the hon. Gentleman for the persistent and effective way in which he has continued to campaign for a change in the law. We had the opportunity to meet MPs from many parties to discuss the case for change. There was widespread agreement that change was needed, but no agreement about precisely what change. We will get back to him in due course.

**Michael Tomlinson** (Mid Dorset and North Poole) (Con): Given the significant rate of reoffending, would it not be better to focus on improving rehabilitation rather than simply on incarceration, especially in relation to short-term prison sentences?

**Michael Gove:** My hon. Friend makes a powerful point. Few know more about what happens in our courts than he does as a result of his work as a barrister. Yes, it is important to put an emphasis on rehabilitation, but it is also important that we give all our citizens the security of knowing that those people who pose a real threat to us are incapacitated behind bars and receiving the punishment they deserve for the most heinous crimes.

**Meg Hillier** (Hackney South and Shoreditch) (Lab/Co-op): Last week the Public Accounts Committee heard from the chief executive of the Infrastructure and Projects Authority. He was asked what three projects kept him awake and worried him most, and the courts programme was one of them. We can add that to the list: to the tagging and translation services fiascos, and the concern that has been expressed about the big

probation and prison programmes. Does the Secretary of State fear that his Department cannot cope with all this change?

**Michael Gove:** I look forward to having a cup of cocoa with the gentleman concerned to help him sleep more easily at night, as I manage to do.

**Philip Davies (Shipley) (Con):** The Secretary of State made his name in the Department for Education as someone who would take on vested interests, but he has gone native in record time as Secretary of State for Justice. That includes hanging on every word that is said by the Howard League for Penal Reform—the NUT of the justice system—and reappointing Nick Hardwick. When will he get back his mojo and put the victims of crime at the heart of what he is doing? Come back Ken Clarke, all is forgiven!

**Michael Gove:** I am not sure that Labour Members would agree with the suggestion that I have become a sandal-wearing, muesli-munching, vegan vaguester. I think that they would probably say that I am the same red-in-tooth-and-claw blue Tory that I have always been. It is because I am a Conservative that I believe in the rule of law as the foundation stone of our civilisation; it is because I am a Conservative that I believe that evil must be punished; but it is also because I am a Conservative, and a Christian, that I believe in redemption, and I think that the purpose of our prison system and our criminal law is to keep people safe by making people better.

**Mr Speaker:** We have learnt about the Secretary of State's personal domestic habits, his political philosophy and, apparently, his religiosity to boot, and we are all greatly enriched as a consequence.

**Diana Johnson (Kingston upon Hull North) (Lab):** On 4 November, the Prime Minister agreed to meet my constituent Tina Trowhill to discuss the baby ashes scandal. My constituent had already had a very helpful meeting with the Under-Secretary of State, and I wonder whether she will now help me to secure the meeting to which the Prime Minister agreed. May I enlist her support?

**The Parliamentary Under-Secretary of State for Women and Equalities and Family Justice (Caroline Dinenage):** We are very clear about the fact that what happened at Emstrey—and, sadly, at other crematoriums in England and Wales—must never happen again. In December, as the hon. Lady will know, we launched a consultation which will end in March. However, I shall be more than happy to make that representation on her behalf.

**Kevin Foster (Torbay) (Con) *rose*—**

**Mr Speaker:** We are running very late, but the hon. Gentleman has not had a question, and I should like him to have one.

**Kevin Foster:** Thank you, Mr Speaker. I greatly appreciate that.

The Minister will be aware of the strength of representations from Torbay about the proposal to close Torquay magistrates court. What progress is being made in the consideration of that proposal, and in the making of a decision to keep justice local in the bay?

**Mr Vara:** I hear my hon. Friend's message loud and clear. We have met and corresponded, and I am giving serious consideration to all that has been said about the court in his constituency.

## William Mead: 111 Helpline

12.37 pm

**Heidi Alexander** (Lewisham East) (Lab) (*Urgent Question*): To ask the Secretary of State for Health if he will make a statement about NHS England's report on the death of William Mead and the failures of the 111 helpline.

**The Secretary of State for Health (Mr Jeremy Hunt):**

This tragic case concerns the death of a one-year-old boy, William Mead, on 14 December 2014 in Cornwall. While any health organisation will inevitably suffer some tragedies, the issues raised in this case have significant implications for the rest of the NHS, from which I am determined that we should learn. First, however, I want to offer my sincere condolences to the family of William Mead. I have met William's mother, Melissa, who spoke incredibly movingly about the loss of her son. Quite simply, we let her, her family and William down in the worst possible way through serious failings in the NHS care that was offered, and I want to apologise to them, on behalf of the Government and the NHS, for what happened. I also want to thank them for their support for, and co-operation with, the investigation that has now been completed. Today NHS England published the results of that investigation—a root cause analysis of what had happened. The recommendations are far-reaching, with national implications.

The report concludes that there were four areas of missed opportunity on the part of the local health services, where a different course of action should have been taken. They include primary care and general practice appointments made by William's family, out-of-hours telephone conversations with their GP, and the NHS 111 service. Although the report concluded that they did not constitute direct serious failings on the part of the individuals involved, if different action had been taken at those points, William would probably have survived.

Across those different parts of the NHS, a major failing was that in the last six to eight weeks of William's life, the underlying pathology, including pneumonia and chest infection, was not properly recognised and treated. The report cites potential factors such as a lack of understanding of sepsis, particularly in children; pressure on GPs to reduce antibiotic prescribing and acute hospital referrals; and, although this was not raised by the GPs involved, the report also refers to the potential pressure of workload.

There were specific recommendations in relation to NHS 111 which should be treated as a national, not a local, issue. Call advisers are trained not to deviate from their script, but the report says that they need to be trained to appreciate when there is a need to probe further, how to recognise a complex call and when to call in clinical advice earlier. It also cites limited sensitivity in the algorithms used by call-handlers to red-flag signs relating to sepsis.

The Government and NHS England accept these recommendations, which will be implemented as soon as possible. New commissioning standards issued in October 2015 require commissioners to create more functionally integrated 111 and GP out-of-hours services, and Sir Bruce Keogh's ongoing urgent and emergency care review will simplify the way in which the public interacts with the NHS for urgent care needs.

Most of all, we must recognise that our understanding of sepsis across the NHS is totally inadequate. This condition claims around 35,000 lives every year, including those of around 1,000 children. I would like to acknowledge and thank my hon. Friend the Member for Truro and Falmouth (Sarah Newton), who—as well as being the constituency MP of the Mead family—has worked tirelessly to raise awareness of sepsis and worked closely with UK Sepsis Trust to reduce the number of avoidable deaths from sepsis. In January last year I announced a package of measures to help to improve the diagnosis of sepsis in hospitals and GP surgeries, and significant efforts are being made to improve awareness of the condition among doctors and the public, but the tragic death of William Mead reminds us there is much more to be done.

12.42 pm

**Heidi Alexander:** No one who watched the courageous interviews that Melissa Mead gave this morning could fail to be moved by this tragic case. I pay tribute to Melissa and her husband Paul, who have fought to know the truth about their son's death and who are now campaigning to raise awareness and improve the care of sepsis. It is right that we should express our sorrow at what has happened, and the Health Secretary was right to apologise on behalf of the NHS. They key now is to ensure that the right lessons are learned and that action is taken. As the Secretary of State noted, the report found a catalogue of failures that contributed to William's death, including four missed opportunities when a different course of action should have been taken. I want to press the Health Secretary on those areas.

First, the report states that William saw GPs six times in the months leading up to his death, but that none spotted the seriousness of the chest infection that cost him his life. Ministers were warned about poor sepsis care back in September 2013, when an ombudsman's report highlighted

“shortcomings in initial assessment and delay in emergency treatment which led to missed opportunities to save lives.”

Will the Secretary of State tell us what action was taken following that report? Why was it only in December 2015, more than two years later, that NHS England finally published an action plan to support NHS staff in recognising and treating sepsis?

Secondly, the report found that the NHS 111 helpline failed to respond adequately to Melissa's call. It concluded that if a doctor or nurse had taken her call, they would probably have seen the need for urgent action. The replacement of NHS Direct, which was predominantly a nurse-led service, with NHS 111 means the service relies on call-handlers who receive as little as six weeks' training. So when will the Health Secretary review the training call-handlers receive, and will he consider increasing the number of clinically trained staff available to respond to calls?

The report says the computer programme that call-handlers are using did not cover some of the symptoms of sepsis, including a drop in body temperature from very high to low. Does the Health Secretary have confidence that the 111 service is fit to diagnose patients with complex, life-threatening problems who may not always fit the computer algorithm call-handlers have to rely on?

[Heidi Alexander]

Finally, may I ask the Secretary of State what he is doing to raise awareness of the symptoms of sepsis so that treatment can begin as quickly as possible? I know this is an issue that Melissa and Paul feel particularly strongly about and we owe it to them to implement the recommendations of the NHS England report and do all we can to ensure the failures in this tragic case are never, ever repeated.

**Mr Hunt:** I hope I can reassure the shadow Health Secretary on all the points she raised.

First, there has been a sustained effort across the NHS since September 2013 to improve the standard of safety in the care we offer in our hospitals. An entirely new inspection system was set up that year. It has now nearly completed inspections of every hospital, and it has caused a sea change in the attitudes towards patient safety. Sepsis is one of the areas that is looked at. In particular it is incredibly important that when signs of sepsis are identified in A&E departments the right antibiotic treatment is started within 60 minutes. That is not happening everywhere, but we need to raise awareness urgently to make that happen, and that inspection regime is helping to focus minds on that.

On top of that—I will come to the issues around 111, and I agree that there are some important things that need to be addressed—a year ago I announced an important package to raise awareness of sepsis. It covers the different parts of the NHS. For example, in hospitals a big package on spotting it quickly has been followed from December 2015, with NHS England publishing the cross-system sepsis programme board report, which is looking at how to improve identification of sepsis across the care pathway.

The hon. Lady is right to raise the issue of faster identification by GPs. That is why, in January 2015, I announced that we will be developing an audit tool for GPs, because it is difficult to identify sepsis even for trained clinicians, and we need to give GPs the help and support to do that. We are also talking to Public Health England about a public awareness campaign, because it is not just clinicians in the NHS, but it is also members of the public and particularly parents of young children, who need to be aware of some of those tell-tale signs.

So a lot is happening, but the root cause of the issue is understanding by clinicians on the frontline of this horrible disease, and it does take some time to develop that greater understanding that everyone accepts we need. I can reassure the hon. Lady, however, that there is a total focus in the NHS now on reducing the number of avoidable deaths from sepsis and other causes, and that is something the NHS and everyone who works in it are totally committed to.

With respect to 111, there are some things that we can, and must, do quickly in response to this report, but there is a more fundamental change that we need in 111 as well. One thing we can do quickly is look at the algorithms used by the call-handlers to make sure they are sensitive to the red-flag signs of sepsis. That is a very important thing that needs to happen. NHS 111 has in some ways been a victim of its own success: it is taking three times more calls than were being taken by NHS Direct just three years ago—12 million calls a year as opposed to 4 million—and nearly nine of out 10 of those calls are being answered within 60 seconds.

When it comes to the identification of diseases such as sepsis, we need to do better and to look urgently at the algorithm followed by the call-handlers. Fundamentally, when we look at the totality of what the Mead family suffered, we will see that there is a confusion in the public's mind about what exactly we do when we have an urgent care need, and the NHS needs to address that. For example, if we have a child with a high temperature, we might not know whether they need Calpol or serious clinical attention.

The issue is that there are too many choices, and that we cannot always get through quickly to the help that we need. We must improve the simplicity of the system, so that when a person gets through to 111, they are not asked a barrage of questions, some of which seem quite meaningless, and they get to the point more quickly and are referred to clinical care more quickly. We must simplify the options so that people know what to do, and that is happening as part of the urgent emergency care review. It is a big priority, and this tragic case will make us accelerate that process even faster.

**Dr Sarah Wollaston (Totnes) (Con):** I join colleagues from across the House in sending deepest condolences to William's parents. I welcome the Secretary of State's response that he will put into action the recommendation from today's report. May I draw out one aspect that has not been touched on so far, which is the comment in the report that out-of-hours services did not have access to William's clinical records, and that had they been able to do so they would have seen how many times a doctor had been consulted, and that that would have been a clear red flag? Will he reassure me that that matter will be addressed across the NHS, so that all services have access to patients' clinical records—of course with their consent?

**Mr Hunt:** My hon. Friend is absolutely right. There is so much in this report, but we must not let some very important recommendation slip under the carpet, and that is one of them. We have a commitment to a paperless NHS, which involves the proper sharing of electronic medical records across the system. We have also instructed clinical commissioning groups to integrate the commissioning of out-of-hours care with the commissioning of their 111 services to ensure that those are joined up. It is a big IT project, and we are making progress. Two thirds of A&E departments can now access GP medical records, but she is absolutely right to say that it is a priority.

**Dr Philippa Whitford (Central Ayrshire) (SNP):** Like others, I add my condolences to the family. It is hard to imagine anything worse for a family to face. Like many deaths in the NHS, it is always sad to look back and see that it was a catalogue of missed opportunities and errors. One thing I should like to pick up on is the fact that young children are very hard to assess. It is quite hard for a doctor to assess them when they are actually seeing them; they can be running round one minute and then keeling over half an hour later. It is particularly hard to pick up clues about their health over the phone. When NHS Direct services were started throughout the UK, they were based in local out-of-hours GP centres, which meant that the nurse could just pass the phone and say, "Can you come and chat, because I am not sure." We had rules in our local one that if a young child was involved, they got a visit from our mobile service.

Instead of such cases being put through call centres, I hope that the Secretary of State will agree in this review to have some dissemination back to a local system, so that these cases can be accelerated easily to a clinician.

**Mr Hunt:** I agree with the broad thrust of the hon. Lady's remarks. Of course she speaks with the authority of an experienced clinician herself. In this case, the tragedy was that there was actually a doctor who spoke to the Mead family on the night before William died, and he did not spot the symptoms. It is not simply a question of access to a doctor, but ensuring that doctors have the training necessary. However, as she says, dealing with cases such as this can be very difficult. The doctor's view on that occasion was that, because the child was sleeping peacefully, it was fine to leave him until morning when, tragically, it was too late. Other doctors would say that that is a mistake that could easily have been made by anyone, which is why the report is right to say that it is about not individual blame, but a better understanding of the risks of sepsis. She is right in what she says. As we are trying to join up the services that we offer to the public, it is a good principle to have one number that we dial when we need advice on a condition that is not life-threatening or a matter for a routine appointment with a GP, and 111 is an easy number to remember. However, we need to ensure that there is faster access to clinicians when that would count, and that those clinicians can see people's medical records so that they can properly assess the situation.

**Mrs Cheryl Gillan** (Chesham and Amersham) (Con): As chair of the all-party group on sepsis, may I also pay tribute to the Mead family, who are now campaigning to ensure that no other child suffers in the same way as William? The Secretary of State has taken a great deal of interest in the UK Sepsis Trust and the work that it has been doing with the APPG. He will know that we are pressing for a campaign similar to the F.A.S.T campaign for strokes, as early diagnosis can save lives. Will he now consider very seriously funding such a campaign for sepsis, because there are thousands of deaths that could be prevented by a campaign that makes everyone aware of the signs of sepsis?

**Mr Hunt:** I am happy to undertake that the Under-Secretary of State for Health, my hon. Friend the Member for Battersea (Jane Ellison), will look urgently into whether such a campaign would be right. I can reassure my right hon. Friend that the package that we put together and announced last January did contain what most people felt was necessary, but we can always look at whether more needs to be done. I commend her for her campaigning on the issue of sepsis. On a more positive note, when the NHS has decided to tackle conditions such as MRSA and clostridium difficile, it has been very successful. In the past three years, the number of avoidable deaths from hospital-acquired harms—the four major ones—has nearly halved, so we can do this. We should be inspired by the successes that we have had to make sure that we are much, much better at tackling sepsis.

**Mr Ben Bradshaw** (Exeter) (Lab): One reason why the number of calls to 111 has trebled is that people find it impossible to get to see their GP. As well as the shocking failings of this family's GP, is it not the case that the

Government were warned of the consequences of abolishing the popular and successful NHS Direct and of replacing it with a non-clinician led service? Will the Secretary of State look personally at the performance of 111 in the south-west, which has been bedevilled by failings ever since it was set up?

**Mr Hunt:** I gently say to the right hon. Gentleman that when 111 was set up it had the support of the Opposition. The shadow Health Secretary at the time looked at the risk register. The number of calls has increased dramatically partly because demand for NHS services has increased dramatically. That does not mean to say that there are not important things that need to be improved. We need to look honestly at what went wrong. The 111 service was one of the four areas where we should have done better. I am happy to look carefully at what is happening with 111 in the south-west. One improvement is that, in many areas, we are integrating the commissioning of 111 with the Ambulance Service, and that is something that happens in the south-west. On the whole, that has been a positive experience, but I know that there have been problems in the south-west, and I am happy to look further at them.

**Mr Robin Walker** (Worcester) (Con): May I associate myself with those who have paid tribute and expressed condolences to the Mead family? Given the seriousness of this case, which we learned about today, what more can the Secretary of State do to reassure us about the clinical input and expert oversight of the NHS 111 service and its methods?

**Mr Hunt:** All 111 services have clinicians present at call centres, so it is about not the availability of clinicians, but the speed with which they are involved in cases where they can make a difference. It is also about the training of those clinicians so that they can recognise horrible infections such as sepsis quickly. It is a combination of things. The important thing here is that if we are to give the public confidence in a simpler system where they have a single point of contact—albeit a phone line or a website—they need to be confident that if they are not immediately speaking to someone who is clinically trained they will be put through to such a person if it is necessary. We have not earned that confidence yet, which is why it is so important that we learn lessons from what happened in this tragic case.

**Ms Gisela Stuart** (Birmingham, Edgbaston) (Lab): I was the Minister who set up NHS Direct, and one of the first cases that caused us to review the algorithms was a meningitis case. May I therefore say to the Secretary of State that just looking at the algorithms used by call-handlers will not be sufficient? It is clinically exceptionally difficult, and his review is too limited to address the problem.

**Mr Hunt:** I understand what the right hon. Lady is saying, and of course I would listen to her because of her experience, but I reassure her that that is not the only thing that we are doing; we are doing lots of other things. The report makes many recommendations, one of which is to look at the algorithms that the call-handlers use to make sure that they are more sensitive to some of the red-flag signs of sepsis, meningitis and other conditions. There are lots of other recommendations. They include

[Mr Jeremy Hunt]

earlier access to clinicians where appropriate, and recommendations on the training of clinicians in the out-of-hours service, the training of GPs and the training of people in hospitals. So we will be undertaking a much bigger body of work as a result of this review.

**Chloe Smith** (Norwich North) (Con): I welcome my right hon. Friend's commitment to support CCGs to commission the 111 service and the out-of-hours service together where appropriate. He may be aware of some concerns in Norfolk about our out-of-hours service. What else is he doing to recruit, retain and support GPs in providing the round-the-clock care that people clearly need?

**Mr Hunt:** I have said before at this Dispatch Box that successive Governments of both parties have under-invested in general practice, and that is part of the reason why it takes too long for many people to get a GP appointment. It is why we have said that we want to have about 5,000 more doctors working in general practice by the end of this Parliament. That is an important part of what we want to do.

The other side is improving our offer to the public. When you have a child with a fever, and you are not sure, and it is the weekend, very often you have a choice between an out-of-hours GP appointment, a weekend appointment at your GP surgery, calling 111 or showing up at an A&E department. It is just confusing to know the right thing to do. If we are to improve standards of care, we need to standardise safety standards across the NHS, including for spotting potential sepsis cases, and that means a much simpler system.

**Tom Blenkinsop** (Middlesbrough South and East Cleveland) (Lab): My hon. Friend the Member for Lewisham East (Heidi Alexander), the shadow Secretary of State for Health, commented on the concerns expressed in the report about the quality and effectiveness of the tools at the disposal of call-handlers at the 111 service. How many other cases have been misdiagnosed by the 111 service?

**Mr Hunt:** We believe from the independent case note analysis that has been done across the NHS, not just for sepsis but for hospital deaths, that there are around 200 avoidable deaths every week. That is something we share with other health systems; it is not just an NHS phenomenon. It is why we are asking hospitals to publish their estimated avoidable death rates, and we are having an international summit on that next month.

We think there are about 12,000 avoidable deaths from sepsis every year, and that is as a result of a combination of different parts of the NHS—GP, hospital or the 111 system—not spotting the signs earlier. That is what we are determined to put right.

**Mrs Anne-Marie Trevelyan** (Berwick-upon-Tweed) (Con): Looking across the NHS at how we ensure that learning and behaviour change, can the Secretary of State update the House on how the hospital payment system is changing to incentivise new diagnosis and better outcomes?

**Mr Hunt:** My hon. Friend is right to say that we are doing that for hospitals. When I talk about 200 avoidable deaths every week, that is hospital deaths, not deaths as a result of problems in the 111 service. It is much harder to quantify avoidable deaths outside hospital, but we are determined to do that, and we are going further and faster than any other country that I am aware of as part of our commitment to make the NHS the safest system anywhere in the world.

**Clive Efford** (Eltham) (Lab): The Secretary of State said that the report was

“far-reaching, with national implications.”

I have to say that this should have been a statement, not an urgent question. The right hon. Gentleman did not answer the question about the number of misdiagnoses on the 111 system. He needs to give more detail. The report suggests that other deaths of young children may be associated with misdiagnosis by 111. How many other cases are under investigation?

**Mr Hunt:** No one could have done more than this Government to tackle the issue of avoidable deaths across the NHS. It is much harder to identify when a death was avoidable when it happens outside hospital. As part of our work on reducing the number of avoidable deaths in the wake of what happened at Mid Staffs, we are looking at how we could improve primary care generally. Our first priority is to reduce the number of avoidable deaths in hospital and to learn from reports such as this one when they point to improvements that need to be made in the 111 service.

**Victoria Atkins** (Louth and Horncastle) (Con): I join in the condolences that have been expressed in the House. By way of tribute to Mr and Mrs Mead's campaign to raise awareness of sepsis and its symptoms, I wonder whether each and every parent can take a small but practical step today and google the symptoms of sepsis so that we know when things are not right with our children and are better armed to tackle doctors when we are not getting the answer that we need. I did exactly that this morning after hearing Mrs Mead's very moving interview on the radio.

**Mr Hunt:** I thank my hon. Friend for that important intervention. If we are going to deal with the 1,000 tragic sepsis deaths among children every year, it needs a sustained effort from all of us, not just the NHS. I will take away the action of looking at what Public Health England is doing to raise public awareness. The Minister for Public Health, my hon. Friend the Member for Battersea (Jane Ellison), will look at what health visitors can do to boost awareness of sepsis, but in the end we all have a responsibility to understand the symptoms better.

**Peter Kyle** (Hove) (Lab): Last November, I contacted the Minister because the South East Coast Ambulance and 111 service carried out a trial that failed through poor governance, putting patients at risk. It turned out that the Department for Health heard about this only after Monitor contacted it. Is not his Department becoming reactive and simply not proactive enough to tackle these issues before they end up becoming statements and urgent questions in this House?

**Mr Hunt:** Not at all. I gently urge Opposition Members not to fall into the trap of trying to make political capital when tragedies such as this happen. In the wake of the Francis report on Mid Staffs, this Department has done more than any Government have ever done to improve the safety of care in the NHS. If you take the four most common harms—urinary tract infections, venous thromboembolisms, pressure ulcers and falls—the number of deaths in hospitals has fallen by 45% in the past three years. We are making sustained progress in improving the level of safety and care in the NHS, but we are never complacent, which is why are taking so seriously the report issued today.

**Kevin Hollinrake** (Thirsk and Malton) (Con): This is a tragic case, and our thoughts today are with the Mead family. Reluctance to prescribe antibiotics due to the dangers of antimicrobial resistance played a key part in this tragedy. Does the Secretary of State agree that this is a significant global problem, and we need to commit significant investment to it?

**Mr Hunt:** I am grateful to my hon. Friend for raising that issue, which has not been raised so far this afternoon. He is right. We have a pressing global need—not just a UK need—to reduce the inappropriate prescribing of antibiotics. That is why training of clinicians is so important. In the case of sepsis, not only is the prescribing of antibiotics appropriate but it is essential and it is essential to do it quickly. We need to make sure that, as we train GPs to reduce their prescribing of antibiotics so that we do not develop the resistance to antibiotics that could be so disastrous for global health, they do not avoid prescribing them when they are absolutely essential.

**Diana Johnson** (Kingston upon Hull North) (Lab): The Health Secretary said that NHS 111 was a victim of its own success. I agree with what my right hon. Friend the Member for Exeter (Mr Bradshaw) said, which is that it is used because it is so difficult to see a doctor. On 2 January, the *Hull Daily Mail* reported that Hull Royal Infirmary was telling people not to come to A and E but to use services such as NHS 111. In the light of the findings of this investigation, which have national implications, does the Secretary of State agree that there should be more clinicians at NHS 111?

**Mr Hunt:** I do agree that we need more clinicians in primary care. We also need to invest in secondary care, which is why the hon. Lady has a new A&E centre opening in Hull, which I am sure she welcomes. We need more clinicians in primary care so that we can deal with these issues more quickly, before people need hospital care and to spot conditions such as sepsis. This Government are investing £10 billion in the NHS annually in real terms in order to step up the improvement in the services that we offer.

**Nic Dakin** (Scunthorpe) (Lab): So will the Secretary of State put a higher proportion of clinicians in 111?

**Mr Hunt:** We will certainly look at whether we need to have more clinicians in 111. We do have clinicians available in 111. My own view is that it is the separation of the out-of-hours services and the 111 service that is

at the heart of the problem that we are looking to deal with, but as part of the review we will look at the availability of clinicians in 111.

**Greg Mulholland** (Leeds North West) (LD): I, too, add my condolences to the Mead family. I can only imagine their anguish at having been told “not to worry” and that this was “nothing serious”. There was a catalogue of failures, not just with 111. Is consideration being given to the decision by GPs not to take William’s heart rate, as clearly should have happened? Is there in any sense a reluctance to refer young patients to the acute sector? If that is the case, advice to GPs needs to be changed.

**Mr Hunt:** I can reassure the hon. Gentleman that we are looking at all these things. As with the issue of the prescribing of antibiotics raised by my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake), of course we want GPs to avoid inappropriate referrals to secondary care, but it is vital that where a referral is needed, it happens. We see this not just in cases of sepsis, but in cases of cancer. It is vital that we get better at catching cancers earlier if there is to be a successful outcome to the treatment, so the hon. Gentleman is absolutely right. That will be looked at.

**Jenny Chapman** (Darlington) (Lab): I commend the shadow Secretary of State on securing this urgent question. Earlier, the Secretary of State said that he felt that people had confidence in 111 because of the high call volumes, and that those had increased. I do not think that is the case. Confidence in 111 is shaky at best and this case could well shatter that confidence even further, unlike the confidence that we all felt in NHS Direct when we had young children. What is he going to do to make sure that as well as listening to the people whom he has mentioned already, he involves patients in determining what they need in 111 to give them back the confidence that we need them to have in order to avoid some of the pressure on the rest of the service?

**Mr Hunt:** The hon. Lady is right about the importance of involving patients when such tragedies occur, and I said in my response to the urgent question how grateful I was to the Mead family for their co-operation. One of the things the report identifies as important is earlier involvement and more listening to parents and families in such situations. I caution the hon. Lady against a blanket dismissal of the service offered by 111. There are many clinicians and call-handlers who work extremely hard and who deal with about a million calls a month, and the vast majority of those cases have satisfactory outcomes. But does that mean that there are not significant improvements that we need to make to that service? No, it does not. Of course there are things that need to be done better and we must learn the lessons from this terrible report.

**Rachael Maskell** (York Central) (Lab/Co-op): My thoughts, too, are with the Mead family today. The diagnosis of conditions, including sepsis, must be carried out by those with the highest level of clinical skills. Triage by algorithms is unsafe. Can the 111 system be put back into the hands of highly trained clinicians, those trained to drill down in diagnosis, instead of non-qualified staff?

**Mr Hunt:** I think that is a misrepresentation of what happens with 111. There are clinicians in every 111 call centre. There are not physically enough doctors and nurses to have doctors and nurses answering every single call, and indeed the advice from the clinicians in the NHS responsible for the 111 service is that that would not be appropriate. If we are to do the triage that the hon. Lady talks about, what matters is that where a clinician needs to be involved, they are involved more quickly than happened in the current case. That is the lesson that this Government are determined to learn.

## Points of Order

1.14 pm

**Andy Slaughter** (Hammersmith) (Lab): On a point of order, Mr Speaker. During Justice questions, I was alarmed to see the hon. Member for Cheltenham (Alex Chalk), who is in his place, dissenting from a quote I ascribed to him from the Justice Committee this morning. I now understand why: the quote was correct, but it was uttered by my right hon. Friend the Member for Delyn (Mr Hanson), not the hon. Member for Cheltenham. Having known and liked the hon. Gentleman for many years, I am anxious to correct that error, while noting that it shows his independence of thought that I could have credited him with the quote, and his magnanimity in trusting me to set the record straight.

**Mr Speaker:** It is very good to note that the hon. Gentleman has been both gracious and willing to admit to error. We are deeply obliged to him, none more so than the hon. Member for Cheltenham (Alex Chalk). Honour is served.

**Mr Jamie Reed** (Copeland) (Lab): On a point of order, Mr Speaker. I would be grateful for your advice on how we can determine the Government's policy on a time-sensitive issue. Following the flooding in my constituency at the beginning of December, I wrote to the Prime Minister asking him to formally apply for funding from the European Union solidarity fund. Applications to this fund must be made within 12 weeks of flooding taking place. As it was time-sensitive, I also submitted a named-day written question to the Foreign and Commonwealth Office, asking if the FCO would make it its policy to apply for funding. On the last day before the House rose for Christmas, the Foreign Office replied that it would not be able to answer in time. On 20 January, however, I finally received an answer from the FCO, saying that that was not its responsibility and that the matter was one for the Department for Communities and Local Government. It took more than a month for the FCO to tell me that it was not its responsibility.

On the same day, 20 January, I received a letter from the Department for Environment, Food and Rural Affairs, saying that the Prime Minister had forwarded to it my original correspondence, but that it was not a matter for DEFRA. Why would the Prime Minister transfer my correspondence to a Department that does not have responsibility for the matter at hand? Since my original correspondence, six weeks have passed and my constituency and many parts of Cumbria are again flooding today. We are coming closer and closer to the deadline for applications to the European fund. If I was unkind, I would suggest that the behaviour of the Government appears to have been to delay my query until it was too late to apply for assistance. Can you advise me, please, how an individual Member of this House can scrutinise Government policy if the Government will not tell us what it is or if they do not have one?

**Mr Speaker:** I thank the hon. Gentleman for his point of order and for giving me notice of it. It appears that he has received a most unsatisfactory response from the Government to his written question and to his correspondence on a matter which is clearly of urgent interest to his constituents. Although it is for the

Government to decide which Department has lead responsibility for a matter, it is clearly important to parliamentary scrutiny and to public accountability that the Government are clear and consistent on where responsibility lies. What the hon. Gentleman said will have been heard on the Treasury Bench and will, I trust, be conveyed to the relevant Ministers. If he wishes to pursue the specific matter of the unsatisfactory response to his parliamentary question, he may wish to write to the Chair of the Procedure Committee, the hon. Member for Broxbourne (Mr Walker), because his Committee monitors these important matters. I hope that that will serve the hon. Gentleman for now and be a useful guide to Members across the House.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): On a point of order, Mr Speaker. This is a point of order about the rights of Back Benchers to be heard in this Chamber. You will know that some of us are very good attenders at business questions on Thursdays. Last Thursday, contributions from the Front Benches took 25 minutes. I know you are very generous and we carry on with our questions, but the predominance of all three Front Benches went on for a very long time, which squeezes the genuine Back Bencher. On the Labour Benches, we genuine Back Benchers are fighting for space all the time against the Front Benchers who are also Back Benchers part-time. Perhaps you could have a word. Also, I have never known such nasty, acrimonious jousting as there was between the two Front Benches last Thursday. It was not funny and it was not nice.

**Mr Speaker:** I note what the hon. Gentleman says about never having witnessed such unpleasantness in exchanges. I have never witnessed, in nearly 19 years in the House, the hon. Gentleman being squeezed by anybody;

he almost invariably gets in. However, I take on board the very serious point he makes. Although I do not think that in the end Members are squeezed if they have the time to stay, because the record shows that I almost invariably let business questions run until everybody has had a chance to contribute, which was not always the practice in the past, I do accept that Members have time constraints and might have to go elsewhere to attend to other duties, including, of course, constituency and parliamentary duties. It is therefore important that they should not have to wait an excessive period of time.

My own view is similar to that of the hon. Gentleman. I think that the exchanges between the Front Benches do take too long, and they have recently started to take longer, not only on account of the involvement of the Scottish National party, which is a very legitimate and proper involvement, but because the exchanges between the Government and the official Opposition Front Benches are taking too long. Front Benchers have now been duly chided, and not just from the Chair, but, very importantly, by an hon. Member who will in May have had 37 years' uninterrupted service in the House—namely, the hon. Gentleman. I hope that message will be duly heeded, starting this Thursday. I will have the point in mind as I hear the shadow Leader of the House and the Leader of the House. I hope that is helpful.

**The Minister for Small Business, Industry and Enterprise (Anna Soubry):** Thirty-seven years!

**Mr Speaker:** Well, it seems only yesterday that the hon. Gentleman entered the House, and he scarcely seems old enough to have been here for 37 years, but it will nevertheless be a fact in May. *[Interruption.]* Man and boy, indeed.

## **Profit-sharing and Company Governance (Employees' Participation)**

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

1.21 pm

**Mr Gareth Thomas** (Harrow West) (Lab/Co-op): I beg to move,

That leave be given to bring in a Bill to make provision about the entitlement of employees to benefit from profits made by their employers in certain circumstances; to require a company to allocate one seat on its board to an employee representative; and for connected purposes.

If an employee works hard for a company and helps it succeed and make a profit, surely the owners should share a little of that profit with them and with other employees. The best companies already do that. Indeed, the best companies also want their staff involved in decision making at the highest level, using their knowledge and expertise to help plot company strategy and keep senior management on their toes.

In truth, Britain has a productivity and fairness problem. Despite numerous initiatives, we are behind our main competitors in terms of productivity, while inequality continues to grow. Changing the way companies work—how they take key decisions and who is involved in them—is essential for sorting those problems out. We lag behind the rest of the G7 and most of the G20 in how productive our economy is. Indeed, between 2010 and 2014, annual average labour productivity was lower in Britain than in any other G20 or G7 country. While executive pay has shot up in recent years, the incomes of the rest of the workforce have struggled to keep pace, even with historically low inflation.

Part of the solution involves sharing a little more of the power and profits of big business with staff at all levels. Companies such as John Lewis share some of the profits they make with all their staff, giving the most junior as well as the most senior direct incentives to work even harder, think imaginatively and go the extra mile. Employees also get to help choose the board, again giving staff direct responsibility for selecting those at the very top whose decisions they will have to follow. Ensuring that the concerns of staff are heard at the top table is particularly important, as staff depend on a stable business for their livelihood. Absent owners or disengaged shareholders may have other priorities.

In countries such as France and Germany, this “shared capitalism” is a stand-out feature of business practice. Companies such as Deutsche Bank have staff on their German board who play an important and positive role. In France, firms with 50 or more employees benefit from up to 5% of profits being shared with all staff except recent arrivals. Indeed, French Governments of all political persuasions, right and left, have a long history of encouraging profit sharing among French companies; I understand that laws on profit sharing have existed in France for more than 50 years, requiring a mandatory profit-sharing scheme to be negotiated with French employees. Companies in France can choose to distribute rewards, either as a flat rate to employees, in proportion to wages, in proportion to the hours worked in the previous year, or through a scheme based on a combination of those principles. Arguably, the prevalence of profit sharing makes an important

contribution to higher levels of productivity in France. Between 2010 and 2014, France had a level of productivity per hour almost double that of the UK.

Having employees on boards is the norm in many other successful countries. For example, in Denmark, France, Finland, Norway, Sweden and Germany at least one director is elected by the employees. In Norway—favoured by some for being outside the European Union—once a business has 30 employees, one director has to be chosen by the workforce. In Sweden, another key UK ally, once a company has 25 employees, around a third of directors have to be workers in the business. IKEA, that staple of the British high street, has worker directors on its Swedish board. In France, private companies with 1,000 or more employees, or 5,000 or more if they are worldwide, must have at least one or two staff on the board, while a third of all board members for state-owned companies are elected by the staff. In Germany, a third of the supervising board in companies with 500 or more employees are staff, but that rises to half in companies with more than 2,000 employees.

For a long time, this country has been happy quietly to endorse having workers on boards, so long as they are overseas businesses. EDF, France’s leading nuclear energy company, which is in the process of being handed the keys to Hinkley Point, has a board in which one third of members are elected by its workers. Indeed, as a French company, EDF also has a profit-sharing scheme. Deutsche Bahn, which runs much of our rail network through its subsidiaries, has six directors elected by its staff. Even though both companies are key players in British markets, particularly in England, English workers in those companies do not get to vote for board members; it is only German and French staff who do. In short, if German, French and Swedish workers are good enough to sit on a company board, is it not time that British and English workers were given their chance, too?

A number of companies operating in tough markets in the UK have demonstrated that employee directors work. John Lewis is one, and FTSE 100 company First Group is another. Mick Barker is the employee director of First Group. He has been a railway man for 39 years and is employed as a train driver for First Great Western. He serves on its board and various other key bodies. Indeed, First Group encourages its operating companies across the UK and north America to elect employee directors to their boards so that, in its words, “the views and opinions of staff are represented at the highest level”.

In the UK, concerns about high levels of executive pay and falling workers’ wages have led to some debate about broadening the membership of the remuneration committees of big companies to include staff. Indeed, the Department for Business, Innovation and Skills considered reforming remuneration committees in 2011, but sadly nothing happened. Analysis by the House of Commons Library suggests that if a French-style profit-sharing system was introduced in the UK, corporate household names could be allocating to their staff an extra £500 to £1,200 a year once profits have been declared. Those are not huge sums of money to those at the very top of those businesses, but it would help to reward better the collective hard work required for any business to succeed.

That would neither add to business costs, nor undermine pay differentials between skilled and unskilled workers, or between founder and recent employees, but it would

offer an incentive to all to co-operate together to support business success and achieve higher returns for both staff and owners alike. As the Institute for Public Policy Research has noted, if every private sector company in the UK with 500 or more employees had a profit-sharing scheme, over 8 million people in 3,000 British firms could benefit from hundreds of pounds a year extra.

Company law needs to change to reflect modern Britain. Employees' crucial stake in the success of their employer needs recognition in law. It is about strong businesses, better rewards for staff, higher productivity and a less unequal country. The Bill is a step towards those ambitions, and I commend it to the House.

*Question put and agreed to.*

*Ordered,*

That Mr Gareth Thomas, Chris Evans, Meg Hillier, Mr Steve Reed, Mrs Louise Ellman, Mr Adrian Bailey, Rachael Maskell, Stephen Twigg, Mr Mark Hendrick, Stephen Doughty, Kate Osamor and John Woodcock present the Bill.

Mr Gareth Thomas accordingly presented the Bill.

*Bill read the First time; to be a Second time on Friday 11 March, and to be printed (Bill 124).*

#### CHARITIES (PROTECTION AND SOCIAL INVESTMENT) BILL [LORDS] (WAYS AND MEANS)

*Resolved,*

That, for the purposes of any Act resulting from the Charities (Protection and Social Investment) Bill [Lords], it is expedient to authorise:

- (1) the charging of fees; and
- (2) the payment of sums into the Consolidated Fund.—(*Mr Rob Wilson.*)

#### CHARITIES (PROTECTION AND SOCIAL INVESTMENT) BILL [LORDS]: PROGRAMME (NO. 2)

*Ordered,*

That the Order of 3 December 2015 (Charities (Protection and Social Investment) Bill [Lords] (Programme)) be varied as follows:

- (1) Paragraphs (4) and (5) of the Order shall be omitted.
- (2) Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion two hours before the moment of interruption on the day on which those proceedings are commenced.
- (3) Proceedings in Legislative Grand Committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on that day.
- (4) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.—(*Mr Rob Wilson.*)

**Mr Speaker:** I remind the House that at the end of the Report stage, I am required to consider the Bill, as amended on Report, for certification. My provisional certificate is available on the “Bills before Parliament” website and in the Vote Office.

## Charities (Protection and Social Investment) Bill [Lords]

*Consideration of Bill, as amended in the Public Bill Committee*

### New Clause 1

#### APPEALS AND APPLICATIONS TO THE TRIBUNAL

(1) In Schedule 6 of the Charities Act 2011 (appeals and applications to Tribunal), insert in the appropriate place—

“Decision of the Commission to issue a warning under section 75A to a charity trustee, trustee for a charity or a charity.	The persons are—any of the charity trustees of the charity; and (if a body corporate) the charity itself.	Power to quash the decision and (if appropriate) remit the matter to the Commission.”
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(2) If the charity decides to appeal against a warning, under Schedule 6 of the Charities Act 2011, the Commission will not publish the warning for at least 28 days from the date of the submission of the appeal.”—(*Anna Turley.*)

*Brought up, and read the First time.*

1.32 pm

**Anna Turley** (Redcar) (Lab/Co-op): I beg to move, That the clause be read a Second time.

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

New clause 2—*Disposal of assets*—

“The Charity Commission shall ensure that independent charities are not compelled to use or dispose of their assets in a way which is inconsistent with their charitable purposes.”

New clause 3—*Power to make representations*—

“(1) A charity may undertake political campaigning or political activity in the context of supporting the delivery of its charitable purposes.

(2) A charity may campaign to ensure support for, or to oppose, a change in the law, policy or decisions of central government, local authorities or other public bodies.”

New clause 4—*Power to hold hearings on fundraising regulation and charity activity*—

“(1) The Commission has the power to hold public hearings with representatives from charities, charity trusts and other relevant bodies on fundraising regulation and charity fundraising activities.

(2) Representatives appearing at the public hearings specified in subsection (1) are protected by legal professional privilege.”

*This amendment requires the Charity Commission to hold annual hearings on fundraising regulation and the workings of charities and provides participants with the protection of legal professional privilege.*

New clause 5—*The Charity Commission as primary guarantor of the regulatory system for fundraising*—

“(1) Section 69 of the Charities Act 2006 (Reserve power to control fund-raising by charitable institutions), which inserts section 64A into the Charities 1992 Act (Reserve power to control fund-raising by charitable institutions) is amended as follows.

(2) In subsection (1) for “Minister” substitute “Charity Commission”.

(3) After subsection (8) insert—

“(9) The Charity Commission shall report annually to the Minister on the exercise of its powers under this section.

[Mr Speaker]

(10) On reviewing the annual report or if the Secretary of State considers the Commission is not effectively exercising its function as guarantor of the regulatory system the Minister may himself exercise the powers under this section.”

*This amendment makes the Charity Commission the primary regulator of charities fundraising activities, requires the Charity Commission to report annually to the Cabinet Office on its regulation of charitable fundraising, and allows the Government to intervene in this regulation as a last resort.*

Amendment 9, in clause 1, page 1, line 12, at beginning insert “Subject to subsection (3)”.

Amendment 8, page 1, line 12, leave subsection (2) and insert—

“(2) The Commission may issue a warning to a charity trustee, a trustee for a charity or a charity in any way it considers appropriate but may not publish a warning to a wider audience.”

Amendment 10, page 1, line 15, at end insert—

“(2A) If the Commission decides to publish a warning under subsection (2) it must do so in a manner which does not identify the charity, or charity trustee, in relation to which the warning is issued.”

Amendment 11, page 1, line 16, after “give” insert “at least 14 days”.

Amendment 12, page 2, line 6, leave out subsection (b) and insert—

“(b) such advice or guidance that the Commission considers may assist the charity to remedy the conduct which gave rise to the warning, as referred to in (a) above.”

Government amendment 2.

Amendment (a), line 10 at end add—

“( ) If the Commission publishes notice that a warning has been withdrawn under subsection (2), the notice must state the reasons for the withdrawal.

( ) No record of a warning withdrawn by the Commission should be held on the Register of Charities.”

Government amendment 3.

Amendment 1, in clause 9, page 10, line 2, at end insert—

“(22) Before this section comes into force, the Secretary of State shall lay a report before Parliament on the impact of the extension of the disqualification framework on—

- (a) people with criminal records who are trustees of, or employed by, charities, and
- (b) charities which work with, or employ, ex-offenders.

(23) The report shall include, but not be limited to—

- (a) an assessment of the number of people employed by charities who will be affected by the extension of the disqualification framework to cover senior management positions,
- (b) an assessment of the number of people who are trustees of, or employed by, charities who will be affected by the extension of the list of specified offences for which people will be automatically disqualified from being a trustee of, or a senior manager in, a charity,
- (c) an assessment of the impact of the new disqualification framework on former offenders who are seeking, or intend to seek, employment in the charitable sector, including on their recruitment, retention, career prospects and long-term rehabilitation and resettlement,
- (d) an assessment of the impact of the new disqualification framework on former offenders who are currently employed in the charitable sector, including on their retention, career prospects and long-term rehabilitation and resettlement,

(e) an assessment of the impact of the new disqualification framework on people with criminal records who are trustees or employees of charities which are partners in, or are contracted by, community rehabilitation companies (CRCs) and its impact on the successful running of those organisations,

(f) an assessment of the effectiveness of the existing waiver process provided for under section 181 of the Charities Act 2011,

(g) an assessment of the impact of the new disqualification framework on the number of applications for waivers to the Charity Commission,

(h) a description of how the working group set up by the Charity Commission on the waiver process will be constituted, how it will be resourced, what timelines it will be working to, its working method and intended outputs, and how it will work in consultation with people with criminal records and charities that work with, or employ, ex-offenders,

(i) a description of the criteria the Charity Commission will adopt in considering applications for waivers, and the weight it will attach to the views of the trustees of the charity or charities concerned,

(j) a description of how the waiver process will operate in relation to prospective candidates for senior management positions in charities, including the timescales for decisions and mechanisms to ensure that ex-offenders do not suffer indirect discrimination as a consequence of delays in assessing applications for waivers while a competitive recruitment process is underway,

(k) an assessment of the impact of the new disqualification framework on the resources provided by the Charity Commission to administer the waiver application process.”

*This amendment would require the Secretary of State to lay before parliament a report on the impact of the extension of the disqualification framework on people with criminal records who are trustees of, or employed by, charities, and on charities which work with, or employ, ex-offenders before the section came into force.*

Amendment 13, in clause 10, page 10, line 7, after “person” insert “or persons”.

Government amendment 4.

Amendment 14, page 10, line 35, leave out

“(either generally or in relation to the charities or classes of charity specified or described in the order)”

and insert

“, as defined by the Commission in a specific document to be published after consultation and renewed”.

Amendment 15, page 11, line 33, after “conduct” insert “both relevant and serious”.

Government amendments 5 to 7.

**Anna Turley:** It is a pleasure to speak today on behalf of Her Majesty’s Opposition about this, my first Bill. The Committee process has been excellent, and I welcome this opportunity to revisit the Bill and talk again about some of the issues that were raised.

The main objective of the legislation is to provide a strong regulatory framework to support the charity sector and its trustees. In particular, it aims to strengthen the Charity Commission’s arm by giving it more powers to regulate charities. That is an important objective, which we support, but we are clear that the right safeguards must be in place. The Charity Commission is the guardian of public trust and confidence in charities. On the whole, it does an excellent job, particularly in the context of the assault on its budget over the past six years. It is important for the integrity of the charitable sector that

the commission should have the tools to do its job properly, and for that reason we support many of the Bill's provisions.

However, as with any regulator, it is vital to ensure that the commission's powers are subject to appropriate safeguards. Unfortunately, some of the new powers for the regulator introduced by the Bill lack such safeguards and therefore leave scope for the commission to overreach itself. That threatens the independence of charities and the integrity and reputation of the commission, and it could fundamentally change the relationship between the commission and the charity sector.

Our concerns are shared by the sector, its advisers and more widely—the Charity Law Association, for example, has said that the new powers in the Bill need to be balanced by appropriate and proportionate safeguards. It points out that the new powers will apply not only in rare cases of deliberate abuse but to all charities and their many hundreds of thousands of well-meaning volunteer trustees.

A group of sector umbrella bodies, including the Directory of Social Change, the Association of Chief Executives of Voluntary Organisations, the National Council for Voluntary Organisations and the Charity Finance Group, have all expressed serious concerns about the lack of safeguards. The Joint Committee of the House of Lords and House of Commons that scrutinised an early draft of the Bill called for necessary safeguards to be included, and, of course, we pushed for those in Committee.

The Minister may point out, as he did in Committee, that the Charity Commission has a statutory obligation to act proportionately. We acknowledge that, but experience has shown that, sadly, that is not enough. In a recent High Court case involving the commission and the Joseph Rowntree Charitable Trust, the Lord Chief Justice referred to “ludicrous time limits” imposed by the commission in a regulatory situation; he said he could understand why it was felt that the Charity Commission had behaved in an extremely high-handed manner in that case.

The commission should, of course, have the power to do its job, but sensible limits should be imposed on how it exercises its powers. Our amendment would redress the balance.

**Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): I congratulate my hon. Friend on her excellent speech. I am a trustee of many charities; one of the concerns that those of us who work in the charitable sector have had for a long time is the weakness of the Charity Commission. Usually, its legal department is terrified of a case ending up in the High Court. I support the Bill: we need a strong commission that can do its job as it has not been able to do it for many years.

**Anna Turley:** My hon. Friend is absolutely right; that is why we support the Bill and the powers it gives to the Charity Commission. My hon. Friend is also right in talking about what is sometimes a lack of clarity and a confusion, which can be costly. We are really keen to get clarity on the grey areas, boundaries and improper balances in the Bill. It is really important that we get those on the record while the Bill has yet to be enacted and before we end up with costly processes in the High Court.

I turn specifically to new clause 1 and amendments 9, 8, 10, 11 and 12, which apply to clause 1, which relates to the Charity Commission's new power to give warnings.

The Bill introduces a new power for the Charity Commission to issue official warnings to a charity or a charity trustee. The explanatory notes say that the power is intended to be used when the risk of an impact on charitable assets and services is relatively low, but the new power could have a far-reaching impact on charities that receive a warning. The Bill gives the commission complete discretion about publicising a warning. That could have serious reputational implications for the charity involved: the public, the media and funders may well not distinguish between a low-level issue giving rise to a warning and something much more severe. It is important that we consider the issue in the context of the high profile media issues raised recently. After all, official warnings issued by other regulators indicate a serious and high level of concern; under the Bill, the commission can issue a warning on the strength of a low-level breach of trust or just a breach of duty by a charity trustee. Indeed, it is our understanding that it intends to use the warning power in low-level cases.

As all hon. Members know, reputation is paramount for charities and charity trustees. The adverse publicity resulting from a warning could lead to a choking off of donations, grant funding and corporate sponsorships, leading to a closure of services and, potentially, to redundancies. A warning can be used as a trigger for further regulatory action; clause 2 makes a change to the circumstances in which the commission can take significant protective measures in relation to charities so that the failure to remedy an alleged breach of trust or duty specified in a warning is automatically a trigger to more serious action. That seems a startling implication for a power intended to be used in low-level cases and makes it all the more important that there should be safeguards around the exercise of the power.

Our amendments address those concerns in four ways. First, through amendment 9 and 8, they would limit the commission's scope to publish the warning to a wide audience. The charity and its trustees would receive the warning, but no wider publicity would be involved. The warning would ensure that the charity took the commission's concerns seriously, but would have no adverse effect on its reputation. If the charity failed to comply with the warning, the commission could take more significant regulatory action at that stage, and that might attract publicity. Low-level concerns, however, would not be publicised, to ensure that the commission's action was proportionate and did not seriously impact—potentially fatally—a charity for a relatively minor error.

**Peter Kyle** (Hove) (Lab): It has been stated numerous times that the Charity Commission often sees itself as a partner in trying to improve and work with charities. Would not the method that my hon. Friend is describing be one more of partnership, using the expertise of the Charity Commission to improve and tackle the challenges that charities face in the front line? That is a much more collaborative approach, aimed at delivering outcomes for the beneficiaries, rather than a public bust-up, which could damage the Charity Commission, charities as a whole and the individual charity concerned.

**Anna Turley:** My hon. Friend makes an extremely important point. It is clear that when the Charity Commission works in terms of its role of supporting, encouraging and giving guidance to charities, it is extremely effective. Particularly given the pressures on its finances, expecting it to undertake a wide range of enforcement in this manner is potentially quite costly.

Alternatively, amendment 10 would allow the commission to make details of the warning public without referencing the charity, or a charity trustee, by name. This would allow the commission to publish a warning anonymously if it felt that it held important lessons for the wider charitable sector, but without the consequent impact on the charity.

Secondly, under amendment 11 the commission would be obliged to give the charity adequate notice of its intention to issue a warning. The Bill states that

“the Commission must give notice”,

but there is no specified notice period. That means that there is nothing to stop the commission giving less than 24 hours’ notice of its intention to issue a warning, which would give the trustees, who are very often hard-pressed volunteers, and any charity staff almost no time to respond. This is a serious risk. In the High Court judgment that I mentioned, it is understood that charity trustees were given less than 24 hours to respond to the commission, prompting the Lord Chief Justice, as I said, to describe the time limits as “ludicrous”.

This concern has already been raised by the Joint Committee that reviewed an earlier draft of the Bill. It recommended that a reasonable minimum notice period to make representations on a draft warning should be made clear in the Bill. The Government’s response to the Joint Committee’s report accepted that a recipient should have the opportunity to make representations on the warning for the commission to consider before it is published. In our view, this requires the inclusion of a minimum notice period in the Bill, and that is what our amendment seeks to achieve. The Government may argue that there could be circumstances where the commission has such serious concerns that it must act swiftly and without notice. In such cases, the commission should exercise some of its other regulatory powers designed for more serious concerns, some of which may be used without advance notice. We have been told that the warning power is not intended for such serious cases.

We also propose a small amendment, amendment (a), to Government amendment 2 on the proposed power to withdraw or vary a warning. Our amendment is designed to help reduce any reputational damage to a charity that might result from the inappropriate issuing of a warning. It is absolutely right and fair that if the warning was subsequently found to have been incorrectly given, then it should be publicly revoked and any damage sought to be undone.

Thirdly, amendment 12 seeks to ensure that it is absolutely clear in the Bill that the commission will not be able to use its warning power to direct charities. It is not appropriate for the commission to be able to direct charity trustees on how to act. It is very clear from the Charities Act 2011 that the commission is not able to act as a charity trustee except for very limited exceptions. In a small range of circumstances, the commission can issue statutory directions to charities, but these are

rightly subject to very strict safeguards. It seems that the Government agree with this principle. In responding to the consultation on the extension of the Charity Commission’s power that was a precursor to the Bill, the Government specifically decided not to extend the commission’s powers to make directions outside a formal statutory inquiry. If the commission could use the warning power as a way to direct charities, it would be able to give directions via the back door. This is a fundamental shift in the delicate balance of the relationship between the commission and charities, and it should not be allowed.

We would welcome some clarification from the Minister on this point, as there seems to be confusion in the sector about it. We understand that the commission does not regard the warning power as giving it the power to direct charities, yet the explanatory notes to the Bill imply the opposite, stating:

“Where the Commission considers it disproportionate and unnecessary to open an inquiry purely for the purpose of making a direction, issuing an official warning could be an alternative way of making it clear to a charity that they should take action.”

Confusion over a similar issue gave rise to the High Court case that I mentioned, prompting the Lord Chief Justice’s comments about the commission’s actions. Our amendment makes it clear that while a warning can be used to give advice or guidance to a charity—which can often be very positive, as my hon. Friend the Member for Hove (Peter Kyle) said—in order to remedy the conduct that gave rise to it, it absolutely cannot be used to direct the trustees to take action.

New clause 1 would allow for the issuing of a warning to be appealed to the Charity Tribunal. I have already explained the potentially significant consequences that the issuing of a warning has for a charity. The Charity Tribunal is a low-cost forum that was established in the Charities Act 2006 especially for charities wishing to challenge the commission. In the absence of an express right of appeal, charities affected by a warning are able to challenge it only via judicial review. Judicial review is expensive, complicated, and time-consuming. It is a completely inappropriate option for a mechanism that is intended to address low-level non-compliance. The Charity Tribunal was introduced precisely so that charities would not have to rely on costly judicial review proceedings to challenge the commission’s decision making. There is no good reason, and I am afraid none was forthcoming in Committee, as to why it should not be possible to appeal an official warning to the Charity Tribunal. It is illogical that the exercise of the warning power should be more difficult to challenge than the exercise of the commission’s more extensive regulatory powers, which can be appealed to the Charity Tribunal.

1.45 pm

It is worth my highlighting again, first, that a warning can be issued if the commission considers that there has been a breach of duty—something that may well be disputed by the charity—and, secondly, that failure to comply with a warning can of itself allow the commission to take more significant regulatory action. These two factors make it even more important for a charity to have an accessible, realistic way of challenging a warning.

Amendments 13, 14 and 15 refer to clause 10 on the power to disqualify. The Bill will give the Charity Commission a completely new power to disqualify someone

from being a charity trustee. Again, we have significant concerns about the scope of this power, and again, we are not alone. The Joint Committee expressed concerns about the safeguards that accompany this power. The Charity Law Association has said that although the test for disqualification

“appears superficially to be robust, it is in fact insufficiently defined and lacks clarity and adequate safeguards.”

While the commission is naturally concerned to protect charities from unscrupulous trustees, and we support that aim, it is important to recognise the adverse impact that disqualification might have on an individual.

Our amendment would improve the power in three ways. One of the preconditions of the exercise of the power is that the commission should be satisfied that the person concerned is unfit to be a charity trustee. The Bill includes no guidance at all as to the meaning of “unfit”, which leaves a considerable degree of discretion in the hands of the commission and no benchmark against which unfitness can be judged. Amendment 14 would oblige the commission to publish a definition of “unfit”, after public consultation. This would go some way towards introducing objective criteria by which to assess unfitness. Where the commission disqualifies a person on the basis of past conduct that it considers is likely to be damaging to public trust and confidence in charities, our amendment 15 would make it clear that the conduct must be both relevant and serious.

Amendment 13 seeks to ensure that in situations where there has been a collective failure by more than one individual trustee, more than one person can be disqualified. This could be necessary in situations where more than one member of a board has been complicit and the board has collectively turned a blind eye to an abuse or misdemeanour within a charity. In some of the sexual abuse cases that have come to light recently, there has been what can only be described as a conspiracy of silence. This amendment seeks to challenge that.

These amendments and new clause 1 are intended to provide safeguards on the new powers of the Charity Commission. We believe that they will serve to strengthen the original clauses, not weaken them. Powers that place too much decision-making responsibility in the hands of the commission in making finely balanced judgments and executing actions with significant consequences could lead to confusion, error, suspicion and mistrust between the sector and its regulator. Greater clarity, a more balanced approach, and a strengthening of the boundaries of the relationship will give greater confidence to both sides on how to proceed in using the Bill’s new powers.

**The Minister for Civil Society (Mr Rob Wilson):** It might be helpful if I clarify one of points that the hon. Lady raised about the power to direct. An official warning is not the same as a direction power. I am aware of the potential confusion regarding the explanatory notes that she mentioned. If it is helpful to her, I would be happy to ensure that the explanatory notes are updated to make it absolutely clear that the warning power cannot be used to direct charities.

**Anna Turley:** That is very helpful indeed. I really appreciate the Minister being so quick and forthcoming with his clarity on that, which will give the sector a lot of reassurance.

I now move on to our new clauses 2 and 3. New clause 2 seeks to replace a clause that was put into the Bill during its passage through the other place but removed in Committee. I pay tribute to our noble Friends in the other place who successfully added the clause to the Bill. As with so much legislation at the moment, we are finding them to be great defenders of social justice and fairness.

New clause 2 would support trustees in carrying out their existing duties by ensuring that they can adhere to their charitable aims and objectives, and it would protect them from being compelled to undertake an action at odds with their charitable purposes. As we have always made clear, especially in Committee, the provision is particularly relevant to housing. It aims to protect charities and housing associations if the Government mandates them to sell their charitable property under the right-to-buy proposals.

Labour Members want those who desire to be homeowners to achieve their aspiration. While the number of homeowners has fallen by more than 200,000 under this Government, the number rose by more than 1 million under Labour between 1997 and 2010. I want to be clear that we support people’s aspiration to own their own home.

**Kelvin Hopkins (Luton North) (Lab):** I agree with what my hon. Friend is saying, but the level of owner-occupation is declining because house prices have risen way beyond the ability of most people to afford them. Is not the real problem the need to have decent social rented housing, and should we not keep all existing social housing in the public sector to make sure we can house people properly?

**Anna Turley:** My hon. Friend makes an extremely important point. We know that home ownership is falling and, as he says, the real crisis is in social housing. The purpose of new clause 2 is to protect what social housing we have and maintain it in the hands of the charitable sector and housing associations that own it, as well as to ensure that it is used for its intended purpose, not sold off for profit.

The problem our new clause seeks to address is that of compulsion. This is about the fundamental rights and the position in law of housing associations and charities. The independence of the charitable sector from Government is an important strength of British civic society, and one that must be cherished. We do not support the right of a Government to direct a charity, against its independent will and contrary to its charitable purposes, to dispose of its assets according to the Government’s desire. That is an infringement of the independence of charity, community and voluntary sector organisations. For many housing associations, it goes against the very grain of their founding purpose.

Housing associations, many of which are charities, provide 2.5 million homes for 5 million people on affordable rents. Many enable vulnerable people, or those with disabilities or care needs, to live independently. Other properties are for shared ownership, to help those on lower incomes to buy their homes. These aims are in the charitable DNA of housing associations and are not for the Government to tamper with.

The unintended consequences of the right-to-buy proposals for housing associations could undermine charity law that goes back centuries. In essence, the

[Anna Turley]

proposals will allow the assets of independent charities, and even the bequests of individuals or philanthropists—for example, the Peabody Trust, which has built and bequeathed housing to ameliorate the conditions of the poor and needy—to be seized. Housing associations currently build 45,000 homes a year. Ideally, they would like to build 120,000 homes. That aim may be undermined if they are forced to sell off their stock.

Housing associations often lever in private finance on the basis of assets they already own in order to meet their wider charitable objectives and to manage their assets effectively. Right to buy will force housing associations to sell properties. It will give them less control over such decisions. Importantly, in relation to this Bill, it will make it more difficult for them to meet their charitable purposes.

Furthermore, any diminution of the housing stock could harm housing associations' borrowing powers. The National Housing Federation has said:

“With a nation in the throes of a housing crisis, it is key that housing associations are in full control of the assets against which they borrow to build homes.”

Labour, as well as many housing associations around the country, has always said that the extension of right to buy to housing associations, through the Housing and Planning Bill, is unworkable and wrong. It will lead to a severe and irreversible loss of affordable homes at a time when they can never have been more needed, because the Government have no genuine plan for one-for-one, like-for-like replacement. Historically, only one in 10 homes sold have been replaced under the right to buy.

**Kelvin Hopkins:** Even those who support the sale of council houses and of housing association properties say that if the subsidy came directly from the Treasury, that would be very different from making housing associations and local authorities pay for the subsidy out of their assets.

**Anna Turley:** My hon. Friend is absolutely right. It has been apparent throughout the proceedings on the Housing and Planning Bill that there is a black hole in the plans to fund the whole proposal.

There are currently 2 million people on waiting lists due to the dearth of homes on affordable rents for low earners. Our new clause 2, which protects housing associations from being compelled to sell off homes, would prevent the further reduction in the supply of affordable social housing. Too often, history has shown that right-to-buy homes are resold. Many homes are rapidly rented out by private landlords at the full market rent, which serves to drive up market prices and increase poverty through higher housing costs, as well as reducing the housing stock available on affordable rents. All of that goes against the charitable objectives of most housing associations.

In summary, we are concerned that the Government want to interfere with the duties of charity trustees to put their beneficiaries first and to comply with their fundamental charitable purposes in how they manage their assets. Housing associations can already partake of right-to-buy options for their tenants where that accords with their charitable objectives. The problem

arises where that conflicts with their objectives and trustees' duties risk being overridden by the Government, which is simply not acceptable. That is what the new clause seeks to prevent.

New clause 3 would enshrine in legislation the right of charities to undertake political campaigning activity. We are clear that this is a direct attempt to challenge the unfair and poorly applied Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014, commonly known as the gagging Act. Campaigning is an important part of democracy and civil society. One of the fundamental principles of a thriving and healthy democracy is that individuals and organisations can speak out on the issues they care about.

**Mark Field** (Cities of London and Westminster) (Con): On new clause 2, the hon. Lady made a case about charities' ancient rights. She will be well aware that the ancient rules, going back 400 years to the time of James I, were very much against charities involving themselves in politics. I accept that there have been changes in charity law more recently, but it seems rather perverse that she prays in aid ancient charitable rights in relation to new clause 2, but is happy to ride roughshod over them in new clause 3.

**Anna Turley:** On the contrary, it was the gagging Act that rode roughshod over the historic rights of the charity sector to defend and campaign on the causes that charities fundamentally exist to tackle.

**Peter Kyle:** My hon. Friend makes an incredibly powerful point. This is about freedom of speech for everyone—every citizen and every organisation in this country—but it is also about making sure that the disempowered, both individuals and communities who lack a voice, have advocates that can speak in as unencumbered a way as is humanly possible and with the ferocity that those in our society who lack a voice deserve.

**Anna Turley:** My hon. Friend is absolutely right. He pays tribute to the charities that do some of the most important work with the most excluded. Such people need a voice and are often those who suffer the consequences of bad policy making in this place. Charities often have to pick up the pieces of such policy making.

**Susan Elan Jones** (Clwyd South) (Lab): I am slightly mystified by some of the comments about so-called political activity. We are talking about basic advocacy. We only have to go back to the end of the first world war to see the Royal British Legion campaigning for jobs for veterans and so on. We are not talking about party political campaigning. That is what the voluntary sector objected to in the 2014 Act.

**Anna Turley:** My hon. Friend is absolutely right. As she has ably demonstrated, charities have a long-established role in educating, informing the public, campaigning and securing positive social change throughout our history.

**Wendy Morton** (Aldridge-Brownhills) (Con): Use of such terms can seem a little bizarre, but does the hon. Lady not agree that charities can already make

representations, including to us as Members of this place? One of the big things about charities is that they have a special ethos that drives their work and activities. I therefore cannot understand why we should support new clause 3.

**Anna Turley:** It is quite clear that the charitable sector felt that the 2014 Act prevented them from being able to pursue exactly the aims that the hon. Lady sets out. We in this House share many things in common with the charitable sector, not least the effort to build a better society, so it is absolutely right that we should work together in partnership to build better policy making and to shape the kind of society that she cares about. Our new clause has not come out of thin air. We are reacting to a very bad piece of legislation, about which the sector feels extremely strongly. We want to continue to protect the sector.

**Wes Streeting (Ilford North) (Lab):** Part of the problem is the use of the word “political”. Before the introduction of the gagging law, there was no provision for charities to engage in party political activity—activity in favour of a political party—and CC9, the Charity Commission’s guidance document on campaigning for charities, is clear about that. What problem does my hon. Friend think the Government were trying to solve when they introduced the gagging law? I do not think there was any such problem.

**Anna Turley:** My hon. Friend is absolutely right. I think the problem was that the Government felt challenged. From the outside, they were happy to talk about being the most open and transparent Government ever, but once in power, they pulled up the drawbridge and were nervous about the challenge they faced from the sector on key issues such as badgers and the bedroom tax.

**Mark Field:** No one minds scrutiny. We are very happy to have bodies that want to engage in political lobbying, but they should not be charities. Charities have certain benefits, including tax benefits. Bodies that wish to be party political, biased advocates are perfectly able to be so if they are companies or other corporations. The point is that the charitable sector brings with it a range of benefits, not least in terms of taxation, that should not be abused for party political purposes.

2 pm

**Anna Turley:** Would not the right hon. Gentleman agree, therefore, that for a charity that is picking up the pieces left by diseases such as cancer or heart failure, it is a better use of taxpayers’ money to lobby for better investment in prevention and research and development?

**Robert Jenrick (Newark) (Con):** I am sorry to relive arguments that were heard in Committee, but the only example that was given to the Committee of the so-called chilling effect or of a charity being prohibited from carrying out activities by the so-called gagging law was that of the Badger Trust. That organisation was explicitly party political. The chief executive officer, Dominic Dyer, sent out an email using the charity’s email system to all its members, who may have had any party political affiliation or none, saying that he had contributed to the Labour party’s rural manifesto, that it was wonderful,

that they should turn up at the launch of the manifesto, that they should take part in an anti-Cameron rally and, presumably, that they should vote Labour. The hon. Lady said that she supported that kind of behaviour, which was illegal. Surely Members from all parts of the House can agree that such behaviour is wrong. New clause 3 should be defeated because it would give the green light to that sort of extremely negative behaviour.

**Anna Turley:** I am surprised that the hon. Gentleman has a problem with negative behaviour—I am afraid that it is a fact of life. Having looked at the evidence from the Charity Commission on that case, I still struggle to see what was wrong with the situation. I am very happy to continue that conversation with the Charity Commission.

The hon. Gentleman says that that was the only evidence given. More than 160 charities signed a letter to the Government ahead of the general election saying that the legislation should be scrapped, including Save the Children, the Salvation Army, Oxfam, Greenpeace, Age UK and Amnesty International. The charity sector is up in arms.

**Susan Elan Jones:** Surely the big problem that people had was that they did not like the idea of dodgy lobbyists giving money to dodgy politicians. It was not about victimising groups such as the Salvation Army. The hon. Member for Newark (Robert Jenrick) says that it was just the Badger Trust that was affected. If he had heard what the Countryside Alliance said at the all-party parliamentary group on civil society and volunteering about what it thought of the gagging Act, he would accept that a wide variety of groups are affected.

**Anna Turley:** My hon. Friend makes an extremely important point about the strength of feeling in the sector.

**Martin John Docherty (West Dunbartonshire) (SNP):** I share the concerns of the hon. Member for Clwyd South (Susan Elan Jones). Does the hon. Member for Redcar (Anna Turley) agree that the gagging Act would have limited even the calls for the creation of the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly, which were led by the Church of Scotland, which is a registered charity in Scotland? Without new clause 3, it will not be possible to have an impact like the one that the Scottish Parliament has had on the so-called unwritten constitution of the United Kingdom.

**Anna Turley:** The hon. Gentleman makes an important point and I thank him for that contribution. I will make some progress, because I am conscious that many Members want to speak.

Not only should charities have the right to campaign, but they are often best placed to provide important insights that can inform and improve policy making. They are often the ones on the frontline who see the gaps in provision, the duplication of services and the inefficiency and waste, and who spot the best ways of solving or, better still, preventing problems. Many charities can make a bigger impact with their limited resources through campaigning than through service delivery alone.

[Anna Turley]

Campaigning often saves taxpayers money in the long term, as issues can be addressed at their roots, rather than in the aftermath, which can be costly. For example, as I just mentioned, many charities provide fantastic care for patients with long-term conditions such as cancer, but is it not better for them to push for more effective treatment, more awareness of the symptoms and more support for diagnosis through campaigning? So much of that happens as a result of good policy making by politicians. That is why charities must seek to shape it.

**Maggie Throup** (Erewash) (Con): I fear that under new clause 3, the hard-earned money that people donate to charities would be spent on political campaigning, rather than the initial cause to which they donate, such as true medical research. That is why the new clause is flawed.

**Anna Turley:** I am surprised that the hon. Lady presumes to know what people want to happen when they donate money. Many people who donate money to large charities such as Crisis and Shelter are very aware of the high-profile public campaigning that they do and of the pressure that they put on all of us in this House. That is to be commended. Many people support the powerful voice that such charities have in the community.

**Kelvin Hopkins:** To reinforce that point, many people support and donate to such charities precisely because they campaign.

**Anna Turley:** I completely share my hon. Friend's view and am grateful for his supportive intervention.

Charities themselves have set out their concerns, including the fact that the scope of the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014 is very broad. They are concerned that the legitimate day-to-day activities of charities and voluntary organisations that engage with public policy will be caught by the rules and that a number of regulated charities, voluntary organisations and other groups will be substantially affected. They feel that the Act is incredibly complex and unclear, and that it will be difficult for charities and other voluntary groups to understand whether any of their activities will be caught, giving rise to the risk that campaigning activity will be discouraged.

Charities also feel that the 2014 Act gives substantial discretion to the Electoral Commission, creating an unnecessary and burdensome regulatory regime and possibly leaving charities, voluntary organisations and the Electoral Commission open to legal challenge. The legal opinion provided to the National Council for Voluntary Organisations by election law experts suggested that the rules were so complex and unclear that they were

“likely to have a chilling effect on freedom of expression, putting small organisations and their trustees and directors in fear of criminal penalty if they speak out on matters of public interest and concern”.

The 2014 Act stopped charities campaigning—they say so themselves—and caused unnecessary cost and confusion, according to a report by the Commission on

Civil Society and Democratic Engagement, which looked at its effect on last year's general election. Drawing on evidence from UK charities and campaign groups, the commission found that charities were faced with confusion about

“the ambiguity of the definition of regulated activity.”

The commission states that as a result of that,

“many activities aimed at raising awareness and generating discussion ahead of the election have not taken place.”

A representative of the World Wide Fund for Nature told the commission:

“I think the Act has created an atmosphere of caution within parts of our sector. It has also wasted time in terms of analysis of it, explaining it to Trustees, staff etc. It is not...a piece of legislation we need.”

Greenpeace told the commission:

“We were meant to be participating in a huge cross-NGO campaign, but all apart from a couple of the organisations ended up not campaigning during the general election period leaving us with not enough partners to run the campaign.”

The Salvation Army stated:

“As we are not traditionally a campaigning charity we were not in danger of exceeding the top limit. However, we were wary of supporting causes that could be considered coalition campaigning because we felt the administrative cost would be excessive and we couldn't control the level of spending.”

The Commission on Civil Society and Democratic Engagement also found that voluntary groups undertaking Government contracts regularly faced threats to remain silent on key Government policies. Many neglect to speak out on issues that are plaguing society, for fear of losing funding or inviting other unwelcome sanctions.

**Wendy Morton:** Will the hon. Lady give way?

**Anna Turley:** I am afraid that I am nearly at the end of my speech, so I will finish.

The lobbying legislation looks to many in the sector too much like another deliberate and shameless act by a Government who are too scared to debate their record or to be open to scrutiny and challenge. The health of our democracy depends on people's right to campaign on the issues they care about. The 2014 Act was an attack on our democracy. It limits the rights of charities to fight for important causes. It has left expert organisations that have a vital contribution to make to public debate unsure whether they are allowed to speak out. We seek to protect the right of charities to have a loud and respected voice in our democracy. I commend new clause 3 to the House.

**Sir Edward Garnier** (Harborough) (Con): I congratulate the hon. Member for Redcar (Anna Turley) on her first speech from the Dispatch Box in the Report stage of a Bill. She gave a thorough explanation of her case on behalf of the official Opposition, although I am not entirely sure that I agreed with all of it. No doubt she gave it a lot of thought. She certainly gave us the benefit of her views.

I will not follow the hon. Lady up and down the badger setts of England and Wales, if that is all right with her, but I will speak to amendment 1, which stands in my name. I will do so, with the greatest of respect, in a slightly less aggressive way than her, although there is nothing wrong with aggression when one has something decent to say. I must declare an interest, as is indicated

on the Order Paper, because I am a patron of Unlock, the charity that seeks to help people with convictions, and a trustee of the Prison Reform Trust. Both positions are unpaid.

I became interested in prison issues, the rehabilitation of offenders and so on when the Prime Minister, then the Leader of the Opposition, appointed me in the middle of the last decade as shadow Minister with responsibility for prisons and probation. As a consequence of that appointment, I visited about 65 of the 140 or so prisons, young offender institutions and secure training units throughout England and Wales. It became apparent to me—it was not a new idea, in that others had discovered it previously—that one of the things that contributes to the high levels of reoffending among those people who have been sent to prison and come out again, particularly among youngsters, is that they do not have a job or somewhere settled to stay, and that they have, to put it loosely, relationship problems. If we can do something to help people to form strong, stable relationships with families, partners or others, and if we can find them somewhere stable to stay and live, and if we can help them to get training or work, the chances that they will reoffend and go back to prison are very much reduced.

As a consequence of the voyage of discovery that I went on from 2005 or so until I was appointed shadow Attorney-General in 2009, I wrote a paper called “Prisons with a Purpose”. I hope that the Secretary of State for Justice—I see his Parliamentary Private Secretary, my hon. Friend the Member for Newark (Robert Jenrick), sitting in his place to my left—is picking up many of the ideas that I and my right hon. Friend the Member for Arundel and South Downs (Nick Herbert) pushed forward in that period of opposition.

I suppose it is not a surprise that I have become attached to the Prison Reform Trust and to Unlock, but in speaking to my amendment 1, which is long—it is set out on page 5 of the amendment paper—I invite the Government to have a little think about the disqualification or waiver procedure that applies to people with criminal records, either in so far as they may be trustees of charities that have an interest in looking after ex-offenders, or in so far as they may be employees of those charities.

I hope that the framework of the amendment is clear in itself but, if I may—I will be as quick as I can because I know that my right hon. Friend the Member for Cities of London and Westminster (Mark Field) and other right hon. and hon. Members wish to catch your eye, Madam Deputy Speaker—I hope he and the House will forgive me if I take a little time in setting out what I intend to do. I should confess at the outset that I am very grateful to the Prison Reform Trust in assisting me in preparing for today’s debate.

The purpose of my amendment is to require the Secretary of State to lay before Parliament, before clause 9 comes into force, a report on the impact of the extension of the disqualification framework on people with criminal records who are trustees of, or who are employed by, charities that work with or employ ex-offenders. I intend to urge the Government to provide us with further clarification of the impact of the extension of the disqualification framework on people with criminal records and charities that work with or employ ex-offenders. The amendment also provides an opportunity for the Minister to outline in more detail how he and his

Department intend to conduct the review of the waiver process to ensure that people with criminal records who are existing employees or charitable trustees, or who are seeking or intend to seek employment or a trusteeship in a charity, are not unfairly discriminated against.

Clause 9 and the policy behind it are entirely worthy and understandable. We clearly do not want people who are engaged in terrorism to be using charities to move money around or to hide their outrageous behaviour; that is not controversial, but one problem might be the unintended consequence of the clause on people whom the Government may not want to impact. One has only to read out clause 9(5) to realise that someone who comes within

“Part 1 of the Terrorist Asset-Freezing etc Act 2010...or...the Al-Qaida (Asset-Freezing) Regulations 2011”

is not someone whom we want to be involved in charities. That is not a problem, but I am concerned about the unintended consequence of that perfectly understandable and worthwhile clause.

2.15 pm

A number of the provisions of clause 9 represent a direct threat to charities that work to rehabilitate people with criminal records, many of which employ former offenders either as trustees or in senior management positions. At the heart of the voluntary sector is the principle of working with service users rather than doing things to them. It is an old cliché that the Government should do things for people rather than to them. Likewise, legislation should enable charities to do things for people rather than to them. I hope that, with a bit of time, and a bit of further thought and discussion with the charities that I and others are interested in, the Government can come up with a plan that does not have deleterious consequences. That is particularly important in respect of people in the criminal justice system—perhaps it is more important in that aspect of charitable work than in any other. Any unnecessary barriers to the recruitment of people with convictions as trustees and in senior positions are very likely to be a threat to the core mission of that sector.

Unlock, the charity of which I am a patron, and the Prison Reform Trust, the charity of which I am a trustee, and other charities involved in the criminal justice sector submitted evidence to the Public Bill Committee, where hon. Members raised concerns. During the debate, my hon. Friend the Minister confirmed that charities would be given notice of at least six to 12 months before the new provisions in clause 9 came into force, and that the Charity Commission would conduct a review of the waiver process in consultation with the charities. He also confirmed that the Charity Commission would not be given any additional resources to administer the likely increase in waiver applications as a result of the introduction of the new disqualification framework.

Based on the experience of charities in that area of public policy—the existing waiver process—and based on the fact that no additional resource will be provided to the Charity Commission, they are concerned that six months is simply not enough time for them to prepare themselves for the introduction of the new framework. If my hon. Friend the Minister can give me some indication when he winds up the debate that the timeframe will be at least 12 months, that would be of considerable assistance to me.

We submit further that the six to 12-month period is not sufficient for the Charity Commission to conduct a comprehensive review of the waiver process in consultation with charities, or for the commission to issue waivers to existing employees or trustees who qualify under section 181 of the Charities Act 2011. That could result in existing employees or trustees having to resign from their positions as a consequence of charities having to work to an unrealistic timeframe. At the very least, we would urge the Government to guarantee a minimum of 12 months' notice for charities to enable them to prepare for the introduction of the new framework, and for the Charity Commission to conduct a full and comprehensive review of the waiver process.

I know that six to 12 months is a very different figure from 12 months and more, but in the circumstances—my right hon. Friend the Member for Cities of London and Westminster, who is an expert in these matters, mentioned the 400-year-old history of charity law, going back to 43 Elizabeth and, I think, the Act of 1602.

**Mark Field:** We probably know more about Roman law than trust law from our time at university, but as I recall, it was indeed in 1602 and thereafter, during James I's time, that charitable heads came into play. That is not unimportant to the debate. There has been a lot of radical change quite recently, which has upset the very essence of what charities should be about, as my hon. Friend the Member for Aldridge-Brownhills (Wendy Morton) pointed out.

**Sir Edward Garnier:** Clearly, I need to take my right hon. Friend around with me in a knapsack, particularly when I am speaking in the Market Harborough Conservative club. He is just the chap they want to hear more from.

To return to the serious point we are discussing, a longer period to enable charities, the Charity Commission and the Government to work out how best to move forward with the clause 9 provisions would be to the advantage of all. That would enable us to get rid of any glitches and look out for any Heffalump traps that may be lying there for the unwary.

My hon. Friend the Minister was very kind and met me in his Department with his officials on Tuesday 19 January. It came across to me that he was in listening mode and that the Government are very likely to move towards me to some extent. If he does, that would be very helpful. If he is able to say so on the Floor of the House, that would be even more helpful. That would enable me to do what I promised him and not press my amendment to a Division. I am here to try to produce clarity and better legislation. If he and I can do that together, in partnership, then everybody goes home happier.

I would like to touch briefly on a number of the paragraphs in my amendment. There are 11 areas specified. I appreciate that the Government have tabled their own amendment, which to some rather limited extent alleviates some of my concerns, but to be honest with my hon. Friend the Minister, the Government will need to go a little bit further than amendment 3 if all the concerns the charities I speak for, or have some connection with, are not to have their worries continue.

Subsection 23(a) deals with the first problem area:

“the number of people employed by charities who will be affected by the extension of the disqualification framework to cover senior management positions”.

For reasons of time only, I will not set out extensively the arguments that apply here, but we are concerned about an absence of detail so far expressed in Committee or in any other public pronouncements made by the Government in relation to this particular impact. I urge the Government to do a bit of work to see how many people employed by charities will be affected by the extension of the disqualification framework insofar as it relates to senior management positions.

Subsection 23(b) relates to

“the number of people who are trustees of, or employed by, charities who will be affected by the extension of the list”.

Again, will the Government please have a think about this and recognise that it is not a negligible problem? This is not just a whinge from a trustee of the Prison Reform Trust. This is quite an issue, which needs to be thought about. The impact of clause 9 needs to be considered in co-operation with the charities and the Charity Commission, so we can get this right for the long term.

I will provide just one example in relation to paragraph (b): a glitch caused by an unwitting failure to consider the Rehabilitation of Offenders Act 1974, as reformed in 2014. Under the 2014 amendments to the 1974 Act, rehabilitation periods for a convicted person were to some extent reduced. For example, an individual convicted of a sexual assault is sentenced to three years in prison. Assuming the individual does not reoffend, that conviction will become spent seven years after the end of the sentence. However, they will remain subject to the notification requirements indefinitely, with a right to review after 15 years. Under the Bill as currently drafted, the individual would automatically be disqualified from being a trustee for at least 15 years and potentially for the rest of their life. Under the 1974 Act, as amended, once an individual has been convicted, if they remain conviction-free for a defined period of time they are legally recognised as being rehabilitated. That is just a simple discrete example of where the Government, the Charity Commission and the charities sector need to get together and see how best to move forward.

Subsection 23(c) relates to

“the impact of the new disqualification framework on former offenders who are seeking, or intend to seek, employment in the charitable sector, including on their recruitment, retention, career prospects and long-term rehabilitation and resettlement”.

I made this point in general at the outset of my remarks. The one thing we, as people interested in reducing recidivism, need to concentrate on is getting people back to work, or getting people into work—of course, many people in prison have never been in work. If we want to get them back or into work, we need to reduce the barriers to that as sensibly as we can.

Subsection 23(d) relates to

“the impact of the new disqualification framework on former offenders who are currently employed in the charitable sector, including on their retention, career prospects and long-term rehabilitation and resettlement”.

That is the same point, but with a different shade.

Subsection 23(e) deals with

“the impact of the new disqualification framework on people with criminal records who are trustees or employees of charities which are partners in, or are contracted by, community rehabilitation companies (CRCs) and its impact on the successful running of those organisations”.

In line with Government policy under the coalition Government in the previous Parliament, community rehabilitation companies have been set up. They are contracting with charities to deliver rehabilitation and probation services. It would be a pity if good policy was undermined by making it much more difficult for ex-offenders to work with more recent offenders in order to rehabilitate them. Again, we need to think very carefully and collectively about that.

Subsection 23(f) deals with

“the effectiveness of the existing waiver process provided for under section 181 of the Charities Act 2011”.

Charities have significant concerns regarding the effectiveness of the existing waiver application process and the ability of the Charity Commission to administer the additional applications that will result from the introduction of the new framework without any additional resources. In the past six years, the Charity Commission processed only six waiver applications. The Government suggest that this shows it is effective in granting waivers but that fails to recognise the disproportionately low numbers of waiver applications compared with the number of trustee positions and the estimated number of people with unspent convictions for existing disqualifying offences. Once one has expressed the point, I hope its obviousness becomes clear to the Government. Again, the charities I speak for, the Charity Commission and the Government need to sit around a table and thrash out how best to deal with that. As we say, six to 12 months is not long enough for that to be achieved.

Subsection 23(g) deals with

“the impact of the new disqualification framework on the number of applications for waivers to the Charity Commission”.

It must follow, surely, that the extended disqualification framework is highly likely to increase the number of waiver applications, not simply as a result of the extension but of an increased awareness of the framework that will inevitably flow from the production of guidance and general awareness raising. The Government, however, have not provided any assessment of a likely increase in waiver applications as a result of the extension of the disqualification framework. More troubling is that the Minister has confirmed that no additional resources will be provided to the Charity Commission to administer the waiver application process. The obvious inference is that the process will slow down and become more sclerotic. I hope it will not, but let us discuss the matter and iron out the problem in advance.

2.30 pm

Subsection 23(h) deals with

“how the working group set up by the Charity Commission on the waiver process will be constituted, how it will be resourced, what timelines it will be working to, its working method and intended outputs, and how it will work in consultation with people with criminal records and charities that work with, or employ, ex-offenders”.

Unlock has already been contacted by the commission about its internal working group, but specific details about the nature of the review remain unclear. Unlock and I would be grateful for further clarification from the Government about how the review will be constituted and resourced, what timelines it will work to and so on. As I said, we urge the Government, at the very least, to guarantee more than 12 months’ notice so that charities can prepare for the new framework.

Subsection 23(i) deals with

“the criteria the Charity Commission will adopt in considering applications for waivers, and the weight it will attach to the views of the trustees of the charity or charities concerned.”

Unlock’s direct experience and the support it has provided to other organisations have shown the waiver process to be inadequate and not workable in a way that allows charities such as Unlock to fulfil their charitable purposes. To ensure the process is fair and transparent, much greater clarity is needed regarding the criteria adopted by the commission in assessing waiver applications and the weight given to the views of the trustees of the charity or charities concerned. Again, I am sure this could be sorted out around the table by the Minister, his officials and his interlocutors.

Subsection 23(j) deals with

“how the waiver process will operate in relation to prospective candidates for senior management positions in charities, including the timescales for decisions and mechanisms to ensure that ex-offenders do not suffer indirect discrimination as a consequence of delays in assessing applications for waivers while a competitive recruitment process is underway”.

For example, the backlog of enhanced disclosure and barring service applications being processed by the Metropolitan police leads to an average turnaround time of 75 days, as a consequence of which people with spent criminal records who are applying for jobs are suffering indirect discrimination. Again, we all need to sit around the table and solve the problem.

Finally, subsection 23(k) deals with

“the impact of the new disqualification framework on the resources provided by the Charity Commission to administer the waiver application process.”

At some stage of any argument, anyone interested in public policy will come to the question, “Where is the money?” Somebody has to pay. If the Charity Commission does not have the money, if the charities are pinched for money and if the applicants do not have the money, which, as ex-offenders, they are unlikely to have, unless they are highly successful ex-offenders, we will need to think about how we can make the process as efficient and economic as possible.

I apologise for detaining the House, but I thought it important to put on the record the concerns of charities involved in the criminal justice sector and the reform and rehabilitation of offenders. I invite the Minister to extend the consultation period at least to 12 months and to have further meetings with the charities so that these glitches can be ironed out. Mr William Shawcross, the chairman of the Charity Commission, kindly telephoned me yesterday and offered the hand of friendship. He made himself and his staff available to me and those for whom I speak today. So avenues are open: the Minister has already been very open to me, and Mr Shawcross has now been very open to me. I hope, therefore, in the spirit of co-operation, that the Minister can give me reassurances so that I can tell Unlock and the Prison Reform Trust that the Government are a listening and thinking Government who want to produce a Bill that works in the long term and which we can collectively design for the public benefit.

**Wes Streeting:** I am grateful for the opportunity to reaffirm some of the concerns expressed in Committee that have not been addressed, but which will be addressed by the amendments tabled by my hon. Friend the Member for Redcar (Anna Turley).

[*Wes Streeting*]

I have had a long association with several different charities in a professional context, as a member of staff, as a volunteer and as a donor, whether through a regular standing order or money in the tin. Going back to earlier comments, I think that people know what they are signing up to when they support charities, whether it is a charity's campaigning effectiveness or its direct work with beneficiaries. We ought to pay tribute to the remarkable work that our large and diverse voluntary sector does, from the largest to the smallest of charities.

In my constituency, we have a variety, from Barnardo's, headquartered in Barkingside, through to smaller branches, such as the Barkingside branch of the Royal British Legion. There are also other charities such as Hopes and Dreams, set up by volunteers to help children with life-threatening or life-limiting conditions to enjoy experiences that enrich their lives at a difficult moment for them and their families. These are remarkable people doing remarkable work.

It is disappointing, therefore, that the voluntary sector, particularly in recent times, has been in the headlines for the wrong reasons and for what I would describe as the misdemeanours of the few, however large and significant they might be. It is also disappointing to hear the unnecessary condemnation of far too many. Hon. Members and others in the media have used intemperate language to bash a charity sector that does a remarkable amount of good and which should be cherished and celebrated, not derided and denigrated.

Like my hon. Friend the Member for Redcar, I am concerned that the warnings mechanism in the Bill does not carry a right of appeal. When I was a chief executive of a charity, had I received a warning from the Charity Commission for any aspect of our work, I would have taken it very seriously, and I would have expected trustees to take it very seriously too, yet we have heard in Committee and on Report today that the commission may issue warnings for what are relatively minor infringements—I even hesitate to use the word “offences”—of guidance. There is a difference between best practice and regulation. Of course, we expect charities to uphold the letter of the law, but there is also a great deal of best practice out there, and we should not necessarily be slapping warnings on charities for falling short of best practice, when a more informal route might result in a better outcome.

I particularly welcome the new clause dealing with the disposal of assets. In Committee, we talked about the origins of the Government's proposals around what might be described as the disposal of assets. We were talking about the seizure of assets, particularly in relation to their proposals for housing associations and right to buy. I am happy that housing associations and the Government are moving forward on the basis of agreement, but we should be in no doubt about how the Government reached that position: not through negotiation or evidence-based argument, but through threats, bullying and the cajoling of housing associations, with the threat that if they did not comply and work with the Government on right to buy, the latter would simply legislate for it. To me, that seems to go against the very essence of the Charitable Uses Act—sometimes referred to as Elizabeth's law—which was referred to earlier. Indeed, I must apologise to the right hon. Member for Cities of London and

Westminster (Mark Field): it was, in fact, an Act of 1601, and I would not want people to review the record and find that they were inadvertently misled on this issue.

**Sir Edward Garnier:** Is the hon. Gentleman angling for an invitation to the Market Harborough Conservative club?

**Wes Streeting:** What a kind invitation. Were the Conservative majority in Harborough slightly more marginal, I would be happy to visit on many occasions, but will have to pass this time and focus on matters closer to home and my majority.

Going back to the Charitable Uses Act of 1601, there is a long established principle that donations, bequests and legacies given to charities really ought to be used for the purpose that their donors intended. What my hon. Friend the Member for Redcar has set out in new clause 2 would give people the confidence that they could donate to charities or leave bequests to them knowing full well that independent charities would not be compelled

“to use or dispose of their assets in a way which is inconsistent with their charitable purposes.”

I therefore strongly endorse new clause 2, and I am glad she has tabled it for discussion this afternoon.

The final area I want to focus on is campaigning. As someone who has been a charity campaigner—both professionally and through my voluntary contributions to the work of charities—this is an issue I feel strongly about. As I said in my earlier intervention, I am still at a loss to understand the problem that the gagging law was trying to solve, because Charity Commission guidance has always been clear that charities cannot campaign for party political purposes and certainly cannot use charitable funds for the purposes of party political campaigning. It would therefore be completely unlawful for a charity to say around a general election, “We completely disagree with the Conservative party's policy on x, and would therefore encourage you to vote for one of the other parties,” or, “The Labour party policy on y is inconsistent with the views of the charity, and therefore you should vote for another political party.”

What has always been perfectly in order and, I would argue, desirable is for charities to be an effective voice for civil society and to ensure when policy is up for debate, whether during our deliberations in this House, in one of the devolved Parliaments or Assembly, or in local authorities up and down the country, that they can draw on their wisdom and experience, and the evidence base they gather—through desk research, commissioned research or, more often than not, their direct experience of working with their beneficiaries—to make sure that decision makers are well informed.

That is a real benefit to our democracy, and I am afraid that the cries from those on the Government Benches—that this change has not had a chilling effect—are simply untrue and unfounded. Whereas the Conservative party is usually found in this Chamber arguing against red tape, the gagging law has had completely the opposite effect. Indeed, I am aware of campaigners and finance officers in charities having to sit there with their spreadsheets prior to the last general election and try to calculate whether something would be a constituency spend or a national spend, whether a collaboration with other charity partners would be workable within the law or

where spending would be apportioned. I am afraid that the gagging law has imposed real and unnecessary burdens on charities. If people are concerned about how charities are spending their money, they should certainly be more concerned about the amount of time and money they might spend complying with unnecessary Government regulation than they should ever be concerned about whether they are sending briefings to Members of Parliament or asking parliamentary candidates to sign up to specific pledges or causes.

It really sticks in the throat that lots of Members of Parliament are very happy to turn up to photo ops at their party conferences or out in their constituencies with the Guide Dogs or children at a local youth club, or to go along and see all the great work an animal rights charity does—they are happy to issue press releases and enjoy the photographs—but when those charities come back to talk about the impact of their voting record or public policy they have supported or might consider supporting, suddenly this is considered a huge inconvenience or, even worse, people want to argue that it is illegal.

2.45 pm

The gagging law has done exactly that: it has had a chilling effect and it has generated red tape. We should be honest about the fact that this law, which was passed under a coalition Government—ironically, an illiberal law passed with the Liberals in government—was intended precisely to serve the interests of the Liberal party. The Liberals were concerned that enough of their—*[Interruption.]* I am afraid that none of them is here this afternoon, which is a shame, but we have only a one-in-eight chance of them making a debate. That is disappointing, and it is a shame that they are not here to account for themselves. Because so many Liberal Democrat MPs were silly enough to sign up to a pledge on tuition fees and then break it, they were worried that there would be accountability at the subsequent election.

I am not arguing that student unions or any other charitable bodies should have gone into that election suggesting that people not vote for Liberal Democrat candidates who broke the pledge—or, indeed, Conservative candidates who broke it—because, as one of the parliamentary candidates who campaigned on the issue, I know that we are perfectly capable of doing that ourselves. However, it was entirely legitimate for student unions to approach the general election by talking about the policy platforms that parties put on offer and also the record of the incumbent.

I am afraid that sometimes the laws we pass in this place seem to be rather self-serving, rather than serving the public interest. The voluntary sector has a powerful role to play in speaking up, and not just for the broad set of beneficiaries that it serves. Rather, given the character of the voluntary sector in the United Kingdom, it is particularly important that charities working with some of the most marginalised and disadvantaged in our society have the freedom and encouragement to speak up for their beneficiaries, because as we sometimes see in our surgeries—although that is often where the most difficult cases arise—and as we certainly see on the campaign trail, on the hustings and in the corridors of this place, these are not filled with those who have the most to gain or lose from a change in Government or public policy.

Whether it is people suffering from issues such as homelessness, drug abuse, abject poverty or child abuse, or other forms of abuse or ill health, they are often not the people with the freedom or the funding to make their voices heard in this place as they should. That is why charities that work with them have such a powerful role to play in creating a more civilised politics and a more civilised country. For that reason, the power to make representations in new clause 3 would provide absolute clarity to charities that this is something we encourage and believe to be powerful and important, and I will certainly be supporting it.

In closing, let me say that these are points we made in Committee. We will see whether the Minister can be persuaded to accept our amendments this afternoon. I hope he can be, but I hope also that those following this debate are in no doubt whatever that, for all the headlines and the occasional bad press that the voluntary sector receives, there are a great many of us in this place who cherish the work that a vibrant and powerful voluntary sector does, both locally and nationally.

**Mark Field:** It is a pleasure to speak after the hon. Member for Ilford North (Wes Streeting). I do not agree with everything he had to say, but one thing I do have in common with him is a great love of London as a whole. I love walking through London, and it was only last summer that I went to Barkingside for the first time. I realised how important Barnardo's was at the time—certainly in Victorian times, when it was a little Essex hamlet. I also saw the new housing development on that very site, which will clearly make a big impact, with some social housing—and, I suspect, possibly a bit of private housing, probably to help fund it. That development will be a real asset in the community that he represents.

I also thank the hon. Member for Redcar (Anna Turley), who spoke from the Front Bench, for her contribution. I remember a similar instance in opposition many moons ago—about 10 years ago—when I was speaking on the National Lottery Bill. I thought we had tabled an excellent set of sensible amendments that the House would surely take on board. I should not disappoint her too early on, when there are another two hours and 11 minutes of debate left, but I suspect that she might not get her way. Both Labour Members who spoke are from the 2015 intake, and they spoke eloquently. I would like to acknowledge from the Government side my sympathy for the hon. Lady, who has had to get involved in the major issue of the steelworks in Redcar. We must all have a huge amount of sympathy for her. Having to navigate that issue as a local constituency MP as well as doing day-to-day work here in Westminster must be incredibly difficult.

I have a little bit of sympathy with some of what the hon. Lady said, despite our rather fierce earlier exchanges. I believe it to be almost axiomatic in public life that once organisations such as the Charity Commission are set up, corporatised and granted ever-burgeoning budgets and staffing, they see their mission as expanding their empire of influence. This Bill has been a salutary example, in part at least, of the operation of such tactics. Problems have been identified that have long since been addressed and largely solved by the passion, commitment and the graft of volunteers, quietly—often informally and unpaid—working in their communities.

[*Mark Field*]

To take one apposite example, the extent of the local charitable activities of many of this nation's leading independent schools has been transformed over the past decade, let alone the last generation. Yet rather than welcoming, heralding and trumpeting the success of the big society, which is what I think this amply represents, we risk promoting big bureaucracy in the shape of the Charity Commission. We must resist some of the amending provisions, especially new clauses 2 and 3, which we will doubtless debate further, and I want to take the House on a short journey within a stone's throw or two from here.

**Paul Flynn** (Newport West) (Lab): Will the hon. Gentleman acclaim that the greatest triumph of the big society was the work of its poster-girl, Camila Batmanghelidjh, from the kids society?

**Mark Field:** As a matter of fact, I believe it was called Kids Company, not kids society. She was an individual who had worked with a number of politicians. There are issues that I am sure should rightly be addressed by Select Committees and others about what precisely happened in regard to Kids Company.

I was about to take the House on a short journey from this Chamber to the site in Tothill Street where the Harris Westminster Sixth Form centre stands. Since its foundation in 2014, this academy has been the focus of substantial collaboration and co-operation with Westminster School, one of the oldest foundations in this country, which is even closer at hand in the curtilage of Westminster Abbey. That co-operation includes teaching classes with small intakes in subjects such as Latin, Greek and German. For over a decade, the school has routinely offered science outreach and summer school partnerships to several local maintained schools.

As the local MP for the past 15 years and an erstwhile president of the St Andrew's youth club, the oldest youth club, on Old Pye Street, I know it has played a massively important role in the local community. Many people live in social housing, so the club was a magnet for young boys and girls—initially just boys in the 1860s, but girls in more recent times—not just from the immediate Westminster area, but from further-flung places south of the river, too. I was well aware that when the club lost funding from the local authority, it was Westminster School that stepped into the breach, providing cash and gym apparatus. I suspect that scores of other local charitable organisations could tell similar stories about the time, money and equipment quietly donated by the Great School, which has been an integral part of the local fabric since 1179.

Charitable status, as Members have pointed out, rightly depends on what the charity in question is established to do, rather than on a Charity Commissioner's subjective analysis of public benefit. Here I agree with much of the thrust of what was said by Opposition Members. While we all appreciate that charitable status confers financial and reputational benefits, I strongly believe that the Charity Commission is not the appropriate means of prescribing how independent schools or other organisations should satisfy the public benefit test.

Indeed, it appears that for party political reasons, independent schools, rather than other charitable bodies, are in the sights not just of many MPs—dare I say,

particularly on the Opposition side—but of leading lights in the Charity Commission. Surely a more sensible approach, one that avoids any accusation of political and particularly party political bias, would be to work on some non-statutory guidance to these organisations about the anticipated nature of their public benefit engagement.

We should also recognise that many independent schools do not have the capacity or the financial resources to sponsor academies—some lack the playing fields, drama, arts and music facilities, commonly assumed to be the norm in private schools. In truth, there is still plenty of co-operation and sharing going on between independent and nearby maintained schools—a healthy, informal co-operation, which stands to be undermined by any proposal to define levels of contribution or to extend the public benefit, as we have understood it in the past. It is worth saying that it takes two to tango: there is little that independent schools can do if the state sector head at the nearby school refuses an offer to work together. It is surely invidious to place burdens of the sort proposed if the independent school in question does not have the ability to achieve the Charity Commissioners' objectives.

I shall not detain the House. We are having an interesting debate, and in truth I share some of the concerns expressed by Opposition Members that part of this legislation purports to solve problems that many charitable organisations and independent schools in particular have by their own efforts done much over the years to alleviate. Indeed, some of what is set out in the Bill betrays worrying assumptions that underlie an outdated sense of “groupthink” that besets the Charity Commission. I very much hope that, in its wisdom, the House will today reject some of the amendments, particularly new clauses 2 and 3 if they are pressed to the vote. Failing that, I trust that the Government Whips will achieve the same ends.

**Martin John Docherty** (West Dunbartonshire) (SNP): It is an honour to speak in the debate. I hope not to detain the House too long. Let me first congratulate the right hon. Member for Cities of London and Westminster (Mark Field) on mentioning the late noble King James VI, given that the only charitable organisation that still exists from his reign is, of course, ScotsCare—based here in London and doing fantastic work.

Concerns have been raised in Scotland about the possible impact of this Bill because of the myriad issues it raises relating to the governance of charities across these islands. I am sure that these concerns will be shared by Northern Ireland Members, too. The right hon. Gentleman mentioned the burgeoning budgets of the Charity Commission for England and Wales, but between 2007 and 2015, its budget was cut by 48%, so let us scotch that myth straightaway.

No one should be in any doubt that in the space of the last 18 months civic society has been rocked by the recommendations of the Etherington report, and this crisis of trustee leadership that has brought us to this very point. To be clear, the level of trustee oversight in national organisations leaves a sour taste in the mouth—not just of those in this Chamber, but more importantly of those who have volunteered as trustees in the majority of charities across these islands.

It is telling that the organisations that have caused the most concern are the so-called national charities with well kent faces that have been held in high regard. What is the impact on the organisations so far investigated? It is limited, yet the impact on the majority of small charity trustees has been profound. They find themselves labelled in the mire of mismanagement, which has led us to this point, as they have been sullied by the bad practice and lack of due care.

Some may say that these small and medium-sized organisations will not be impacted by this legislation, yet we fail to recognise the profound impact this period will have on their ability to recruit, retain and develop their volunteer trustees. It is commendable that many Members in this Chamber are themselves trustees. The Minister for Civil Society, who is no longer in his place, noted that point, and I commend him for it. However, merely being an MP should not qualify someone to be a trustee through default of their position, as it were.

I am sure that the Members to whom I have referred are well versed in their areas of interest—notably the issue of ex-offenders, about which they have spoken eloquently today—but I am also sure that some Members, especially those who were elected at the most recent general election, were asked at the time of their election whether they wished to join various charities as trustees or directors merely on the basis of their predecessors' having undertaken such a role. I believe that that in itself exposes a misguided approach to trustee recruitment, although it must be said that it is taken by only a small number of charitable bodies, and appears to have been adopted mainly by the larger organisations.

3 pm

I hope that we recognise the worth and value of our civic society, and especially the worth and value of the individual volunteers who manage charities, run services for charities, and, yes, even raise funds through traditional means. The hon. Member for Ilford North (Wes Streeting) mentioned that earlier; like other Members, he engaged in fundraising before entering the House. I hope that we recognise the importance of the charities themselves, and accept that we owe them an explanation of how their civic society has been allowed to be undermined by large non-governmental organisations with substantial investments and resources which really should have known better.

Although the Bill seemingly pertains only to England and Wales, the media frenzy surrounding its principal purpose has undermined, and will continue to undermine, civic society throughout these islands. As a Scottish constituency Member of Parliament—and I am sure that I speak on behalf of my hon. Friends—I understand that robust and separate charitable regulation exists. In England and Wales, charity law is mainly covered by the Charities Act 2011, while in Scotland it is covered by the Charities and Trustee Investment (Scotland) Act 2005. In England and Wales, the Charity Commission is responsible for registering and regulating charities, and in Scotland the Office of the Scottish Charity Regulator is the non-ministerial department—answerable to the Scottish Government, and therefore to the Scottish Parliament—that is responsible for regulating and registering charities in Scotland.

Following the publication of the Etherington report, it became clear to civic society in Scotland that a distinct approach to fundraising would be required, and

in July last year the Scottish Council for Voluntary Organisations expressed a fear that high-profile media reports of the failings of UK charities could damage the strong reputation of Scotland's charities. As the national intermediary, the SCVO launched an informal review on fundraising in July, in parallel with the Etherington review. It reported in September 2015, recommending that fundraising should be agreed between charities, the public and the Scottish Government, and that a subsequent summit should be held on 26 November to deliberate and consider options. Building on Scotland's civil society-led approach, the Social Justice Secretary, Alex Neil MSP, stated on 24 September that Scottish Ministers would engage in a cross-party discussion on changing fundraising regulation, thus ensuring consensus in the Scottish Parliament and, critically, in Scotland's "fourth estate", civil society.

Fundraising has been regulated by charities in both Scotland and England. As a result of the Etherington review, the Bill seeks to introduce a fundraising body for England and Wales, answerable to this Parliament. As I have said, Scottish charities fear that they could be affected by the Bill. The question of the regulation of fundraising in Scotland therefore remains open, and the SNP seeks the Minister's reassurance that Scotland will retain the ability to legislate in this arena.

Our Scottish Government work with civil society in a constructive, collaborative way. They have been praised for their work with organisations working with and for those with disabilities and those gaining assistance from refugee bodies, and especially for their investment, over many years, in local support structures across all 32 local authorities to promote volunteer development, retention and expansion—critically, in the field of governance through trusteeship and directorship.

I can only assume that the cuts in the budgets of England's volunteer centres and councils for voluntary service will have a continued impact on people's opportunities to volunteer to be trustees in the communities that need them the most. If the Government are serious about trusteeship and charitable regulation, they must recognise that support is required by the small local community-based charities that have been drawn into this debate, which may suffer as a consequence of fewer people volunteering to be trustees, fewer people donating to local community charities run by volunteers, and fewer people being involved in the civic life of these islands.

The fact is that the large charitable bodies that have brought about this situation have got away with it, and the small and medium-sized charitable bodies will suffer disproportionately. With that in mind, SNP Members will also support new clause 3—tabled by the hon. Member for Redcar (Anna Turley), and we are delighted that she has done so—because we believe that without it, given legislation on charities that may be United Kingdom-wide but registered in England and Wales, their ability to inform debate will limit the independence of Scotland's civic society.

The Bill seeks to introduce a new model of fundraising regulation in England and Wales, and the Scottish Government and Scotland's national bodies are actively considering the implications of that for the regulation of charity fundraising in Scotland. It is right for as broad a conversation as possible to be held in Scotland to determine the right fundraising regulation for distinct Scottish charitable bodies, with the Scottish Government

engaging in a cross-party discussion on the changing of fundraising regulation. The question of the regulation of fundraising in Scotland must remain open. Whether it remains self-regulating or not, it is important for the House to understand that the decision on this devolved issue remains firmly in the hands of the Scottish Parliament.

**Maggie Throup:** I oppose new clause 3, because it seeks to alter fundamentally the way in which charities have historically operated in this country. I believe that, in creating a formalised political role for charities in our society, we risk undermining their ability to work independently for the common good, and diminishing their standing in the eyes of the public. I have serious doubts about the need for the new clause, on both a moral and a practical basis. In my view, the status quo already allows charities to lobby Governments in a constructive way, while remaining politically impartial.

Serious concerns have been raised about the additional cost of political campaigning, and the potential impact that the new remit may have on a charity's abilities to raise funds. We ourselves are acutely aware of the fact that even a very localised campaign can be extremely costly. Extending the scope of charities to allow them to campaign for or against a law, policy or decision at any level of government would inevitably incur a significant amount of additional cost, and I think that the money would be better spent on fulfilling the charities' original aims and objectives.

**Peter Kyle:** Does the hon. Lady not agree that the way in which a charity collects and spends its money in order to deliver its charitable mission on behalf of its service users is the preserve of its trustees, and that it is not for us to decide such operational or, indeed, moral matters in the House of Commons? It is certainly not for us, as individual Members of Parliament, to dictate to charities how they should spend their money and deliver their charitable aims; that is up to the trustees.

**Maggie Throup:** I understand where the hon. Gentleman is coming from, but I believe that new clause 3 will encourage charities to go down that route and, perhaps, stray from their original intentions, however well-meaning they may be, thus inadvertently—not intentionally, I admit—misleading the public. I fear that the inclusion of the new clause could conceivably allow us to reach a point at which a large cancer charity, for instance, spent more on lobbying national and local government than on investment in research on and development of new cancer drugs. I think that that is what the hon. Gentleman was alluding to, but I disagree with him. For me, this raises a number of major issues.

The first issue is the impact on donations. Charities rely heavily on public donations to fight for their specific cause or issue. The Charities Aid Foundation estimated recently that in 2014 alone, £10.6 billion was donated by the British public to a vast array of good causes. By politicising charities, we risk donors turning away from charities whose cause they support because they do not necessarily share the charity's political agenda or party alignment.

Secondly, the new clause would serve to allow larger national charities, which already dedicate significant resources to lobbying Members in this place, to strengthen their influence over Government policy and decision

making. That would be to the detriment of smaller, often local, charities, of which we all have many examples, which would be further marginalised from the decision-making process because they simply could not afford to compete for airtime.

There is also a third point. Like many others, I would be deeply concerned if those charities that are very much a cornerstone of our society—the Royal British Legion, Macmillan, Age UK and the NSPCC, to name but a few—suddenly became vulnerable to infiltration from those who wanted to push a specific political agenda or to use the charity to criticise or support the Government of the day, rather than running it as a force for good.

I am sure hon. Members will agree that we do not really need any more politicians. Yes, it is only right and proper that charities should play their role in shaping our society by seeking to influence Government, nationally and locally, but they also have much more to offer society without widening their scope into out-and-out political campaigning—or, as some might call it, the dark arts. That is why I will be voting against the new clause this afternoon.

**Susan Elan Jones:** It is a great pleasure to speak in today's debate. We often have wonderful debates in this place about what Britishness is about and what our culture is about. I actually think that the voluntary sector in this country represents the best of British—that is, the best of English, Welsh, Scottish and Northern Irish. As politicians, we do not always say thank you, but our starting point today as we consider the Bill should be to say a very big thank you to our hard-working and diverse voluntary sector in this country.

We should also remember that most charities in this country are relatively small. They operate in communities, and it is not our job in this place to be a pain in the neck for the 900,000-plus trustees of charities around the country who give their time voluntarily to make management and governance decisions, or for the charities' many volunteers. The motivation of those people is undoubtedly to do good in our society and in our country.

We cannot, of course, forget the exceptions—the horror stories—including the dreadful death of Olive Cooke, who appears to have been hounded by 90 charities sending her 460 letters asking for donations in the course of one year. Nor can we forget the undercover *Daily Mail* report on what appeared to be severe malpractice in the call centre from hell. And nor should we forget the case of Kids Company and all the abuses that went on there. Incidentally, those abuses could and should have been dealt with by the Government and by the Charity Commission under its existing powers. We see those cases as exceptions, but they are nevertheless important and it is right that we are having this discussion today in Parliament.

Members on both sides of the House will see elements of voluntary activity in their own political traditions, and we can certainly develop some sort of empathy with different parts of the voluntary sector. We on this side of the Chamber can look to the labour movement, the co-operative movement, the working men's and women's organisations and a whole range of other bodies, but I know that the Minister for Civil Society, the hon. Member for Reading East (Mr Wilson), will also be moved by Edmund Burke's notion of the little platoons. What I ask

today is that he does not overburden those well-behaved little platoons in our country with red tape when it is not needed. Most of us would agree that where regulation is needed, the sector itself generally does that job best. I, for one, would give a warm welcome to the fundraising preference service, which will deal with some of the totally unacceptable abuses of practice in fundraising.

3.15 pm

The shadow Minister, my hon. Friend the Member for Redcar (Anna Turley), spoke eloquently to new clause 1 and outlined the safeguards that were needed. She mentioned the power to make an application to the Charity Commission against a warning when an appeal is made, with a warning not being made public for at least 28 days after the submission of the appeal. That is good common sense, because we are not talking about extreme or gross misconduct or about criminal acts, both of which should of course be reported straight away. We are, however, talking about things that could ruin the reputation of a charity, be it large, medium-sized or small.

We know from the wonderful report produced by the Public Administration and Constitutional Affairs Committee, “The 2015 charity fundraising controversy: lessons for trustees, the Charity Commission and regulators”—and, I would argue, for the rest of us—that one of its recommendations states:

“It would be a sad and inexcusable failure of charities to govern their own behaviour, should statutory regulation become necessary.”

That would be a failure of voluntary action, not a success. The report also makes the point that good governance is about sustainability of reputation in the long term as well as about sustainability of finances. So it is reputation that we are arguing for in new clause 1. With the law as it stands, it would be difficult for charities to undo any damage dealt to their reputation, to their good standing in the community and, importantly, to their finances.

I want to say a few gentle words about new clause 3, about which views differ, and about the gagging Act. We have had a debate in the House today, but perhaps our memories are failing a little and we do not remember how the law was 500 years ago or the Charitable Uses Act 1601. If we go back to the founding of charities in this country and to that Act, we can see that they were not just about the relief of poverty. They were also about general charitable purposes and the advancement of education and religion. The idea that our charities had no broader view of advocacy simply does not add up.

People will rightly say that such advocacy should not be party political—indeed, it cannot be, because that would be illegal—but it would be an extraordinary state of affairs if a charity that campaigned and ran practical programmes linked to, for example, international development was not interested in lobbying against malaria, say, or against international debt. Also, anyone who donates to a charity has the right to go straight to the Charity Commission’s website and see how that charity is spending its money.

We want to work with the Government and, most of all, with the voluntary sector but we are asking in our very moderate little new clauses for measures that are proportionate and sensible, and that would find agreement not only among Members on this side of the Chamber but with Mr Burke and his little platoons.

**Wendy Morton:** I join the hon. Member for Clwyd South (Susan Elan Jones) in thanking the many charities that do fantastic work and that we often speak about in this place. We all have many examples that we have often shared with each other.

I welcome the Bill, and it is a privilege to speak today, having spoken on Second Reading and served, with other Members, as the Bill passed through Committee. I believe that it strengthens the powers of the Charity Commission and that those powers are welcome. It will strengthen and improve the relationship between the Charity Commission, charities, trustees and, importantly, the public. The Bill is, indeed, called the Charities (Protection and Social Investment) Bill.

For me, the Bill is about achieving a balance between scrutiny and accountability and trust, responsibility and respect, particularly in the wake of the handful of sad, and often tragic, stories that emerged during the course of last year, one of which has already been mentioned, the collapse of Kids Company.

I am, however, a firm believer that this must be proportionate, as I said on Second Reading. I think of some of the small charities in my constituency, such as Rosie’s Helping Hands, the Aldridge youth theatre—we often do not think of it as a charity, but it is—and, on our doorstep, St Giles hospice. Such charities are often led by the local community and by local people. Local people contribute their time, effort and energies as well as their money, and they give something back to the local community.

I want to speak against some of the amendments, particularly new clause 3 on the power to make representations and amendment 8 on warnings, which I will deal with first. The Bill is at its heart about transparency and restoring trust in the eyes of the public. That is why I feel that the power for the Charity Commission to place on record where warnings have been given is important, and that is why I will vote against amendment 8.

New clause 3 is about the power to make representations, which we have had a lively debate on in Committee and again today. We should remind ourselves of the following two points. First, deliberate abuse of charities has been found to occur only very rarely. The vast majority of charities do good work and are reputable organisations; we must never forget that. We must also remember that charities can, and do, make representations already, often very successfully. As I have said before, all of us as Members of Parliament receive representations from many charities during the course of our work. But there is a difference between non-political campaigning to raise awareness of a particular issue, even if the aim is to change policy or legislation, and what is being proposed in this new clause. I firmly believe this Bill is about strengthening the public’s trust in charities, and for me the idea of enshrining in legislation through this new clause the right to undertake political campaigning activity completely undermines that.

**Peter Kyle:** Will the hon. Lady give way?

**Wendy Morton:** I am normally very generous in giving way, but I have almost come to the end of my speech, so I will conclude.

New clause 3 risks moving what is fundamentally the apolitical activity of a charity to something that becomes completely politicised, and that goes against the grain.

**Peter Kyle:** I am extremely grateful to be called to speak in this debate and to follow the hon. Member for Aldridge-Brownhills (Wendy Morton). I was not able to intervene on her just now, but I want to make the point that, while she was talking about political activity and campaigning in her eloquent speech, which reached out to all parts of the House in many regards, she failed to mention party political campaigning, yet all campaigning is political. Political activity is not always the preserve of party politics. That point has been lost in the debate so far.

Many Members have blurred the boundaries between party political activity and political activity. All social intercourse between different communities, and people within communities up and down the country, is political exchange and should be celebrated. Our new clause seeks to protect the long-standing tradition that charities can engage in political processes within their communities and also seek to influence party politics, but not actually become part of a party political process.

**Andrew Gwynne** (Denton and Reddish) (Lab): My hon. Friend is making an important point. All of us as Members of Parliament will from time to time be contacted by charitable organisations that seek to influence policy makers and policy informers to change the laws of the land. For example, it would not be outwith the role of an organisation like Shelter to campaign for MPs to get changes to homelessness policies that we might be debating. That is political.

**Peter Kyle:** That is an important point, and it has been illustrated well in this debate. The right hon. and learned Member for Harborough (Sir Edward Garnier) spoke eloquently about the co-operation he has had from, and the work he has done with, a charity of which he is a trustee, Unlock. Indeed, his speech was clearly intricately prepared, probably with the support of Unlock. I do not see that as party political at all, because all of us in the House today benefited from his work with Unlock. That illustrates the point that engaging with politicians does not necessarily mean engaging in a party political act. I am grateful for his speech and for his interaction with, and support from, the charity Unlock.

I support new clause 1 and amendments 8 to 12. There are three fundamental benefits to our society from charities and the role they play. The first is that often they can get to hard-to-reach groups. Through their methods and the way they have evolved over time, many charities can work with hard-to-reach pockets of our society that other organisations struggle to reach, which is an incredibly important part of their work.

3.30 pm

I stand up and defend the strength of the voluntary sector's relationship with its clients and service users. What is important is that it is the strength of that particular sector as opposed to that of other sectors. For example, it is often the case that people who are vulnerable, who are in hard-to-reach groups or who have multiple challenges are, for obvious reasons, very suspicious of the role of the state. They may have been sanctioned or imprisoned by the state. They may have a relationship with social services that they regard as invasive in their family life. These people are often very,

very reluctant to work or engage with the Government and other sectors. That is where the strength of the voluntary sector lies. It can work independently of Government and other sectors and form a very strong relationship with individuals.

As co-founder of two charities, a chief executive of a charity and a deputy chief executive of the Association of Chief Executives of Voluntary Organisations, I know that the voice and the independent advocacy that the voluntary sector gives to individuals and communities are absolutely essential. It is about giving a voice to those who are disempowered. Members from all parts of the House celebrate the importance of freedom of speech, but there are some people in our society who do not exercise that freedom as freely or capably as others. In this day and age, that is exacerbated by the existence of social media. Every person who has made it to this House will be aware of social media campaigns and the fact that some people in society have a disproportionate voice. Very often, by looking at the social media activity of a constituency such as Hove and Portslade, which I proudly represent, we can map the areas of advantage and disadvantage. That illustrates the importance in this day and age of strong advocacy.

Politics, party politics and the process of democratic representation exist to give voice to everyone equally. The voluntary sector has played a key part in ensuring that those people who have been isolated, alienated and disenfranchised from the democratic process have a very clear and powerful voice in the democratic traditions of this country. That means advocating on their behalf, liaising with politicians, and ensuring that public policy represents everybody, not just those who can advocate for themselves, and signing and organising petitions on the No.10 website to trigger a debate in this place. Unfortunately, we are going down a path where people who have advantage are given disproportionate weight and voice, which is why we should never ever get to a point where people who are disadvantaged have their voices shut out from the democratic process. That is why it worries me when we blend party politics and politics per se in debates such as this.

Boards of trustees are inherently cautious. Volunteers who give up their time are also criminally responsible for the activities of their charities. As they are not paid workers or full-time workers, they are not always aware of every single activity that goes on from the top to the bottom of their organisation. Add that to the criminal responsibility that a trustee has and we can see why, collectively, boards of trustees become very cautious. I have been a trustee of many charities. One of the challenges of driving a charity from the executive or from the board is to make sure that the charity can still take decisions that are bold enough to deliver the transformation that service users need. I remember feeling that very acutely. For three years, I was on the board of trustees of Pride. Each year, Pride in Brighton and Hove has a fantastic celebration on the streets that brings out up to 200,000 people. I remember being a trustee for the very first time. *[Interruption.]* The hon. Member for Brighton, Kemptown (Simon Kirby) knows very well the importance of Pride to the fabric of our society. He also knows the challenges that it poses for our city, especially in regard to policing and to ensuring the safety of all the 200,000 people who come to our city to celebrate. I remember seeing tens of thousands

of people flooding through the streets, and knowing that, as a trustee, the uncertainty of having such large numbers of people could lead to all sorts of outcomes.

One year, as tens of thousands of people squeezed down St James's Street, which is in the constituency of the hon. Member for Brighton, Kemptown, glass shopfronts buckled under the pressure—they were physically bowing. As a trustee, I knew that if we had not taken such things into account and predicted the challenges, I would be criminally responsible if there were any severe injuries as a result. Therefore, these things play out in very real and tangible ways in the minds of people who are running charities and who are on the boards of charities.

I worry that the imposition of official warnings will add another layer that will drive uncertainty and cautiousness through boards of trustees and down through to the executive at a time when we need charities to be outward facing, bold, open-spirited and engaging with communities in order to deliver the transformational change that every charity, service user, and beneficiary so desperately needs. I worry that warnings that are used in low-level cases could have a disproportionate impact on charities as they go forward. Low-level warnings can have a high-level impact if they are not used in the right way. Will the Minister tell us whether the Charity Commission uses warnings only for low-level non-compliance issues and limits them to those cases?

The impact on charities could be significant if warnings are not used in the appropriate way. They will have an impact on people who fund charities, on charities' campaigning ability and on service users. Service users need to know that the charities that represent them and provide services to them—often when they are in difficult circumstances and feel extremely isolated and vulnerable—are robust. If they hear talk of the Government issuing warnings, it could affect the relationship between service users and charities. We all want to make sure that if charities step outside good practice, they are supported back into good practice, and we recognise that at times warnings should be issued. We just need to make sure that they are issued in the correct way.

Will the Charity Commission routinely make warnings public? How often will they be made public and how often will they not? Will there be guidance as to when warnings should be made public and when not, so that charities can understand the process that is unfolding? Under the Bill, a warning could be issued and made public within a 24-hour period. What is the point of the 24 hours' notice? What can meaningfully be achieved in 24 hours that can deliver the positive change that we all want to see in charities that are drifting away from best practice? They cannot act; they cannot inform all their trustees. They cannot rectify many of the problems that have been identified. It will only cause panic. We do not want, and I am sure that the Minister and Members of Parliament do not want, a charity that is descending into panic when it needs to support its beneficiaries robustly.

Will the Charity Commission allow adequate time to understand and prepare for any warnings that are about to be made public? The independence of the sector is as essential now as it ever has been. Can the Minister confirm that the Charity Commission will not use its power to direct charities or trustees to take a specific action? Hon. Members on both sides have spoken eloquently about the independence of charities. Many people have

spoken about small charities in their constituencies. We all have great examples, but I do not want to forget the big charities. Sometimes we talk about small charities as if they are somehow more precious than any other charity. Every charity that is registered with the Charity Commission, and every charity working in our communities provides fantastic services, and sometimes the large charities are providing economies of scale and a value for money for their funders that cannot be matched elsewhere. The scale of their operations can lead to developments and innovations that others struggle to provide. We need to make sure that charities of all sizes are celebrated and mentioned in the Bill.

Hon. Members on both sides of the House support the overall aims of the Bill. As a special adviser at the Cabinet Office in 2006 and 2007, I worked on the Charities Act 2006 when the public benefit test was introduced into statute. I remember our debates at that time, including on the test as it is applied to private schools. I became aware at that time of the original 1601 Act, signed into statute by Elizabeth I. I know that the hon. Member for Brighton, Kemptown (Simon Kirby) was only a young man at the time, and it is good that he graces us with his presence today, bringing his experience with him.

The original statute signed in the 17th century allowed charities the scope to develop as society developed. We should not legislate to micromanage charities to such an extent that primary legislation inhibits them from evolving as society changes. If we had written into statute in the 1980s a strict definition of a public benefit, what would that have meant for charities that subsequently delivered HIV services? We need to ensure that there is enough scope in law for charities to evolve as society becomes less deferential and more communicative by means of the internet and social media, and as charities need to provide services to new areas of vulnerability that open up. Food banks, for example, are a new but unfortunate facet of our social landscape. Charities must have the space to evolve without the need to keep coming back to this House for permission to do so.

**Paul Flynn:** Charitable ends can never be justified by uncharitable means. Terrible revelations were made last summer by the *Daily Mail* and *The Mail on Sunday*, to their great credit—I do not say that very often—about the abuse of the means that charities were using to achieve their ends. We all strongly support such charitable ends, but those charities engaged in the fierce fundraising that goes on among charities and that is becoming even fiercer. One charity spends an astronomical amount—£20 million—on fundraising to get the money in. Understandably but wrongly, certain charities fell into the trap of using means that were thoroughly unjustified and in too many cases abused their donors.

We heard from my hon. Friend the Member for Clwyd South (Susan Elan Jones) about a terrible case, though it should be pointed out that the relatives of Olive Cooke have pointed out since that her death had no connection with the pressure that was put on her and was due to other reasons. But there have been other cases of people who were suffering from dementia being plagued by repeated phone calls, letters and pressure on them. We have considered the case of chuggers. Highly respectable charities were using chuggers to accost people

[Paul Flynn]

in the street and offer them a deal. That was fine for the charities because they got a huge amount of money in, but it was a very poor deal for donors. Of the donations they give for the first full year, virtually none goes to the charity. Such deals are very poor value for the donors.

As a senior member of the Public Administration and Constitutional Affairs Committee, I have been asked to speak today by the Chair of that Committee, who tabled new clauses 4 and 5. The Committee was shocked by the evidence we had. We saw that all the charities were in confessional mood. They were penitent and agreed that they had overstepped the mark. As members of the Committee with supervisory roles over the charities sector, we were tempted to call for new regulations, but we decided unanimously that we did not want to cage the entire charity movement in a new prison of regulation that would limit their powers of innovation.

Charities have clearly poisoned their own well. So many people have turned not only against the charities involved when that scam was announced last year, but against the whole idea of charity giving, so we want to make the point powerfully in new clauses 4 and 5, which seek to introduce reforms. We are strongly behind the Charity Commission. If it is to do a bigger job, it must have the money restored—30% of its funding was taken away from it. The Committee's message, which will be in our report on Kids Company that comes out on Monday, is that charitable ends can never justify uncharitable means.

3.45 pm

**Mr Rob Wilson:** Before getting into the detail of the proposed amendments, I would like to make a few quick points that frame the Government's position in this afternoon's debate. I reiterate the really important point that the overwhelming majority of charities are well run, and they are run by hard-working, dedicated people whose motivation is to help others and do good. They perform a vital role and we should never forget that. The protections and strengthened powers that we have set out will protect public trust and confidence for the vast majority, and that is the reason behind the Bill. As a result of the engagement and scrutiny by Members of both Houses, the Bill has most certainly been improved in a number of places. I would like to put on the record my thanks to all those involved in those improvements.

Let me turn to new clause 1. I thank the hon. Member for Redcar (Anna Turley) for her explanation of the new clause. We think that judicial review is more appropriate than a specific right of appeal to the charity tribunal in the case of an official warning. In cases of low or medium-level misconduct or mismanagement, a right of appeal to the tribunal would be disproportionate.

Furthermore, the Charity Commission has said that such a right of appeal to the tribunal would render the power unusable. It anticipates many appeals being made as a means of frustrating the regulatory process. The resources required by the commission to defend tribunal proceedings would be disproportionate to the issues at stake in official warning cases, which are, by their nature, low and medium-level. There is no point giving the commission a power that it would not use.

Judicial review is a well-established means of ensuring that genuine wrongs are put right. Unlike the tribunal system, it discourages unmeritorious cases and those who calculate that delay through litigation is the best tactic to avoid robust regulation. Furthermore, costs are usually awarded against the losing party, providing a financial disincentive to those who might otherwise pursue a weak case.

Some Members have raised concerns about the potentially harsh implications, including adverse publicity, for charities in receipt of an official warning. Let me say this in response: charities exist for the public benefit and should therefore be accountable to the public. One of the Charity Commission's statutory duties is to promote that, which is why the official warning power will be an important new tool in relation not only to promoting charities' compliance with their legal obligations, but to improving charities' public accountability. The concern about adverse publicity is an attempt to avoid accountability to donors, beneficiaries and the general public.

Some have suggested that the warning power would allow the Charity Commission to direct charities. Let me be absolutely clear that it will not. The warning must specify the breach and may provide guidance on how the charity can rectify it, but the decision on how the breach is to be rectified is a matter purely for the charity's trustees. Others have said that the trustees run the risk of significant regulatory action without a right of appeal, but I disagree. Were the commission to escalate from a warning to a statutory inquiry, the opening of the inquiry would be subject to a right of appeal to the charity tribunal, as would the use of any inquiry powers.

Finally, the Joint Committee that undertook pre-legislative scrutiny of the draft Bill agreed that, provided the power is framed in the right way and with the right safeguards, judicial review was the appropriate means of challenge, rather than an official warning. That was also the view in the other place and we agree, so I cannot accept new clause 1.

I will now speak to amendments 8, 9, 10, 11 and 12, tabled by the hon. Member for Redcar. I group the amendments in that way because all of them, except amendment 9, would serve to weaken a number of important provisions relating to the warning power. However, I will lay out my arguments against each amendment in detail.

Let me start with amendment 9, which seeks to bind the commission's power to issue a warning to a requirement to notify the charity and charity trustees. I absolutely agree that that is a sensible and proportionate provision, which is why it is already required under the existing drafting of clause 1. Amendment 9 is therefore superfluous.

Amendment 8 seeks to stop the Charity Commission from publishing a warning to a wider audience than just the charity and its trustees. Similarly, amendment 10 would also restrict transparency and accountability by requiring the commission to publish warnings only in such a manner that did not identify the charity or trustees involved. I am afraid that I cannot agree with those proposed changes: charities exist for the public benefit and must be accountable to the public for their work.

The Charity Commission's ability to publish an official warning will enhance transparency, which is entirely in line with the commission's objectives of increasing charities' accountability and promoting public trust and confidence.

**Mark Field:** Given my earlier contribution, the Minister may recognise that I am slightly concerned about the notion of the Charity Commission having a view at all. Surely the important things are what Parliament has to say and the establishment of the objectives of any particular charity. We should all have concern about the notion of the Charity Commission imposing its will over the objectives of a charity.

**Mr Wilson:** My right hon. Friend need not worry about the Charity Commission imposing its will on charities; there are many safeguards, including the referral to a charity tribunal, to make sure that that does not happen. Ultimately, the Charity Commission relies on the support of the sector itself to make sure that it can function properly.

The commission already publishes details of its non-inquiry compliance cases when it is in the public interest to do so, and it does that without a specific statutory power. When the regulator has to intervene and issue an official warning, it is right that that should be placed in the public domain, although it should be made clear that when the issue that gave rise to the warning has been addressed, it should be archived after a period. The commission has a published policy on how it reports on its regulatory work, and it is available on gov.uk. The commission would need to update the page with regard to official warnings, so that there would be a clear policy. Charities can and do make representations to the commission about the publication of particular information.

Amendments 8 and 10 would undermine the increased transparency and public accountability of official warnings, turning them into an ineffective tool without real impact. Amendment 11 seeks to limit the Charity Commission's ability to issue a warning, so that it could do so only after a minimum notice period of 14 days. On the surface, that would ensure that, in all cases, the trustees had sufficient time to consider the notice of intention to issue a warning and co-ordinate any representations that they might wish to make.

I am sympathetic to the aim of ensuring proper notice, but I believe that that should be addressed in the Charity Commission guidance. It is already clear that if the Charity Commission decides to issue a warning, it must give notice of its intention to the charity and the trustees. The warning power may be appropriate in some circumstances when the commission needs the flexibility to act more quickly than 14 days. Following debate in Committee, the Charity Commission has recognised the concerns raised and it has reassured me that it will normally apply a minimum notice period of 14 days. That will be made clear in its forthcoming guidance, which will be published ahead of these powers coming into effect.

Finally, I believe that the changes proposed by amendment 12 are unnecessary as they aim to remedy a problem that does not exist in the current draft form of clause 1. It is already clear that any remedial action that the Charity Commission may suggest in response to a warning does not amount to a direction. The Government have been consistently clear that the commission could not use the official warning power to direct charities, and I am happy to reiterate that position again for the record. What the power does enable the commission to do is provide advice and guidance to the charity on how

it can remedy a breach that has been identified in the warning. This gives the offer of support to a charity so that issues can be resolved in a timely and adequate manner. It will also help charities to understand in more detail what processes or actions led to the issuing of a warning and what type of conduct could avoid this in future. I hope that I have laid out in detail to the House and to the hon. Member for Redcar why I do not support her amendments to clause 1.

I turn to Government amendment 2, which relates to clause 1. Previously, the power to issue a statutory warning did not include a provision that would specifically enable the Charity Commission to vary or withdraw an official warning once it had been issued. Amendment 2 rectifies that. Withdrawal could be necessary if it came to light that the warning should not have been issued in the first place or, in some cases, where the charity has addressed the issues set out in the warning. The power to vary a warning would likewise enable the commission to do so where the issue has been partly addressed by the charity, if the commission considered that to be appropriate. This is a sensible amendment and I commend it to the House.

Amendment (a) is unnecessary, because where the Charity Commission does withdraw a warning it will, as a matter of policy, set out the reasons for doing so when it notifies the recipient of the warning and publicises the withdrawal. I am sympathetic to the aim of the second part of the amendment, but do not support it. There could be a host of reasons why a warning is withdrawn, and some of them may warrant the details remaining on the public record for a period of time. The inclusion of this amendment could lead to unintended consequences that are detrimental to charities and to the commission. If a warning is withdrawn, there may still be press articles or other information referring to it, but if a member of the public then went to the register of charities, as the official source of information, they would find no mention of it there. In some cases, it may be better to keep a record of the warning there but explain that it has been withdrawn. The commission has already said that it would address these matters in guidance, which is the right place to consider them in detail. On that basis, I see no need for amendment (a).

The hon. Member for Ilford North (Wes Streeting) expressed concern that official warnings should not be used to force people to follow good practice. I agree. The explanatory notes make this clear, saying:

“Failure to follow good practice could not automatically be considered to constitute misconduct or mismanagement.”

I hope that helps the hon. Gentleman.

I now turn to the disqualification powers in clauses 9 and 10. Government amendments 3 and 4 are relatively modest, but we consider them to be necessary to ensure the proper operation of clauses 9 and 10. Clause 9 extends the effect of automatic disqualification to the most senior executive roles in a charity—that of chief executive officer and, where there is one, chief finance officer. In our discussions with the Charity Commission on this provision and how it would operate in practice, it became clear that there was a risk that a person employed by a charity who did not exercise any management function could be caught by the clause as it stands. This may be the case in a small charity that employs only one or two operational staff who may report directly to the board but do not perform management

[Mr Rob Wilson]

functions since those are fulfilled by the trustees. In those circumstances, the employee ought not to be caught by the disqualification provision as they are not involved in the management of the charity. Our amendment 3 ensures that this will be tightened up through drafting. Government amendment 4 makes exactly the same provision in relation to the power of the Charity Commission to disqualify under clause 10. I hope that hon. Members agree that these are sensible provisions to add to the Bill.

I am extremely grateful to my right hon. and learned Friend the Member for Harborough (Sir Edward Garnier) for tabling his amendment as it gives me the chance to provide some reassurance on the record. He is a strong supporter of and advocate for charities involved in the rehabilitation of ex-offenders, which is an extremely commendable cause. Charities and the voluntary sector play a significant role in the support and rehabilitation of ex-offenders, and we should recognise and encourage their important contribution to reducing reoffending and helping former offenders to reintegrate into society. I want to ensure that the Bill's provisions do not have an undue impact on that very important work.

The disqualification provisions are important. Although the existing system has worked well, it needed to be updated. The Bill seeks to extend the disqualification provisions as an important way of protecting charities from individuals who might seek to abuse their position of trust, whether for personal financial gain, to abuse beneficiaries or for some other purpose.

4 pm

Rehabilitation charities are understandably concerned that that might have implications for ex-offenders who have changed their ways and want to give something back by volunteering with or working for a charity. However, people who can show that they have turned over a new leaf and want to take up positions of responsibility in the charity sector have the ability to apply to the Charity Commission for the disqualification to be waived under section 181 of the Charities Act 2011.

It is worth pointing out that, in the past four years, the commission has received six applications for a waiver in cases where the disqualification resulted from an unspent criminal conviction. All the applications were granted. Furthermore, there is a right of appeal to the charity tribunal if the Charity Commission refuses to grant a waiver. It is also worth reminding the House that the disqualification applies only to the senior management roles of trustee, chief executive and chief finance officer. The provisions do not prevent disqualified individuals from volunteering or working in other roles in the charity.

For the record, I can confirm that we will not commence the automatic disqualification provisions in clause 9 for 12 months following enactment. I would be prepared to consider a slightly longer period if necessary, as my right hon. and learned Friend has requested. We want to work closely on implementation with rehabilitation charities, such as those he has represented so effectively today.

I have asked the Charity Commission to engage closely with rehabilitation charities, such as Unlock, as it develops new guidance on the waivers ahead of the commencement of the provisions. It has agreed to do so

and has started to set up a working group to consider how the changes will be implemented. For example, it has invited several rehabilitation charities to a workshop in February to discuss the Bill and the implementation of these provisions.

**Peter Kyle:** Will the Minister join me in congratulating the charity Unlock on working with the right hon. Gentleman? That partnership between a party politician and a charity produced a fantastic speech. He made some very important points, and that is clearly having an impact on legislation on the Floor of the House of Commons. Is that not to be welcomed?

**Mr Wilson:** I can see the trap that the hon. Gentleman is setting for me, and I am not going to walk into it. I have further comments to make on the Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act, but I thank him for his attempt, lame though it was.

Some people who are currently trustees or senior managers will be caught by the extension of the disqualification provisions. Although the number of waiver applications is likely to increase, we do not think that a significant number of people will be affected by the changes. I would be surprised if it ran to more than the low hundreds, based on the commission's experience under the existing disqualification regime.

I recognise the concerns that have been raised by my right hon. and learned Friend, and I am happy to commit to producing a report on our assessment of the impact of the disqualification changes. I will deposit it in the Library of the House before the commencement of the automatic disqualification provisions in clause 9. I cannot promise that we will cover every point listed in amendment 1, but I will ensure that we provide a very detailed assessment, as he has requested.

I want to ensure that the disqualification powers in the Bill protect charities from individuals who present a known risk, while at the same time providing for the rehabilitation of offenders and a way back into charity trusteeship or senior management on a case-by-case basis. That strikes me as both fair and proportionate.

**Sir Edward Garnier:** I thank my hon. Friend for his very welcome assurances. I much look forward to the discussions that will follow this debate, as do those I have been speaking with and for today.

**Mr Wilson:** I thank my right hon. and learned Friend for those kind words. We will certainly work very closely with those organisations.

Amendment 13 seeks to empower the Charity Commission to disqualify several trustees in cases of collective failure. In Committee, I explained that the Charity Commission already has the power to act in such circumstances and, indeed, has done so in cases relating to systemic governance issues. There is no reason why the Charity Commission could not take action against all the trustees of a charity where it was appropriate, proportionate and in accordance with the principles of best regulatory practice to do so. For that reason, I do not support amendment 13.

Amendment 14 would give the Charity Commission the job of consulting on and publishing guidance on how it assesses "unfitness" in relation to the power to

disqualify, as set out in clause 10. We discussed a similar amendment in Committee and, although I agree with its intended effect, I do not believe that it is necessary. When the Bill was introduced in the other place, the Charity Commission published a well-received document setting out its initial thoughts on how it would exercise the disqualification power. The document highlights the broad categories that the commission would consider, namely honesty and integrity, competence and credibility. It gives various examples of the sorts of specific conduct that it would take into account. I explained a number of those examples in Committee and do not propose to repeat them today.

The Charity Commission has further committed to develop and consult on its initial thinking in draft guidance on how it would operate the power to disqualify. All of that will happen before the power to disqualify is commenced. As with any commission guidance, it will be kept under regular review to reflect changes in legislation or tribunal findings. On that basis, I do not see that amendment 14 is necessary.

Amendment 15 was previously proposed in Committee by the hon. Member for Redcar. The Charity Commission already considers only conduct that is “relevant and serious”. If it were to take account of other conduct, I would expect any resulting disqualification order to be thrown out by the charity tribunal on appeal. Besides that, the amendment should not be passed because the inclusion of the words “relevant and serious” in condition F would pose potential unintended consequences.

Including those words in the disqualification power could cast doubt on all the Commission’s other powers that do not contain them. The exercise of those other powers, such as the power to remove a charity trustee or the power to direct a charity, already depends on conduct that is both relevant and serious, even though those words are not included in the criteria for exercising the powers. I do not want there to be the risk that the other powers could be interpreted as not requiring relevant or serious conduct in order to be exercised. Although I understand and sympathise with the aims of amendment 15, I hope the House will understand why I do not believe that it is necessary and how it could inadvertently reduce the bar for the exercise of the commission’s other powers, which I would not support.

Amendment 5 is another relatively modest Government amendment that was suggested to us by rehabilitation charities. As I said in relation to the amendment tabled by my right hon. and learned Friend the Member for Harborough, we are keen to work with rehabilitation charities to ensure that the Bill does not undermine their important work.

To make a disqualification order against a person, the Charity Commission will have to meet one of six conditions, from A through to F, alongside a number of other things. Condition B is that the individual has been convicted outside the UK of an offence against a charity or involving the administration of a charity which, had it happened in the UK, would have automatically disqualified the individual. As it stands, the commission can take into account only an overseas conviction that is not spent under the law of the territory where the conviction took place. It was pointed out to me that it would be fairer and more proportionate if the limitation related to the UK rehabilitation period for an equivalent UK sentence, rather than the rehabilitation period of

the overseas jurisdiction. I agree that that would be more proportionate, and amendment 5 makes the necessary change.

My right hon. Friend the Member for Cities of London and Westminster (Mark Field) ingeniously managed to speak about independent schools. He made an important point about the variety of ways in which independent schools provide public benefit. There is not one single way to achieve public benefit and the Charity Commission would certainly not direct any independent school that there was.

New clause 2, proposed by the hon. Member for Redcar, represents an attempt to reinsert a provision that the Government removed in Committee. Let me explain why the Government oppose it. It was described by several peers in the other place as sending a signal of opposition to the Government’s plans to legislate to extend the right to buy to tenants of housing associations. That message has been received, considered and responded to. Extending the right to buy to tenants of housing associations is a manifesto pledge on which the Government were elected and are committed to deliver. It will mean that up to 1.3 million more families in England get the chance to own their own home while at the same time ensuring the replacement of housing stock.

We listened to the concerns raised. Rather than legislating to implement the policy, we reached a voluntary agreement with housing associations which will implement the policy while protecting the independence of housing associations.

**Mark Field:** It is important that the Minister reflects that that was a manifesto commitment—even some of us on the Government Benches had concerns about it, but it was a manifesto commitment. It was rightly brought up in the Housing and Planning Bill, and it is disrespectful to the House, and a dangerous precedent, when one Bill is used to undermine another Bill that is part and parcel of a manifesto commitment. That also happened in the previous Parliament on the boundary changes, when a measure in an entirely different bit of legislation was used to oppose that policy. The House of Lords is abusing its position if it thinks it can do that in that form.

**Mr Wilson:** I am sure the noble Lords along the corridor will have listened carefully to my right hon. Friend. I hope the Bill will not be altered further as a result of his very strong words.

**Anna Turley:** To take up that point, the right to buy affects charities, and we are debating charities legislation. The right to buy affects the ability of housing associations to control their assets, which is a fundamental change to the balance of the relationship between their role and the Government’s ability to tell them what to do. That is why we have debated it today.

**Mr Wilson:** The Opposition are obviously entitled to propose whatever amendments they want as long as they are in order, but the problem is not just that new clause 2 is completely unnecessary; it would also be damaging, although I am sure that that was not the hon. Lady’s intention.

Many of the rules that apply to charities’ investments in, and their disposal of, assets, derive from case law that has been built up over hundreds of years. Proponents

[Mr Rob Wilson]

of the new clause argue that it reflects the existing case law, but I simply do not accept that. A simple statutory provision such as the new clause cannot hope to reflect the accumulated detail of case law derived from many hundreds of judgments.

Case law already requires charities to use and dispose of their assets in a way that supports the delivery of their charitable purposes. That provides flexibility for certain circumstances that a statutory provision cannot provide. For example, how would the new clause affect compulsory purchase orders in relation to charity land? How would it affect the existing rights of more than 1.4 million housing association tenants under the preserved right to buy or the right to acquire? How would it affect the exercise of Charity Commission powers such as its power to direct charity property in the course of a statutory inquiry? There are simply too many questions about the measure to which we have not had satisfactory answers either this afternoon or during the course of the Bill's proceedings.

New clause 2 would give the Charity Commission a new and very broad role in policing the use and disposal of charity assets. That is inconsistent with our current aim of helping the commission to focus on its core regulatory activities.

New clause 3, which is also in the hon. Lady's name, is at best unnecessary and at worst damaging. Charity law already sets out clear rules on what charities can and cannot do in relation to campaigning and political activity. I explained those in detail in Committee and do not propose to do so again today. New clause 3 might seek to reflect existing law, but it does not. In a similar way to new clause 2, new clause 3 attempts to include in a statutory provision the existing case law. That seriously risks changing the boundaries of what is permitted.

New clause 3 would allow charities to undertake political campaigning or political activity, but does not define what that means.

Would it, for example, allow partisan political campaigning? If that were the case, it would represent a real shift in the law and I would strongly object to that. In particular, I think the public would be very surprised and disappointed to see charities taking part and campaigning on a party political basis. Existing case law does not allow charities to engage in political campaigning to such an extent that it calls into question whether in fact they are a charity or, rather, a political campaigning organisation. Again, it is not clear to me that new clause 3 would incorporate that crucial limitation, potentially opening up charitable status to organisations with a political purpose.

4.15 pm

**Wes Streeting:** I can only think that the Minister has not been listening to the debate this afternoon or in Committee. He is, once again, deliberately muddying the waters between legitimate campaigning and party political activity. Is the Minister not trying to defend a pattern of Government behaviour of clamping down on any scrutiny or opposition, whether in this place, the House of Lords, the charities sector or the trade unions?

**Mr Wilson:** What the hon. Gentleman says is quite extraordinary. We had this debate in Committee. It was quite clear, from the reaction to the concerns about the Badger Trust, that the hon. Gentleman and those on the Opposition Front Bench agreed that party political campaigning was actually a good thing. Even today that has been repeated, with regard to the Badger Trust. The hon. Member for Redcar disagrees with the Charity Commission finding that it was party political.

In Committee, my hon. Friend the Member for Newark (Robert Jenrick) gave us a very strong warning about new clause 3, which sums it up well and bears repeating. He asked us to look across the Atlantic to America, where charities can engage in party politics and support political candidates, and where wealthy philanthropists can set up organisations with blurred aims. He said we should be careful what we wish for. I agree with that sentiment entirely. The new clause would risk setting us off down a very slippery slope of involving charities in party politics. For that reason alone, I strongly encourage the House to oppose it.

On fundraising, I am sure all hon. Members will be aware of the poor fundraising practices uncovered over the summer. They present a real risk to levels of public trust and confidence in charities. I asked Sir Stuart Etherington to review how fundraising had been regulated in the past and to suggest improvements. The Government accepted his recommendations for a new, stronger self-regulatory body, backed up by the statutory powers of the Charity Commission. This new fundraising regulator is currently being set up by Lord Grade of Yarmouth and his chief executive Stephen Dunmore. The new regulator will establish the fundraising preference service, which will give people who feel overwhelmed by the sheer volume of requests they receive a simple way to opt in. I am grateful to the working party, led by George Kidd and supported by the NCVO, which has already started to draft proposals on how the FPS will work in practice.

As I made clear in Committee, this place owes it to the generous British public to ensure that they are not coerced or bullied into giving their hard-earned money to charity. It is because of this that we brought forward Government amendments in Committee that would enable the Government to step in and compel charities to register with the self-regulator should they fail to do so voluntarily and in significant numbers. Should this still prove insignificant, the Government would have the power to mandate the Charity Commission with the regulation of fundraising.

I truly hope that I and my successors are not put in a position to have to resort to those reserve powers, and that charities seize this last chance to make an independent self-regulatory system work. If self-regulation does fail, however, we need to make sure that we are equipped to step in quickly with effective statutory regulation. In that respect, I warmly welcome Opposition Members' support for the Government's approach to addressing fundraising regulation. I give particular thanks to the hon. Member for Redcar for her supportive comments on Second Reading and in Committee.

I thank my hon. Friend the Member for Harwich and North Essex (Mr Jenkin) for his work as Chair of the Public Administration and Constitutional Affairs Committee. His Committee has played an important role in investigating the poor fundraising practices we

saw last summer. I welcome the Committee's report, which was published yesterday, and I will give it careful consideration before responding fully in due course. As it highlights, the public rightly expect the highest standards from our charities. Like the Committee, I believe that charities should get a last chance to put their own house in order to restore public trust and confidence.

**Lady Hermon** (North Down) (Ind): The Minister will know that people in Northern Ireland give generously to charities. Regrettably, the Bill has been designated as exclusively English. If constituents of mine are oppressed by requests from charities, can they legitimately complain to the Charity Commission and the new regulatory body?

**Mr Wilson:** The hon. Lady is right that the Bill has been certified as England and Wales only. Northern Ireland has a separate devolved process. I suggest that, as her first port of call, she speak to those responsible in Northern Ireland.

**Lady Hermon:** The Minister does not seem to grasp the point. There are national charities across the UK, of which Northern Ireland is a part. Thousands of people voted in the referendum on the Good Friday agreement—the Belfast agreement—to remain part of the UK. The donors and supporters of national charities, such as the Salvation Army, the Royal National Lifeboat Institution and others, are also in Northern Ireland, so the first port of call should be here, not Northern Ireland.

**Mr Wilson:** The hon. Lady makes her case strongly, and it is absolutely right that she should do so here in the UK Parliament. I hope that she will also make her case strongly to the devolved Administration, which many people in Northern Ireland wanted, and got as a result of the actions of subsequent Governments.

New clause 4 would fundamentally change the division of responsibilities between the new fundraising regulator and the Charity Commission. If we were to propose that the commission hold public hearings on matters of charitable fundraising, this would effectively amount to a form of statutory regulation. The commission does not believe that it currently has the resources effectively to exercise the power to hold hearings on fundraising, as suggested in the new clause. It can, in theory, already hold hearings in relation to statutory inquiries under section 46 of the Charities Act 2011, but it does not do so because it would not be an effective means of undertaking its casework. Unlike with other powers in the Bill, the commission does not ask for this ability.

I understand that my hon. Friend the Member for Harwich and North Essex may have intended in new clause 4 to offer to witnesses giving evidence to the Charity Commission in public hearings on charity fundraising the protection of not having their evidence used against them in other proceedings, rather than legal professional privilege. Legal professional privilege protects the lawyer-client relationship and is not what I think he is looking to achieve. However, the proposed hearings would be proceedings undertaken by the commission, not proceedings in Parliament, so parliamentary privilege would not be appropriate, either. The reserve power to regulate fundraising in section 64A of the Charities Act 1992 is a power to make secondary legislation that

is necessary or desirable or in connection with regulating charity fundraising. If the commission were to assume statutory responsibility for the regulation of fundraising and this included holding public hearings, we would need to consider, at that point, what protection for witnesses would fall within the scope of the power.

My hon. Friend's new clause 5 would prematurely task the commission with becoming the primary regulator for fundraising activities. The Government have provided for this already, but through the stronger reserve powers we introduced in Committee. We would also risk undermining public confidence, if self-regulation were to fail while under the oversight of the commission, particularly if the solution to that failure was statutory regulation by the commission. We would also need to do a lot more detailed thinking about whether, and if so how, witnesses could or should be protected by an equivalent to parliamentary privilege, which is what I think he might have been seeking with the new clause.

However, I completely agree with the finding of the Select Committee on Public Administration and Constitutional Affairs that

“It would be a sad and inexcusable failure of charities to govern their own behaviour, should statutory regulation become necessary.”

Perhaps I can reassure hon. Members that, under the reserve powers in the Bill, it would be possible for the Charity Commission to be given statutory responsibility for the regulation of fundraising, but to deliver that through a third party such as the fundraising regulator. New section 64C(2) of the Charities Act 1992, as introduced by clause 14, already specifically enables that.

**Martin John Docherty:** I am sure the Minister recognises the comments that the hon. Member for North Down (Lady Hermon) made in relation to Northern Ireland, which I also raised during the general debate in relation to fundraising. This legislation should not impact on the right of the Scottish Parliament to legislate on fundraising for charities. Will the Minister reiterate that here on the Floor of the House?

**Mr Wilson:** The representatives for Scotland were at the fundraising summit recently. This is a devolved matter, and it is up to them what rules they set for Scotland. They do not have to follow; this is an England and Wales Bill, which does not affect Scotland. It is therefore up to the Scottish regulator how they wish to proceed.

I maintain that it is important to keep a clear division between statutory and self-regulatory powers to ensure better regulation of fundraising. The best way to achieve that is to support the new fundraising regulator and, if it should fail, make a decisive and clear move to statutory regulation. Should self-regulation fail, the Government will not hesitate to intervene, which could include tasking the Charity Commission with the regulation of fundraising. However, we think it is too soon to commit the Charity Commission to an enhanced statutory role in fundraising, so I hope my hon. Friend the Member for Harwich and North Essex will understand why I do not support his new clauses 4 and 5.

Let me turn finally to Government amendments 6 and 7. It would not be fair to ask the taxpayer to carry the cost of fundraising regulation if it is the result of a failure by charities to protect the public from their own

[Mr Rob Wilson]

poor practices. Government amendments 6 and 7 would therefore enable the fundraising regulator or the Charity Commission to charge fees to those it regulates for that purpose. Many of the charities signed up to and paying for the old system of self-regulation were those that followed best practice, and there was a problem of free riders. To guard against that risk, the Etherington review suggested that any charity with fundraising expenditure beyond a certain level should be subject to a levy, requiring the large and medium-sized fundraising charities to pay for regulation.

Should the Government need to compel charities to register with the charity fundraising regulator, it is important that the fundraising regulator is able to levy fees for registration. That is exactly what amendment 6 would enable. Government amendment 7 deals with fees, should the reserve power be exercised for the Charity Commission to regulate fundraising. It would ensure that regulations could provide for the Charity Commission to charge fees across the range of bodies that it would regulate as the fundraising regulator.

I hope my explanations suffice to convince hon. Members that these amendments are an important part of the backstop to self-regulation and will help to ensure the effective regulation of fundraising in future, but I would of course be happy to provide more detailed responses. The main point is that I hope that these amendments are not needed and that charities will support the new, tougher self-regulatory system being established under the leadership of my noble Friend Lord Grade of Yarmouth. I commend these Government amendments to the House.

**Anna Turley:** For the sake of colleagues, I will be brief. I thank everybody for their contributions this afternoon. There is a wealth of experience from the charity sector in the Chamber, which has added a richness to the progress of the Bill.

Let me turn straight to new clause 1. Although I do not share the Minister's view that judicial review will be more cost-effective—that may be the case for the Charity Commission, but perhaps not for charities that are appealing, many of which will not be able to afford to go to judicial review—I am willing to work with the Charity Commission, the sector and the Government to monitor the use of warnings outside of primary legislation. Therefore, I do not wish to press new clause 1 to a vote, although I wish to test the House on new clause 3 and amendment 8, because I do not feel our concerns have been met on either issue. I beg to ask leave to withdraw the motion.

*Clause, by leave, withdrawn.*

### New Clause 3

#### POWER TO MAKE REPRESENTATIONS

“(1) A charity may undertake political campaigning or political activity in the context of supporting the delivery of its charitable purposes.

(2) A charity may campaign to ensure support for, or to oppose, a change in the law, policy or decisions of central government, local authorities or other public bodies.”—(*Anna Turley.*)

*Brought up, and read the First time.*

*Question put, That the clause be read a Second time.*

*The House divided: Ayes 236, Noes 280.*

**Division No. 175]**

**[4.29 pm**

#### AYES

Abbott, Ms Diane	Efford, Clive
Abrahams, Debbie	Elliott, Julie
Alexander, Heidi	Ellman, Mrs Louise
Ali, Rushanara	Esterson, Bill
Allen, Mr Graham	Evans, Chris
Anderson, Mr David	Fellows, Marion
Austin, Ian	Ferrier, Margaret
Bailey, Mr Adrian	Field, rh Frank
Bardell, Hannah	Fitzpatrick, Jim
Barron, rh Kevin	Fleelo, Robert
Benn, rh Hilary	Fletcher, Colleen
Berger, Luciana	Flint, rh Caroline
Betts, Mr Clive	Flynn, Paul
Black, Mhairi	Fovargue, Yvonne
Blackford, Ian	Foxcroft, Vicky
Blackman, Kirsty	Gardiner, Barry
Blenkinsop, Tom	Gethins, Stephen
Blomfield, Paul	Gibson, Patricia
Boswell, Philip	Glass, Pat
Bradshaw, rh Mr Ben	Glindon, Mary
Brennan, Kevin	Godsiff, Mr Roger
Brock, Deidre	Goodman, Helen
Brown, Alan	Grady, Patrick
Brown, Lyn	Grant, Peter
Bryant, Chris	Gray, Neil
Buck, Ms Karen	Green, Kate
Burden, Richard	Greenwood, Lilian
Burgon, Richard	Greenwood, Margaret
Burnham, rh Andy	Gwynne, Andrew
Butler, Dawn	Haigh, Louise
Cadbury, Ruth	Hanson, rh Mr David
Cameron, Dr Lisa	Harman, rh Ms Harriet
Campbell, rh Mr Alan	Harris, Carolyn
Campbell, Mr Ronnie	Hayes, Helen
Champion, Sarah	Hayman, Sue
Chapman, Jenny	Healey, rh John
Cherry, Joanna	Hendrick, Mr Mark
Coaker, Vernon	Hendry, Drew
Coffey, Ann	Hepburn, Mr Stephen
Cooper, rh Yvette	Hermon, Lady
Corbyn, rh Jeremy	Hillier, Meg
Cowan, Ronnie	Hoey, Kate
Cox, Jo	Hollern, Kate
Coyle, Neil	Hopkins, Kelvin
Crausby, Mr David	Hosie, Stewart
Crawley, Angela	Howarth, rh Mr George
Creagh, Mary	Huq, Dr Rupa
Creasy, Stella	Hussain, Imran
Cruddas, Jon	Irranca-Davies, Huw
Cunningham, Alex	Jarvis, Dan
Cunningham, Mr Jim	Johnson, rh Alan
Dakin, Nic	Johnson, Diana
Danczuk, Simon	Jones, Gerald
David, Wayne	Jones, Graham
Day, Martyn	Jones, Helen
De Piero, Gloria	Jones, Mr Kevan
Docherty, Martin John	Jones, Susan Elan
Donaldson, Stuart Blair	Kane, Mike
Doughty, Stephen	Keeley, Barbara
Dowd, Jim	Kendall, Liz
Dowd, Peter	Kerevan, George
Dromey, Jack	Kerr, Calum
Dugher, Michael	Kinnock, Stephen
Eagle, Maria	Kyle, Peter

Lammy, rh Mr David  
 Lavery, Ian  
 Leslie, Chris  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Lucas, Caroline  
 Lucas, Ian C.  
 Lynch, Holly  
 Mactaggart, rh Fiona  
 Madders, Justin  
 Mahmood, Shabana  
 Malhotra, Seema  
 Mann, John  
 Marris, Rob  
 Marsden, Mr Gordon  
 Maskell, Rachael  
 Matheson, Christian  
 Mc Nally, John  
 McCabe, Steve  
 McCaig, Callum  
 McCarthy, Kerry  
 McDonagh, Siobhain  
 McDonald, Andy  
 McDonald, Stewart Malcolm  
 McDonald, Stuart C.  
 McDonnell, John  
 McGarry, Natalie  
 McGinn, Conor  
 McGovern, Alison  
 McInnes, Liz  
 McKinnell, Catherine  
 McLaughlin, Anne  
 McMahan, Jim  
 Mearns, Ian  
 Miliband, rh Edward  
 Morris, Grahame M.  
 Mullin, Roger  
 Murray, Ian  
 Nandy, Lisa  
 Newlands, Gavin  
 Nicolson, John  
 O'Hara, Brendan  
 Onn, Melanie  
 Onwurah, Chi  
 Osamor, Kate  
 Oswald, Kirsten  
 Paterson, Steven  
 Pearce, Teresa  
 Pennycook, Matthew  
 Perkins, Toby  
 Phillips, Jess  
 Pound, Stephen  
 Powell, Lucy  
 Pugh, John  
 Rayner, Angela  
 Reed, Mr Jamie

Reed, Mr Steve  
 Rees, Christina  
 Reeves, Rachel  
 Reynolds, Emma  
 Rimmer, Marie  
 Ritchie, Ms Margaret  
 Robertson, rh Angus  
 Robinson, Mr Geoffrey  
 Rotheram, Steve  
 Saville Roberts, Liz  
 Shah, Naz  
 Sheerman, Mr Barry  
 Sherriff, Paula  
 Shuker, Mr Gavin  
 Siddiq, Tulip  
 Skinner, Mr Dennis  
 Slaughter, Andy  
 Smeeth, Ruth  
 Smith, rh Mr Andrew  
 Smith, Angela  
 Smith, Cat  
 Smith, Nick  
 Smith, Owen  
 Smyth, Karin  
 Starmer, Keir  
 Stephens, Chris  
 Stevens, Jo  
 Streeting, Wes  
 Stringer, Graham  
 Stuart, rh Ms Gisela  
 Tami, Mark  
 Thewliss, Alison  
 Thomas, Mr Gareth  
 Thomas-Symonds, Nick  
 Thompson, Owen  
 Thomson, Michelle  
 Thornberry, Emily  
 Timms, rh Stephen  
 Trickett, Jon  
 Turley, Anna  
 Turner, Karl  
 Twigg, Derek  
 Umunna, Mr Chuka  
 Vaz, rh Keith  
 Weir, Mike  
 Whitehead, Dr Alan  
 Whitford, Dr Philippa  
 Winnick, Mr David  
 Wishart, Pete  
 Woodcock, John  
 Wright, Mr Iain  
 Zeichner, Daniel

**Tellers for the Ayes:**  
**Judith Cummins and**  
**Jessica Morden**

#### NOES

Adams, Nigel  
 Afriyie, Adam  
 Aldous, Peter  
 Allen, Heidi  
 Amess, Sir David  
 Andrew, Stuart  
 Ansell, Caroline  
 Argar, Edward  
 Atkins, Victoria  
 Bacon, Mr Richard  
 Baker, Mr Steve  
 Baldwin, Harriett  
 Barclay, Stephen

Baron, Mr John  
 Barwell, Gavin  
 Bellingham, Sir Henry  
 Benyon, Richard  
 Beresford, Sir Paul  
 Berry, Jake  
 Berry, James  
 Bingham, Andrew  
 Blackman, Bob  
 Blunt, Crispin  
 Boles, Nick  
 Bone, Mr Peter  
 Borwick, Victoria

Bottomley, Sir Peter  
 Bradley, Karen  
 Brazier, Mr Julian  
 Bridgen, Andrew  
 Brine, Steve  
 Bruce, Fiona  
 Buckland, Robert  
 Burns, Conor  
 Burns, rh Sir Simon  
 Burrows, Mr David  
 Cairns, Alun  
 Carmichael, Neil  
 Carswell, Mr Douglas  
 Cartledge, James  
 Cash, Sir William  
 Caulfield, Maria  
 Chalk, Alex  
 Chishti, Rehman  
 Chope, Mr Christopher  
 Churchill, Jo  
 Clark, rh Greg  
 Clarke, rh Mr Kenneth  
 Cleverly, James  
 Clifton-Brown, Geoffrey  
 Coffey, Dr Thérèse  
 Colvile, Oliver  
 Costa, Alberto  
 Cox, Mr Geoffrey  
 Crabb, rh Stephen  
 Davies, Byron  
 Davies, Chris  
 Davies, Glyn  
 Davies, Dr James  
 Davies, Mims  
 Davies, Philip  
 Davis, rh Mr David  
 Dinenage, Caroline  
 Djanogly, Mr Jonathan  
 Dodds, rh Mr Nigel  
 Dorries, Nadine  
 Double, Steve  
 Dowden, Oliver  
 Doyle-Price, Jackie  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duncan Smith, rh Mr Iain  
 Dunne, Mr Philip  
 Ellis, Michael  
 Ellison, Jane  
 Ellwood, Mr Tobias  
 Elphicke, Charlie  
 Eustice, George  
 Evans, Graham  
 Evennett, rh Mr David  
 Fabricant, Michael  
 Fallon, rh Michael  
 Fernandes, Suella  
 Field, rh Mark  
 Foster, Kevin  
 Fox, rh Dr Liam  
 Frazer, Lucy  
 Freeman, George  
 Freer, Mike  
 Fuller, Richard  
 Fysh, Marcus  
 Garnier, rh Sir Edward  
 Garnier, Mark  
 Gauke, Mr David  
 Ghani, Nusrat  
 Gibb, Mr Nick  
 Gillan, rh Mrs Cheryl  
 Glen, John

Goodwill, Mr Robert  
 Gove, rh Michael  
 Graham, Richard  
 Grant, Mrs Helen  
 Grayling, rh Chris  
 Green, rh Damian  
 Greening, rh Justine  
 Grieve, rh Mr Dominic  
 Gummer, Ben  
 Gyimah, Mr Sam  
 Halfon, rh Robert  
 Hall, Luke  
 Hammond, rh Mr Philip  
 Hammond, Stephen  
 Hancock, rh Matthew  
 Hands, rh Greg  
 Harrington, Richard  
 Harris, Rebecca  
 Hart, Simon  
 Haselhurst, rh Sir Alan  
 Hald, Sir Oliver  
 Heapey, James  
 Heaton-Harris, Chris  
 Henderson, Gordon  
 Herbert, rh Nick  
 Hinds, Damian  
 Hoare, Simon  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holloway, Mr Adam  
 Hopkins, Kris  
 Howarth, Sir Gerald  
 Howlett, Ben  
 Huddleston, Nigel  
 Hunt, rh Mr Jeremy  
 Hurd, Mr Nick  
 Jackson, Mr Stewart  
 James, Margot  
 Javid, rh Sajid  
 Jayawardena, Mr Ranil  
 Jenkin, Mr Bernard  
 Jenkyns, Andrea  
 Jenrick, Robert  
 Johnson, Boris  
 Johnson, Gareth  
 Jones, Andrew  
 Jones, rh Mr David  
 Jones, Mr Marcus  
 Kawczynski, Daniel  
 Kennedy, Seema  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kwarteng, Kwasi  
 Lancaster, Mark  
 Leadsom, Andrea  
 Lee, Dr Phillip  
 Lefroy, Jeremy  
 Leigh, Sir Edward  
 Leslie, Charlotte  
 Letwin, rh Mr Oliver  
 Lewis, Brandon  
 Lidington, rh Mr David  
 Lilley, rh Mr Peter  
 Lopresti, Jack  
 Lord, Jonathan  
 Lumley, Karen  
 Mackinlay, Craig  
 Mackintosh, David  
 Mak, Mr Alan  
 Malthouse, Kit  
 Mann, Scott  
 Mathias, Dr Tania

Maynard, Paul  
 McLoughlin, rh Mr Patrick  
 McPartland, Stephen  
 Menzies, Mark  
 Mercer, Johnny  
 Merriman, Huw  
 Metcalfe, Stephen  
 Miller, rh Mrs Maria  
 Milling, Amanda  
 Mills, Nigel  
 Milton, rh Anne  
 Mitchell, rh Mr Andrew  
 Mordaunt, Penny  
 Morgan, rh Nicky  
 Morris, Anne Marie  
 Morris, David  
 Morris, James  
 Morton, Wendy  
 Mowat, David  
 Mundell, rh David  
 Murray, Mrs Sheryll  
 Murrison, Dr Andrew  
 Neill, Robert  
 Newton, Sarah  
 Nokes, Caroline  
 Norman, Jesse  
 Nuttall, Mr David  
 Offord, Dr Matthew  
 Opperman, Guy  
 Paisley, Ian  
 Parish, Neil  
 Patel, rh Priti  
 Pawsey, Mark  
 Penning, rh Mike  
 Penrose, John  
 Percy, Andrew  
 Perry, Claire  
 Phillips, Stephen  
 Philp, Chris  
 Pincher, Christopher  
 Prentis, Victoria  
 Prisk, Mr Mark  
 Pursglove, Tom  
 Quin, Jeremy  
 Quince, Will  
 Raab, Mr Dominic  
 Redwood, rh John  
 Rees-Mogg, Mr Jacob  
 Robertson, Mr Laurence  
 Robinson, Gavin  
 Rosindell, Andrew  
 Rudd, rh Amber  
 Rutley, David  
 Sandbach, Antoinette  
 Selous, Andrew  
 Shapps, rh Grant  
 Sharma, Alok

Simpson, rh Mr Keith  
 Skidmore, Chris  
 Smith, Chloe  
 Smith, Julian  
 Smith, Royston  
 Solloway, Amanda  
 Soubry, rh Anna  
 Spelman, rh Mrs Caroline  
 Spencer, Mark  
 Stevenson, John  
 Stewart, Iain  
 Stewart, Rory  
 Streeter, Mr Gary  
 Stride, Mel  
 Stuart, Graham  
 Sturdy, Julian  
 Sunak, Rishi  
 Swayne, rh Mr Desmond  
 Swire, rh Mr Hugo  
 Syms, Mr Robert  
 Thomas, Derek  
 Throup, Maggie  
 Tomlinson, Justin  
 Tomlinson, Michael  
 Tracey, Craig  
 Tredinnick, David  
 Trevelyan, Mrs Anne-Marie  
 Truss, rh Elizabeth  
 Tugendhat, Tom  
 Turner, Mr Andrew  
 Tyrie, rh Mr Andrew  
 Vara, Mr Shailesh  
 Vickers, Martin  
 Walker, Mr Charles  
 Walker, Mr Robin  
 Wallace, Mr Ben  
 Warburton, David  
 Warman, Matt  
 Watkinson, Dame Angela  
 Wharton, James  
 Whately, Helen  
 Wheeler, Heather  
 White, Chris  
 Whittaker, Craig  
 Whittingdale, rh Mr John  
 Wiggin, Bill  
 Williams, Craig  
 Williamson, rh Gavin  
 Wilson, Mr Rob  
 Wilson, Sammy  
 Wollaston, Dr Sarah  
 Wragg, William  
 Wright, rh Jeremy

**Tellers for the Noes:**  
 Simon Kirby and  
 George Hollingbery

*Question accordingly negatived.*

### Clause 1

#### OFFICIAL WARNINGS BY THE COMMISSION

*Amendment proposed:* 8, page 1, line 12, leave out subsection (2) and insert—

“(2) The Commission may issue a warning to a charity trustee, a trustee for a charity or a charity in any way it considers appropriate but may not publish a warning to a wider audience.”  
 —(Anna Turley.)

*Question put.* That the amendment be made.

*The House divided:* Ayes 196, Noes 280.

### Division No. 176]

[4.43 pm

#### AYES

Abbott, Ms Diane  
 Abrahams, Debbie  
 Alexander, Heidi  
 Ali, Rushanara  
 Allen, Mr Graham  
 Anderson, Mr David  
 Austin, Ian  
 Bailey, Mr Adrian  
 Barron, rh Kevin  
 Benn, rh Hilary  
 Berger, Luciana  
 Betts, Mr Clive  
 Blenkinsop, Tom  
 Blomfield, Paul  
 Bradshaw, rh Mr Ben  
 Brake, rh Tom  
 Brennan, Kevin  
 Brown, Lyn  
 Bryant, Chris  
 Buck, Ms Karen  
 Burden, Richard  
 Burgon, Richard  
 Burnham, rh Andy  
 Butler, Dawn  
 Cadbury, Ruth  
 Campbell, rh Mr Alan  
 Campbell, Mr Ronnie  
 Champion, Sarah  
 Chapman, Jenny  
 Clegg, rh Mr Nick  
 Coaker, Vernon  
 Coffey, Ann  
 Cooper, rh Yvette  
 Cox, Jo  
 Coyle, Neil  
 Crausby, Mr David  
 Creagh, Mary  
 Creasy, Stella  
 Cruddas, Jon  
 Cunningham, Alex  
 Cunningham, Mr Jim  
 Dakin, Nic  
 Danczuk, Simon  
 David, Wayne  
 De Piero, Gloria  
 Doughty, Stephen  
 Dowd, Jim  
 Dowd, Peter  
 Dromey, Jack  
 Dugher, Michael  
 Eagle, Maria  
 Efford, Clive  
 Elliott, Julie  
 Ellman, Mrs Louise  
 Esterson, Bill  
 Evans, Chris  
 Farrelly, Paul  
 Farron, Tim  
 Field, rh Frank  
 Fitzpatrick, Jim  
 Ffello, Robert  
 Fletcher, Colleen  
 Flint, rh Caroline  
 Flynn, Paul  
 Fovargue, Yvonne  
 Foxcroft, Vicky  
 Gardiner, Barry

Glass, Pat  
 Glindon, Mary  
 Godsiff, Mr Roger  
 Goodman, Helen  
 Green, Kate  
 Greenwood, Lilian  
 Greenwood, Margaret  
 Gwynne, Andrew  
 Haigh, Louise  
 Hanson, rh Mr David  
 Harman, rh Ms Harriet  
 Harris, Carolyn  
 Hayes, Helen  
 Hayman, Sue  
 Healey, rh John  
 Hendrick, Mr Mark  
 Hepburn, Mr Stephen  
 Hermon, Lady  
 Hillier, Meg  
 Hoey, Kate  
 Hollern, Kate  
 Hopkins, Kelvin  
 Howarth, rh Mr George  
 Huq, Dr Rupa  
 Hussain, Imran  
 Irranca-Davies, Huw  
 Jarvis, Dan  
 Johnson, rh Alan  
 Johnson, Diana  
 Jones, Gerald  
 Jones, Graham  
 Jones, Helen  
 Jones, Mr Kevan  
 Jones, Susan Elan  
 Kane, Mike  
 Keeley, Barbara  
 Kendall, Liz  
 Kinnock, Stephen  
 Kyle, Peter  
 Lammy, rh Mr David  
 Lavery, Ian  
 Leslie, Chris  
 Lewell-Buck, Mrs Emma  
 Lewis, Clive  
 Lucas, Caroline  
 Lucas, Ian C.  
 Lynch, Holly  
 Mactaggart, rh Fiona  
 Madders, Justin  
 Mahmood, Shabana  
 Malhotra, Seema  
 Mann, John  
 Marris, Rob  
 Marsden, Mr Gordon  
 Maskell, Rachael  
 Matheson, Christian  
 McCabe, Steve  
 McCarthy, Kerry  
 McDonagh, Siobhain  
 McDonald, Andy  
 McDonnell, John  
 McGinn, Conor  
 McGovern, Alison  
 McInnes, Liz  
 McKinnell, Catherine  
 McMahon, Jim  
 Mearns, Ian

Miliband, rh Edward  
 Morris, Grahame M.  
 Mulholland, Greg  
 Murray, Ian  
 Nandy, Lisa  
 Onn, Melanie  
 Onwurah, Chi  
 Osamor, Kate  
 Pearce, Teresa  
 Pennycook, Matthew  
 Perkins, Toby  
 Phillips, Jess  
 Pound, Stephen  
 Powell, Lucy  
 Pugh, John  
 Rayner, Angela  
 Reed, Mr Jamie  
 Reed, Mr Steve  
 Rees, Christina  
 Reeves, Rachel  
 Reynolds, Emma  
 Rimmer, Marie  
 Ritchie, Ms Margaret  
 Robinson, Mr Geoffrey  
 Rotheram, Steve  
 Saville Roberts, Liz  
 Shah, Naz  
 Sheerman, Mr Barry  
 Sherriff, Paula  
 Shuker, Mr Gavin  
 Siddiq, Tulip  
 Skinner, Mr Dennis  
 Slaughter, Andy

Smeeth, Ruth  
 Smith, rh Mr Andrew  
 Smith, Angela  
 Smith, Cat  
 Smith, Nick  
 Smith, Owen  
 Smyth, Karin  
 Starmer, Keir  
 Stevens, Jo  
 Streeting, Wes  
 Stringer, Graham  
 Stuart, rh Ms Gisela  
 Tami, Mark  
 Thomas, Mr Gareth  
 Thomas-Symonds, Nick  
 Thornberry, Emily  
 Timms, rh Stephen  
 Trickett, Jon  
 Turley, Anna  
 Turner, Karl  
 Twigg, Derek  
 Umunna, Mr Chuka  
 Vaz, rh Keith  
 Whitehead, Dr Alan  
 Williams, Mr Mark  
 Winnick, Mr David  
 Woodcock, John  
 Wright, Mr Iain  
 Zeichner, Daniel

**Tellers for the Ayes:**  
**Judith Cummins and**  
**Jessica Morden**

#### NOES

Adams, Nigel  
 Afriyie, Adam  
 Aldous, Peter  
 Allen, Heidi  
 Amess, Sir David  
 Andrew, Stuart  
 Ansell, Caroline  
 Argar, Edward  
 Atkins, Victoria  
 Bacon, Mr Richard  
 Baker, Mr Steve  
 Baldwin, Harriett  
 Barclay, Stephen  
 Baron, Mr John  
 Barwell, Gavin  
 Bellingham, Sir Henry  
 Benyon, Richard  
 Beresford, Sir Paul  
 Berry, Jake  
 Berry, James  
 Bingham, Andrew  
 Blackman, Bob  
 Blunt, Crispin  
 Boles, Nick  
 Bone, Mr Peter  
 Borwick, Victoria  
 Bottomley, Sir Peter  
 Bradley, Karen  
 Brazier, Mr Julian  
 Bridgen, Andrew  
 Brine, Steve  
 Bruce, Fiona  
 Buckland, Robert  
 Burns, Conor  
 Burns, rh Sir Simon  
 Burrowes, Mr David

Cairns, Alun  
 Carmichael, Neil  
 Carswell, Mr Douglas  
 Cartledge, James  
 Cash, Sir William  
 Caulfield, Maria  
 Chalk, Alex  
 Chishti, Rehman  
 Chope, Mr Christopher  
 Churchill, Jo  
 Clark, rh Greg  
 Clarke, rh Mr Kenneth  
 Cleverly, James  
 Clifton-Brown, Geoffrey  
 Coffey, Dr Thérèse  
 Colville, Oliver  
 Costa, Alberto  
 Cox, Mr Geoffrey  
 Crabb, rh Stephen  
 Davies, Byron  
 Davies, Chris  
 Davies, Glyn  
 Davies, Dr James  
 Davies, Mims  
 Davies, Philip  
 Davis, rh Mr David  
 Dinenage, Caroline  
 Djanogly, Mr Jonathan  
 Dodds, rh Mr Nigel  
 Dorries, Nadine  
 Double, Steve  
 Dowden, Oliver  
 Doyle-Price, Jackie  
 Drax, Richard  
 Drummond, Mrs Flick  
 Duncan Smith, rh Mr Iain

Dunne, Mr Philip  
 Ellis, Michael  
 Ellison, Jane  
 Ellwood, Mr Tobias  
 Elphicke, Charlie  
 Eustice, George  
 Evans, Graham  
 Evennett, rh Mr David  
 Fabricant, Michael  
 Fallon, rh Michael  
 Fernandes, Suella  
 Field, rh Mark  
 Foster, Kevin  
 Fox, rh Dr Liam  
 Frazer, Lucy  
 Freeman, George  
 Freer, Mike  
 Fuller, Richard  
 Fysh, Marcus  
 Garnier, rh Sir Edward  
 Garnier, Mark  
 Gauke, Mr David  
 Ghani, Nusrat  
 Gibb, Mr Nick  
 Gillan, rh Mrs Cheryl  
 Glen, John  
 Goodwill, Mr Robert  
 Gove, rh Michael  
 Graham, Richard  
 Grant, Mrs Helen  
 Grayling, rh Chris  
 Green, rh Damian  
 Greening, rh Justine  
 Grieve, rh Mr Dominic  
 Gummer, Ben  
 Gyimah, Mr Sam  
 Halfon, rh Robert  
 Hall, Luke  
 Hammond, rh Mr Philip  
 Hammond, Stephen  
 Hancock, rh Matthew  
 Hands, rh Greg  
 Harrington, Richard  
 Harris, Rebecca  
 Hart, Simon  
 Haselhurst, rh Sir Alan  
 Heald, Sir Oliver  
 Heapey, James  
 Heaton-Harris, Chris  
 Henderson, Gordon  
 Herbert, rh Nick  
 Hinds, Damian  
 Hoare, Simon  
 Hollinrake, Kevin  
 Hollobone, Mr Philip  
 Holloway, Mr Adam  
 Hopkins, Kris  
 Howarth, Sir Gerald  
 Howlett, Ben  
 Huddleston, Nigel  
 Hunt, rh Mr Jeremy  
 Hurd, Mr Nick  
 Jackson, Mr Stewart  
 James, Margot  
 Javid, rh Sajid  
 Jayawardena, Mr Ranil  
 Jenkin, Mr Bernard  
 Jenkyns, Andrea  
 Jenrick, Robert  
 Johnson, Boris  
 Johnson, Gareth  
 Jones, Andrew

Jones, rh Mr David  
 Jones, Mr Marcus  
 Kawczynski, Daniel  
 Kennedy, Seema  
 Knight, rh Sir Greg  
 Knight, Julian  
 Kwarteng, Kwasi  
 Lancaster, Mark  
 Leadsom, Andrea  
 Lee, Dr Phillip  
 Lefroy, Jeremy  
 Leigh, Sir Edward  
 Leslie, Charlotte  
 Letwin, rh Mr Oliver  
 Lewis, Brandon  
 Lidington, rh Mr David  
 Lilley, rh Mr Peter  
 Lopresti, Jack  
 Lord, Jonathan  
 Lumley, Karen  
 Mackinlay, Craig  
 Mackintosh, David  
 Mak, Mr Alan  
 Malthouse, Kit  
 Mann, Scott  
 Mathias, Dr Tania  
 Maynard, Paul  
 McLoughlin, rh Mr Patrick  
 McPartland, Stephen  
 Menzies, Mark  
 Mercer, Johnny  
 Merriman, Huw  
 Metcalfe, Stephen  
 Miller, rh Mrs Maria  
 Milling, Amanda  
 Mills, Nigel  
 Milton, rh Anne  
 Mitchell, rh Mr Andrew  
 Mordaunt, Penny  
 Morgan, rh Nicky  
 Morris, Anne Marie  
 Morris, David  
 Morris, James  
 Morton, Wendy  
 Mowat, David  
 Mundell, rh David  
 Murray, Mrs Sheryll  
 Murrison, Dr Andrew  
 Neill, Robert  
 Newton, Sarah  
 Nokes, Caroline  
 Norman, Jesse  
 Nuttall, Mr David  
 Offord, Dr Matthew  
 Opperman, Guy  
 Paisley, Ian  
 Parish, Neil  
 Patel, rh Priti  
 Pawsey, Mark  
 Penning, rh Mike  
 Penrose, John  
 Percy, Andrew  
 Pery, Claire  
 Phillips, Stephen  
 Philp, Chris  
 Pincher, Christopher  
 Prentis, Victoria  
 Prisk, Mr Mark  
 Pursglove, Tom  
 Quin, Jeremy  
 Quince, Will  
 Raab, Mr Dominic

Redwood, rh John	Tomlinson, Michael
Rees-Mogg, Mr Jacob	Tracey, Craig
Robertson, Mr Laurence	Tredinnick, David
Robinson, Gavin	Trevelyan, Mrs Anne-Marie
Rosindell, Andrew	Truss, rh Elizabeth
Rudd, rh Amber	Tugendhat, Tom
Rutley, David	Turner, Mr Andrew
Sandbach, Antoinette	Tyrie, rh Mr Andrew
Selous, Andrew	Vara, Mr Shailesh
Shapps, rh Grant	Vickers, Martin
Sharma, Alok	Walker, Mr Charles
Simpson, rh Mr Keith	Walker, Mr Robin
Skidmore, Chris	Wallace, Mr Ben
Smith, Chloe	Warburton, David
Smith, Julian	Warman, Matt
Smith, Royston	Watkinson, Dame Angela
Solloway, Amanda	Wharton, James
Soubry, rh Anna	Whately, Helen
Spelman, rh Mrs Caroline	Wheeler, Heather
Spencer, Mark	White, Chris
Stevenson, John	Whittaker, Craig
Stewart, Iain	Whittingdale, rh Mr John
Stewart, Rory	Wiggin, Bill
Streeter, Mr Gary	Williams, Craig
Stride, Mel	Williamson, rh Gavin
Stuart, Graham	Wilson, Mr Rob
Sturdy, Julian	Wilson, Sammy
Sunak, Rishi	Wollaston, Dr Sarah
Swayne, rh Mr Desmond	Wragg, William
Swire, rh Mr Hugo	Wright, rh Jeremy
Syms, Mr Robert	
Thomas, Derek	<b>Tellers for the Noes:</b>
Throup, Maggie	<b>Simon Kirby and</b>
Tomlinson, Justin	<b>George Hollingbery</b>

*Question accordingly negated.*

*Amendment made:* 2, page 2, line 18, at end insert—

“( ) The Commission may vary or withdraw a warning under this section.

( ) Subsection (2) applies to the variation or withdrawal of a warning as it applies to a warning.

( ) Subsections (3) to (6) apply to the variation of a warning as they apply to a warning, except that—

(a) in subsection (5)(a) references to the warning are to be read as references to the warning as varied, and

(b) the matter to be specified under subsection (5)(b) is any change as a result of the variation in the action previously proposed by the Commission.”—(*Mr Rob Wilson.*)

*The amendment makes provision for the variation or withdrawal of official warnings issued under section 75A inserted by clause 1.*

### Clause 9

#### AUTOMATIC DISQUALIFICATION FROM BEING A TRUSTEE

*Amendment made:* 3, page 8, line 7, at beginning insert “it relates to the management of the charity, and”—(*Mr Rob Wilson.*)

*In a small charity employees who are not managers may report directly to charity trustees. Inserted section 178(4)(a) could cover their functions. This amendment would exclude them and limit “senior management functions” to functions involving management.*

### Clause 10

#### POWER TO DISQUALIFY FROM BEING A TRUSTEE

*Amendments made:* 4, page 10, line 19, at beginning insert “it relates to the management of the charity, and”

*In a small charity employees who are not managers may report directly to charity trustees. Inserted section 181A(4)(a) could cover their functions. This amendment would exclude them and limit “senior management functions” to functions involving management.*

*Amendment 5, page 12, line 16, after “spent” insert “or, where condition B applies, would become spent if it were a conviction for the relevant disqualifying offence”—(*Mr Rob Wilson.*)*

*The amendment adapts the reference to the time when a conviction becomes spent for cases covered by condition B in inserted section 181A(7).*

### Clause 14

#### RESERVE POWERS TO CONTROL FUND-RAISING

*Amendments made:* 6, page 18, line 6, at end insert—

“( ) to pay fees to a regulator of an amount determined by the regulations or determined by the regulator in accordance with the regulations;”

*The amendment would enable regulations to require charitable institutions to pay fees to a regulator specified in the regulations for the purpose of regulating charity fund-raising.*

*Amendment 7, page 18, line 31, at end insert—*

“( ) Where regulations by virtue of this section apply in relation to charity fund-raising by institutions that are not charities, section 19 of the Charities Act 2011 (fees and other amounts payable to Commission) applies in relation to the regulations as it applies in relation to the enactments relating to charities (but that is without prejudice to the application of other provisions by virtue of this section or section 77(3)).”—(*Mr Rob Wilson.*)

*Regulations under the Charities Act 2011 may require fees to be paid to the Charity Commission in respect of functions relating to charities. The amendment extends this to functions given to the Commission under inserted section 64C in relation to the regulation of fund-raising by charitable institutions that are not charities.*

**Mr Speaker:** Consideration completed. I will now suspend the House for about five minutes in order to make a decision about certification. The Division bells will be rung two minutes before the House resumes. Following my certification, the Government will be tabling the appropriate consent motion, copies of which will be available shortly in the Vote Office and will be distributed by Doorkeepers.

4.55 pm

*Sitting suspended.*

4.59 pm

*On resuming—*

**Mr Speaker:** I can now inform the House of my decision about certification. For the purposes of Standing Order No. 83L(2), I have certified that the Charities (Protection and Social Investment) Bill [Lords] relates exclusively to England and Wales on matters within devolved legislative competence, as defined in Standing Order No. 83J. Copies of my certificate are available in

the Vote Office. Under Standing Order No. 83M, a consent motion is therefore required for the Bill to proceed. Does the Minister intend to move the consent motion?

**The Minister for the Cabinet Office and Paymaster General (Matthew Hancock):** Formally.

**Mr Speaker:** Even a nod from a Whip would suffice, but instead we have the full throttle of ministerial words. The House is greatly privileged and the occasion, I feel sure, will not be forgotten.

*The House forthwith resolved itself into the Legislative Grand Committee (England and Wales) (Standing Order No. 83M).*

[NATASCHA ENGEL *in the Chair*]

5.1 pm

*Motion made, and Question proposed,*

That the Committee consents to the Charities (Protection and Social Investment) Bill [Lords].—(Matthew Hancock.)

**The Second Deputy Chairman of Ways and Means (Natascha Engel):** I remind hon. Members that although all Members may speak in the debate, only Members representing constituencies in England and Wales may vote on the consent motion.

**Lady Hermon:** On a point of order, Ms Engel. I make this point of order with a heavy heart, but I feel duty-bound to do so. When the certification process was introduced and debated before the Christmas recess, the indication was that when the Mace was moved and we sat in the Legislative Grand Committee, a Minister would be called upon to move the consent motion and then a debate would commence. It was disappointing last night that there was no effort by the Minister to open a debate about why the consent motion was being moved. As I find this happening again today, I seek clarification from the Chair as to whether it is appropriate now to consistently adopt a routine of a Minister moving a motion without further debate.

**The Second Deputy Chairman:** The hon. Lady is aware that it is up to the Minister to move the motion formally or to speak to it, but she is perfectly entitled to speak in the debate now, if she so wishes.

**Lady Hermon:** Thank you very much, Ms Engel. I am grateful for that clarification, even though my vote, if we were to vote, would not count in the same way as that of every other Member of this House would count. This is a serious constitutional issue, particularly for those from Northern Ireland.

After years of horrendous violence in Northern Ireland, we had the Good Friday agreement, otherwise known as the Belfast agreement, and we voted in our thousands that Northern Ireland would be part of the United Kingdom unless and until we voted ourselves out of the United Kingdom. That is not going to happen any time soon. My constituents elected me at the general election to represent them fully in this House.

In response to an intervention earlier, the Minister confirmed that there is a Charity Commission for Northern Ireland. However, the Charity Commission for Northern

Ireland has only devolved responsibilities. The point that I was making to the Minister was about national charities across the United Kingdom, such as the National Trust. When constituents of mine and those right across Northern Ireland—where we have the Giant's Causeway, which is owned by the National Trust, and Castle Ward and various other wonderful properties across Northern Ireland—join the National Trust or renew their membership online, their membership fees go straight to the headquarters of the National Trust. The fact that we have a devolved Charity Commission for Northern Ireland does not give it national reach.

The point I am making to the Minister is that we have national charities in Northern Ireland—I have mentioned the Salvation Army and the RNLI, for example—that have their headquarters in England, so will he kindly and generously do my constituents, and indeed all the people of Northern Ireland, the courtesy of explaining why this Bill is designated as exclusively English-only? That is what I would like to hear him explain.

**Sir Edward Leigh (Gainsborough) (Con):** I can reassure the hon. Member for North Down (Lady Hermon) that the Procedure Committee, of which I am a member, is looking at what is happening with this procedure and will report back to the House. It shall be noted that these are matters of great interest, but recently when I have sat in on consent motions for these sorts of debates under English votes for English laws, I have noted that nothing is said at all. It is incumbent on us to draw up procedures that actually make a difference and have a purpose. The problem with EVEL is that, because the Conservative Government have an overall majority, no Bill will be changed one iota in this Parliament as a result of EVEL. Because all the other parties are opposed to EVEL, if the Conservative party does not have a majority after the next general election, the procedure could be abolished in an afternoon. The Committee will be looking at these procedures very carefully and—of course, I cannot speak for its other members—will want to be reassured that the procedures under EVEL are actually changing something.

**Matthew Hancock:** I will respond briefly to the comments of the hon. Member for North Down (Lady Hermon). She asked why the Bill has been designated as an England and Wales Bill, and that is because it relates in its entirety to England and Wales. On her point about a charity that covers the whole United Kingdom—it hardly behoves me to reiterate, passionately and fulsomely, the Government's support for the United Kingdom, which we share—regulation of the activities of charities in Northern Ireland is devolved. I cannot speak to, and I do not have responsibility for, the activities of the Charity Commission for Northern Ireland, which regulates the activities of charities in Northern Ireland. Likewise, this section of the debate ensures that there is consent for this legislation among the MPs whose constituencies will be covered by it. The reason I did not speak at the start of this procedure is that, given that the Bill is so clearly restricted to activities that take place in England and Wales, it is plain and obvious that it is therefore an English and Welsh Bill for these purposes.

**Lady Hermon:** I am grateful to the Minister for allowing me to intervene. I want to make the point—I am sorry to repeat myself—that we have legislation

[Lady Hermon]

going through the House today that will give increased powers to the Charity Commission based in England. However, were the Charity Commission based in England to take action against a national charity of which my constituents are members and supporters and to which they are contributors and donors, my constituents would be directly affected by its actions in relation to that particular charity. Am not I therefore entitled, as of right, to represent the views of my constituents in this House?

**Matthew Hancock:** Of course the hon. Lady is entitled to represent the views of her constituents, which is precisely what she has been doing in the stages of the Bill, but it is also right that English and Welsh MPs can have their say on the Bill. I point out that were her constituents involved in a similar way in a charity that was headquartered in France, Germany, America or anywhere else in the world, that charity would of course be regulated by its home regulator in the same way as a charity based in England. It is a consequence of the devolution of charities law, and the actions of support for and regulation of charities, to Northern Ireland that this is an issue not for Northern Ireland but for England and Wales, and therefore, under the EVEL procedures, this is self-evidently an England and Wales Bill.

**Lady Hermon:** I do not want this to become a one-way conversation, but I have to say that I do not think the people of Northern Ireland would be flattered to be compared to France. I have listened studiously to Government Front Benchers reassuring the House that theirs is a one nation Government. I invite the Minister to come to Northern Ireland and meet those who have contributed to charities in Northern Ireland. He can explain to them face to face why, given that the Government claim to be a one nation Government, Northern Ireland MPs in some cases do not count—apart from Sinn Fein Members, of course.

**Matthew Hancock:** It is self-evident that if the issues in the Bill relate to England and Wales, as they do, the Bill should, in the view of the Government, be certified as an England and Wales Bill. It is a consequence of devolution that those representing England and Wales should be able to have their vote on a Bill that relates only to England and Wales.

To respond to the point made by my hon. Friend the Member for Gainsborough (Sir Edward Leigh), I should say that it is inconceivable that anybody would unwind these provisions in any future Parliament, given that they protect English and Welsh voters from having legislation imposed on them without the will of the majority of Members with constituencies in England and Wales. The reaction of those who could then be overruled by others who had their own devolved Assemblies and Parliaments would be quite savage.

**Simon Hoare** (North Dorset) (Con): On a point of order, Madam Chairman. Like my hon. Friend the Member for Gainsborough (Sir Edward Leigh), I am a member of the Procedure Committee. We were very clear in our deliberations that Mr Speaker would make a ruling as to whether legislation fell within these protocols or not, but that he would not be expected or required to give the *raison d'être* as to why he made the ruling.

I may be out of order, Madam Chairman, in raising this as a point of order, but having listened to this exchange, I feel somewhat as if the authority of the Chair, and the decision that Mr Speaker has taken, is now being challenged. Critically, that seems to be undermining what we thought was an important principle—namely, that the authority of the Chair should be such that neither a challenge to nor an explanation of his or her ruling would be required or expected.

**The Second Deputy Chairman of Ways and Means (Natascha Engel):** I thank the hon. Gentleman for that point of order. I remind the House that we are discussing the consent motion, rather than the rights and wrongs of EVEL. I have allowed the debate—it has been a rather two-way exchange—to go on a little because we are right at the beginning of the EVEL process; this is certainly my first time in the Chair during a Legislative Grand Committee, and it is only the third time that this has happened. However, as the hon. Gentleman said, the Procedure Committee is looking at the EVEL process in the round. The hon. Member for North Down (Lady Hermon) should really make a submission to that Committee. It would be good if we could now move on to discuss the consent motion or put the question.

**Matthew Hancock:** All I would say is that the decision on the consent motion is, quite rightly, Mr Speaker's.

**The Second Deputy Chairman:** I remind hon. Members that if there is a Division on the consent motion, only Members representing constituencies in England and Wales may vote. That extends to expressing an opinion by calling out aye or no when the question is put.

*Question put and agreed to.*

**Sir Edward Leigh:** Further to the point of order made by my fellow member of the Procedure Committee, my hon. Friend the Member for North Dorset (Simon Hoare), it is terribly important that the Speaker is not dragged into controversy. May I gently point out that when the Government initiated these consent procedures we were told that they were to be rare? There is absolutely no point in stirring up bad feeling in Northern Ireland and Scotland, because it does not make a blind bit of difference to the result of any Division or to any part of any Bill. I hope that the Government are listening and that they will use this procedure as rarely as possible.

**The Second Deputy Chairman:** I thank the hon. Gentleman. That point has been noted.

*The occupant of the Chair left the Chair to report the decision of the Committee (Standing Order No. 83M(6)).*

*The Deputy Speaker resumed the Chair; decision reported. Third Reading.*

5.15 pm

**Matthew Hancock:** I beg to move, That the Bill be now read the Third time.

Charities are at the very heart of our society and have held that important place for many generations. The vast majority of charities are run well by selfless people whose motivation is to help others. By way of example, I was struck by the incredible way that charities and the local community mobilised after the devastating floods

that took place in Cumbria in December. Cumbria Community Foundation set up a flood relief fund to help all those affected. The fund has already raised well over £4 million, alongside Government contributions. It has involved hundreds of local charities, voluntary organisations, businesses and individuals raising funds to support the appeal. National Citizen Service graduates in Carlisle have helped renovate a local youth club damaged by the floods. We owe a great debt to such charities and the volunteers who freely give their time to make a difference. We celebrate the work of this example just as we celebrate our hospices, universities, housing associations, community fundraisers, global research institutes, and the many, many other charities, from the most local to those with worldwide reach. We salute their effort, their time and their generosity, and the joy that they give in the service of others.

This Bill will help to protect that vast majority of charities from the tiny minority that would seek to abuse the benefits of charitable status and risk undermining the public's trust on which charities as a whole rely.

**Lady Hermon:** I am genuinely grateful to the Minister for allowing me to intervene on him again. In the light of the fact that he has emphasised on a number of occasions that responsibility for charities is a devolved matter in Northern Ireland, and given the changes introduced by this legislation, will he kindly confirm that, if he has not already done so, he will make it a top priority to get on the telephone to his counterpart in the Northern Ireland Assembly to say, "Right, this is what we've done at Westminster—perhaps you should think of making these changes in Northern Ireland."

**Matthew Hancock:** Absolutely—we will certainly make contact with the Northern Ireland Assembly to ensure that we can have exactly that communication, not least because the Bill will support charities that want to engage in social investment, which many can benefit from. It provides a new way for charities to maximise the impact of their investments.

The Bill will also better support regulation of practices for fundraising, which have been found wanting. We all know of and support charities that, week in, week out, do brilliant work in our constituencies. I want to ensure that the regulatory framework for charities continues to support charities like these while supporting the work of the Charity Commission in robustly bearing down on the few bad apples. This Bill will do just that. I will touch on some of the things that I hope, through its passage, we will be able to deliver.

Extending trustee disqualification will better protect charities from individuals who present a known risk. Like many Members during the passage of the Bill, I struggle to conceive how it could ever have been considered appropriate for a convicted terrorist or money launderer, for example, to be involved in running a charity. These changes are long overdue. However, I agree with my right hon. and learned Friend the Member for Harborough (Sir Edward Garnier) that, in extending disqualification, we must take extra care not to undermine the vital work done by charities involved in the rehabilitation of offenders. I am confident that the waiver process will allow those who have changed their ways a route back into charity trusteeship or senior management. I hope that the commitments given by my hon. Friend the Minister for Civil Society will provide a degree of further reassurance.

When the National Audit Office reviewed the Charity Commission and reported on it in 2013, it recommended that the Government look at gaps and weaknesses in the regulator's powers. We have done so, and the Bill addresses those gaps and weaknesses. We should however be clear that the Bill provides only one element of the change that is needed.

The Charity Commission was established in 1853 to take on a number of the court's functions in relation to charities. At the time, misconduct in charities was a source of public concern, and that led to the founding of the commission. If we fast-forward 150 years, we can see that the Charity Commission's role is in many ways much the same—focused on ensuring public confidence in charities.

We all want strong, effective, independent regulation of charities. The Charity Commission is making great strides towards that under the strong, clear-eyed and sure-footed leadership of its chairman, William Shawcross, and chief executive, Paula Sussex. They are driving the transformation of the commission into a modern, effective and efficient regulator. However, such a change can happen only with the full commitment and support of the charity commission's staff, and I pay tribute to them for their hard work, which too often goes unrecognised.

The extensions to the commission's powers in the Bill have been carefully thought through. Following public consultation, pre-legislative scrutiny and the Bill's passage through the other House and this place, we have a much-improved Bill. As a result, the commission will be equipped with the tools that it needs to tackle serious misconduct and mismanagement in charities, and to do so effectively and efficiently. I am also reassured by the range of safeguards that accompany the powers, some of which have resulted from consultation and scrutiny.

It is important to stress that most charities will not experience any direct impact from the new powers in the Bill, because most charities are, quite rightly, never on the receiving end of the Charity Commission's powers. However, ensuring that the regulator can act quickly and effectively against serious abuse will support public trust and confidence in all charities.

On public trust and confidence, I now turn to fundraising. It is clear to me that poor fundraising practices had the potential to undermine public trust and confidence in charities. Sadly, there is already evidence of reduced trust. We acted quickly by commissioning the Etherington review last summer. I am very grateful to Sir Stuart and the cross-party panel of peers who supported him. Sir Stuart recognised the serious risk to public trust in the charity sector generally, and the need for change in the fundraising practices of some charities. His review marks a watershed moment.

I welcome the support from Labour Members for our measures on fundraising. This is something on which we all agree there is a need for change. It really is the last chance for self-regulation. Under the leadership of Lord Grade of Yarmouth, it will have every chance. I very much hope that all across the charity sector are willing and able to embrace that. I do not want to have to resort to statutory regulation, but we will if we must. We now have the reserve powers to do so in case they are needed.

I welcome the important contribution on fundraising published yesterday by the Public Administration and Constitutional Affairs Committee, under the chairmanship

[Matthew Hancock]

of my hon. Friend the Member for Harwich and North Essex (Mr Jenkin), who has followed the proceedings on the Bill closely. We will need to consider carefully the report and recommendations before responding fully, but we completely agree with the central finding that it would be a sad and inexcusable failure of charities to govern their own behaviour should statutory regulation become necessary.

On the new social investment power, the Bill will help charities that want to get involved in this exciting new area of finance for charities. We are committed to growing social investment as a sustainable source of finance for charities and other social ventures. The UK is a world leader in this respect, and the social investment power will help charities to play a bigger role.

I am pleased that there is a review provision in the Bill. After three years, it will enable Parliament to look back at the provisions and their impact. I hope that that will be a happy occasion.

The Bill and the improvements it will bring would not have been possible without a huge amount of hard work by many people. I particularly pay tribute to my hon. Friend the Minister for Civil Society and my noble Friend Lord Bridges of Headley for their sterling work in piloting the Bill through. Charity law can be fiendishly complex; they have not only grasped such complexities, but clearly and succinctly explained them to Members of both Houses. They have met a wide range of stakeholders to discuss all aspects of the Bill, and they have introduced amendments to improve it. I also thank my officials from the Cabinet Office and the Charity Commission who have supported the Bill's passage.

I thank my hon. Friend the Member for St Albans (Mrs Main) and the hon. Member for Leeds North East (Fabian Hamilton) for their chairmanship of the Public Bill Committee. I thank the hon. Member for Redcar (Anna Turley), the noble Baroness Hayter of Kentish Town and Opposition Members for their broad support for the Bill. It would be fair to say that we have not agreed on everything, although the rows have tended to be about things that are not in the Bill. We have the shared aim of protecting charities and ensuring that the Charity Commission has the right powers independently and effectively to regulate charities. The debates have generally been constructive and positive and are, in my view, an example of the House at its best.

Particular recognition should go to the Joint Committee on the Draft Protection of Charities Bill, which undertook pre-legislative scrutiny under the wise chairmanship of my noble and learned Friend Lord Hope of Craighead. Its pre-legislative scrutiny resulted in a number of improvements before the Bill was introduced. I thank the Law Commission for drawing up the new social investment power. Its expertise was important in getting the detail right. I give enormous thanks to all others who have contributed in any way.

Finally, I thank my noble Friend Lord Hodgson of Astley Abbots, whose prescient 2012 review of the Charities Act 2006 identified many of the weaknesses in fundraising self-regulation that are being addressed both through the Bill and the implementation of the Etherington review more broadly. That work four years ago showed the path that we have followed and that I hope the House will approve today.

The Bill has had broad support through the long process of consultation and scrutiny. We have listened and acted when we have heard ideas to strengthen it and add additional safeguards. The Bill will support and protect the strong, independent charity sector that is so important to our way of life in Britain, and I commend it to the House.

5.26 pm

**Anna Turley:** It has been an absolute privilege to serve on behalf of Her Majesty's Opposition on the consideration of this Bill. I pay tribute to all the civil servants and Clerks of the House who have worked so hard on drafting it. I thank all the members of the Public Bill Committee, who gave up so much time to scrutinise the Bill line by line in a constructive and positive way that did the House great credit. I thank the Minister and his team for the open and co-operative approach they have taken to working with us, disappointed as I am—although not surprised, as the right hon. Member for Cities of London and Westminster (Mark Field) pointed out—that none of our amendments were accepted.

I want to place on the record my thanks to the Minister for Civil Society, which I did not have time to do on Report, for clarifying a number of points. He said that the Charity Commission is looking at the likelihood that it will give 14 days' notice in most circumstances when issuing a warning. That was an extremely helpful clarification. It was also helpful to hear him clarify that the Charity Commission does not see itself as having a power to direct as a result of the warning. It was important to hear that it intends to notify the charity of the reasons why a warning has been withdrawn, which will allow the public record to be set straight. I was grateful for the clarification he gave on those issues.

I thank all Members who have debated the Bill both here and in the other place, in particular Baroness Hayter of Kentish Town. As ever, our noble Friends did sterling work and the Bill is all the better for their experience and expertise. Many Members of both Houses have brought a great deal of experience and knowledge of the charity sector and, as we found out today, its history in Elizabethan law to our debates, which is greatly to be commended.

Finally, I thank those whom the Bill is for: the millions of people in this country who give up their time, week in, week out, to volunteer, fundraise, donate and support in many other ways Britain's fantastic charitable and voluntary sector. Britain is the most generous developed country in the world and we should be proud of the extraordinary things that are done by extraordinary people in the sector every single day.

There is no doubt that the charity sector has been through a rocky period in the past year. Alongside the ever-shrinking funding from central and local government, the ever-growing demand for the services and support that charities provide, and the ever-increasing public scrutiny, there has been a series of high-profile and deeply damaging cases that, although caused by the actions of a small minority, have had significant repercussions for the sector as a whole.

The sector has taken swift and positive action to respond to those cases, but it is right that, as parliamentarians, we do our bit to ensure that charities have the legislative and regulatory framework they need to enable them to

fulfil their charitable objectives, and to maintain their integrity and the strong public support they enjoy. That is what the Bill seeks to do, and why the Opposition have supported it throughout its journey.

It is vital that we get the framework right and that the powers in the Bill serve to support and empower charities to thrive and flourish, and not to stifle or oppress. Charities are fiercely and proudly independent, and rightly so. They do vital work. They work with many of the most vulnerable and challenging people. Many work in the most dangerous places. Charities have to be able to take risks, innovate, shape new thinking and challenge prejudice. They must be able to find new answers to some of the biggest challenges we face in the world, when politicians too often fall short. Regulating such a sector is no easy feat. Getting the balance of regulation right is therefore critical if we are not to damage all that is good about the sector.

Throughout the passage of the Bill, the Opposition have raised a number of concerns. Although our amendments have not been taken up, we will continue to scrutinise and work with the Government to monitor them closely. There are four aspects I want to set out on Third Reading. Our concerns have not diminished, and we will continue to monitor progress.

First, on the new powers afforded to the Charity Commission, we have tried throughout the passage of the Bill to gain concessions on the new and fairly broad power for the commission to give warnings to charities. As the right hon. Member for Cities of London and Westminster said, there is a danger of self-fulfilling bureaucracies. When we put that together with reduced budgets, there is a big onus on the commission to deliver in an ever more challenging environment. Throughout the debate, the Minister has insisted that the commission's new powers will be used proportionately. We believe that that places a substantial burden of judgment on the commission in the absence of achieving more substantial safeguards in the Bill. We hope he will be proved correct.

Warnings that are meant to deal with low-level issues could, particularly when published, have a significant effect in choking off donations, funding and sponsorship. The reputational damage to a charity could be significant or even terminal. We would have liked a right to appeal a warning through the charities tribunal. We would also have liked to prevent warnings from being published or for the charity not to be identified if the details are published. I was grateful to the Minister for his clarification that the Charity Commission will not be able to direct a charity on the back of a warning. That would have been a significant shift in the relationship and in the independence of charities. We will watch the use of those warnings with care as the powers are implemented.

Secondly, it is important to get the powers relating to the charity trustees right. We were pleased to see the amendment in the Lords that expanded the restrictions on charity positions to those on the sex offenders register but, like the right hon. and learned Member for Harborough (Sir Edward Garnier), the Opposition have concerns—we raised them in Committee—that the detail has not been sufficiently worked through as regards charities that work in the criminal justice system, and that work closely with current and ex-offenders for the purposes of their charitable aims. I welcome the Minister's pledge to work closely to see that through.

On the fundraising powers, we believe the sector has made great strides in relation to the recommendations in the Etherington review, which we welcomed. The legislation supports that progress with improved reporting and monitoring while maintaining the self-regulation of the sector. It is absolutely right that people's privacy is respected, that unreasonably persistent approaches are challenged, that people are not placed under undue pressure, and that vulnerable people are protected. The Bill sets standards for all of those things. We will watch that space carefully to see whether the back-up powers the Minister added to the Bill, which we support, will be required. We hope they are not.

Finally, we have tried unsuccessfully to tackle the measures on the freedom to campaign during the passage of the Bill. The Minister and I will not see eye to eye on this. As was shown by the vote today, the Opposition remain committed to the principle that the right of charities to campaign and influence the political process is a vital part of a healthy democracy and integral to the concept of civil society. As we have discussed today, charities are in the best place to identify problems in public policy, because they are often the ones picking up the pieces of political policy failures. They see the waste and the inefficiency, and they see the opportunity to prevent problems. They can achieve their charitable aims more successfully if they can help to shape the decisions that affect the people and the communities they support.

I am afraid we see before us an illiberal Government who are scared to debate their record or be open to scrutiny and challenge; a Government who have railroaded important proposals, such as tax credit changes, fracking and student grants through Parliament without proper debate; a Government who change child poverty measures and scrap targets they know they will not reach; a Government who see the Freedom of Information Act 2000 as an irritant and the Human Rights Act 1998 as an inconvenience; a Government who refuse to publish Cabinet Office papers for the first time in 50 years; and a Government who have no problem with millions of people dropping off the electoral register.

Charities are but the latest victims of a Government who ride roughshod over the legitimate views and voices of civil society. The Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014 was part of this fundamentally illiberal approach and a deliberate attempt to gag charities by a Government fearful of public scrutiny and accountability. It is a shame the Government did not use the opportunity we gave them today to put right that wrong.

On all those areas and many more, we will continue to hold the Government to account. We will watch the implementation of the Bill carefully, in particular the balance of power between charities and the commission. Fundamentally, we believe the Bill provides a good regulatory framework for the charitable sector, which, if used well, will enable charities in Britain not just to survive in this most challenging of times, but hopefully flourish.

5.35 pm

**Maggie Throup:** I am delighted to speak today on the Third Reading of this very important Bill. The Bill will protect and strengthen the governance of our charities. As a new Member, it has been very important for me to

[Maggie Throup]

take part in all stages of the Bill in this place. I was delighted to be a part of the Public Bill Committee. The process was a really good learning curve.

Our charities play an important role across our nation and I believe we are stronger for the extensive work they carry out. We would be much poorer as a nation if we did not have our amazing charities, and their hard-working trustees, volunteers and staff. Literally millions of generous volunteers really make a difference. Some 41% of people have reported taking part in volunteering in the past year—a massive 21 million people. 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.

Closer to home in my constituency, I have some amazing local charities. The Canaan Trust raises money and supports the homeless. On 1 April, I will take part in its “sleep out” for the third year running. I hope we do not have snow that day to make me a complete April fool. Treetops Hospice provides care at home, rather than in hospital beds, for those at the end of their lives. Home-Start Erewash supports many local families. Community Concern Erewash provides a luncheon club and services, such as laundry and decorating, for those no longer able to do those things for themselves. Ilkeston Community Hospital League of Friends raises money for those added extras that really help patients to enjoy their stay in hospital far more than they would otherwise. The Duchess Theatre is also a charity. I have been in the audience to witness some amazing productions. They are just a few of the charities that make a huge difference to the lives of so many people across my constituency. I would like to put on record just how much their efforts and untiring work are appreciated. Their contribution is so valuable to our society.

Towards the end of last year, I started a volunteering day, which I will make an annual event. Each member of my staff took a day's holiday and went to work with a chosen charity to find out more about it and what it contributes to the local environment. They all found it to be a fascinating experience. The charities gained from that and my staff did, too. I think some residents will also be taking part in future years. For my staff, it was not just about what they could give, but what they received. Anybody who has taken part in any sort of charitable action will know that we give a little bit, but receive so much back.

The same can be said for trustees, who play a very important role. In the past, I have been a trustee for quite a number of charities. Before being appointed a trustee, I went through a rigorous selection and scrutiny process. That is only right, as a trustee has a very responsible position.

Sadly, we have heard bad news stories recently of trustees not being as scrupulous as they should have been. This should not happen, as it reflects badly, and undeservedly so, on charities across the board, even those that are not involved. Although such occurrences are rare, we must do whatever we can to stop them happening. That is why I support the Bill and its aims to strengthen governance and give more powers to the Charity Commission to remove inappropriate trustees.

I also support the measures to protect the public from the unscrupulous and persistent fundraisers who have plagued the elderly and most vulnerable in our society.

As they got older, my parents changed how they donated to charity, having been bombarded by phone calls after giving out their contact details. They managed to stop the phone calls, but it changed how they supported charities: they no longer gave out their personal details, and instead donated in cash and kind. That should not have to be the case. Such bad practice tars all charities with the same brush, so I welcome the introduction of the fundraising preference service.

I will be supporting the Bill on its Third Reading because it is good for the public, volunteers, donors, charity trustees and staff, and charities as a whole, which, whether small or large, play such an important role in our society.

5.41 pm

**Martin John Docherty:** I am delighted to sum up briefly on behalf of the SNP. I hope that the hon. Member for North Down (Lady Hermon) will agree with some of what I say.

I am grateful to the Minister for clarifying the situation of fundraising in Scotland, but it still does not go to the heart of the matter, which is that the Bill impacts on charitable and civic society across these islands. I heard much about how it adds to Britain's voluntary sector, yet it is an English and Welsh-only Bill. There is much to commend in the Bill, but let us be clear: when it comes to Scotland, it will be for the Scottish Parliament alone to legislate on these matters, as was confirmed by the Minister.

I will finish on volunteering and trusteeships. I hope that the Bill improves the situation of volunteering, which the hon. Member for Erewash (Maggie Throup) talked about, because levels of volunteering are going down. Even since the Olympic games, there have been subtle drops in levels of volunteering across all age ranges, not only in England and Wales but on the rest of these islands. We must seek to remove barriers, not just to trusteeships but to volunteering itself. I hope that the Bill is not a barrier to volunteering and that people will see trusteeships as a volunteering opportunity. At the moment, that is not happening.

5.43 pm

**Tom Tugendhat** (Tonbridge and Malling) (Con): I ask the House's indulgence to speak about somebody who has done an amazing amount for charities. I mean Mr Henry Worsley, a colleague of mine in the armed forces—I served alongside him in Afghanistan—who sadly lost his life recently in southern Chile, having walked the most amazing route across Antarctica, only to die two days before reaching his goal. Such people set the example for our charitable sector and push the field that bit further.

In looking after the most vulnerable, needy and lonely, our charitable sector goes that much further than our state can ever go or society imagined possible. It is right that our charitable sector fills that gap. The state cannot adapt, in so many legion ways, to fill the niches, nooks and crannies left by the loneliness, the broken homes, the vulnerabilities of service personnel or the disabled, or whatever the area covered by the charity that somebody's interest falls upon. It is great that today we are not only recognising the importance of the charitable sector, but welcoming changes that will keep it on a safe footing, on a basis of trust and understanding across England

and Wales—but with a model that I hope will be copied in Northern Ireland and Scotland—because charities fulfil that role. Charities place what is best upon us.

If I may, I would like to finish very briefly with one last tribute to Henry, my friend. He really did always go that little bit further. He was the pilgrim; he went beyond the blue mountain barred with snow. Indeed, although in his last podcast he said that his summit was just out of reach, it is true now that he has taken the golden road to Samarkand. That poem would have been well known by members of his regiment, and I know that we are all thinking of his family and his friends today. I welcome the opportunity to pay tribute to him in this House.

5.45 pm

**Mr Rob Wilson:** The House will be pleased to know that I intend to keep my comments brief—I had a long session a bit earlier, so I feel that I have been spoiled today.

I am grateful to all hon. Members who spoke today and who contributed their extensive knowledge and expertise to the Bill throughout its development and passage. I thank all members of the Public Bill Committee for their particularly important contributions. After getting off to a bit of a slow start, we got into some lively, engaging debates as we progressed. I also thank the Chairs of the Committee, my hon. Friend the Member for St Albans (Mrs Main) and the hon. Member for Leeds North East (Fabian Hamilton), who I again congratulate on his promotion to the shadow Cabinet, for keeping us on the straight and narrow.

I would like to single out the hon. Member for Redcar (Anna Turley) for thanks. We have not agreed on everything, as she well knows, but we have agreed on many of the Bill's provisions and, overall, on the importance of an independent regulator for charities—with the right tools to do the job, obviously. Even where we have disagreed, our debates have been good natured and constructive—at least I thought they had been, until Third Reading.

My right hon. and learned Friend the Member for Harborough (Sir Edward Garnier) made an important contribution to ensure that we do not inadvertently damage the important work of rehabilitation charities. I agree with him and thank him for making his points so well.

I should mention the important contribution to the debate on fundraising made by my hon. Friend the Member for Harwich and North Essex (Mr Jenkin) and the Select Committee on Public Administration and Constitutional Affairs. Its timely report yesterday highlights the need for action, but I welcome its conclusion that charities should get one last chance for self-regulation. Also on fundraising, Sir Stuart Etherington is owed a debt of gratitude for his review and report, supported by Lord Leigh of Hurley, Baroness Pitkeathley and Lord Wallace of Saltaire. Their report sets the future landscape for fundraising regulation and gives charities a chance to put things right.

I give particular thanks to my officials from the Cabinet Office and to officials from the Charity Commission who have supported the progress of the Bill throughout its development and parliamentary passage. We are very fortunate indeed to have such high-quality public servants.

I also thank all charities and their representative groups who have contributed their views on the Bill as it has been developed. I particularly single out the Charity Law Association, the NCVO and the Charity Finance Group, along with several rehabilitation charities, for their considered comments and representations. We have not accepted all their points, but the Bill has been improved as a result of their contributions. It now falls on the Charity Commission to implement its provisions in a proportionate and effective manner. I am sure that under William Shawcross's leadership that will be the case, but of course there is provision for the Bill to be reviewed in three years' time—something that I am sure we are looking forward to immensely.

I am sure that there are many others I have missed out who have had an important hand in this Bill and who ought to be thanked, in which case I apologise for not giving them a mention. This is a Bill that has been improved following scrutiny in its draft form and following the scrutiny of this House and the other place. It will help to underpin public trust and confidence in charities, ensuring that they continue in their place at the heart of our society. I commend this Bill to the House.

*Question put and agreed to.*

*Bill accordingly read the Third time and passed, with amendments.*

## Business without Debate

**Mr Speaker:** I shall take motions 5 and 6 separately on this occasion. Yes, the Clerk on duty looks duly quizzical. I fear she might quite reasonably have thought that I was about to suggest they be taken together, but there is good reason not to do so. We will indeed take them separately.

## DELEGATED LEGISLATION

*Motion made, and Question put forthwith (Standing Order No. 118(6)),*

### REPRESENTATION OF THE PEOPLE

That the draft Recall of MPs Act 2015 (Recall Petition) Regulations 2016, which were laid before this House on 15 December 2015, be approved.—(*Kris Hopkins.*)

*Question agreed to.*

**Mr Speaker:** Motion 6 is not moved.

## PETITION

### Transatlantic Trade and Investment Partnership

5.50 pm

**Sir Edward Garnier** (Harborough) (Con): I rise to carry out my duty as the Member of Parliament for Harborough and present a petition on behalf of a number of my constituents who disapprove of and object to the negotiations between the European Union and the United States in respect of the Transatlantic Trade and Investment Partnership. The petition states:

The petition of residents of the UK,

Declares that the EU and the US should stop negotiating the Transatlantic Trade and Investment Partnership; further that the Comprehensive Economic Trade Agreement between the EU and Canada should not be ratified; and further that an online petition on this matter was signed by 330 residents of Harborough.

[Sir Edward Garnier]

The petitioners therefore request that the House of Commons urges the Government to put pressure on the EU and its Member States to stop negotiations on the Transatlantic Trade and Investment Partnership and not ratify the Comprehensive Economic Trade Agreement.

And the petitioners remain, etc.

[P001670]

## Sutton Coldfield Green Belt

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

5.51 pm

**Mr Andrew Mitchell** (Sutton Coldfield) (Con): I am most grateful to you, Mr Speaker, for granting me this debate on a matter of great importance to my constituents. My constituents will note and be honoured that you are in the Chair for this important debate.

The extraordinary and hugely controversial proposal to build 6,000 houses on Royal Sutton Coldfield's green belt is as obnoxious to my constituents as it is unnecessary in the context of the overall Birmingham development plan. No comprehensive case has been made for this destruction of our green belt, and officials from Birmingham City Council have relied upon inertia and a feeling that resistance is futile as the best means of pursuing these ill-thought-through proposals. Nor, as the Minister will know, is this happening only in Royal Sutton Coldfield. Labour councils are pursuing similar ill-conceived proposals in Conservative constituencies outside Leeds, Manchester and Nottingham as well as outside Birmingham, in my constituency.

The people in Sutton Coldfield have spoken out in their thousands and are confident in the Government's commitment to true localism, and in the fact that these plans run counter to the national planning policy framework as the Minister for Housing and Planning himself has confirmed in his statements about the green belt.

We have approached our various different community campaigns in Sutton with some confidence and a modest record of success. We fought the Boundary Commission's plans to dismember our ancient royal town and ultimately secured for Sutton Coldfield one of the very few changes the Boundary Commission made in its national proposals anywhere in the country. We fought to reassert our royal status and thanks to the support of many, and most particularly the Secretary of State for Communities and Local Government, my right hon. Friend the Member for Royal Tunbridge Wells (Mr Clark), we successfully concluded this campaign here in Parliament on 12 June 2014.

Local campaigners fought successfully for our royal town council, which although not yet in perfect form will be set up before May this year. We also fought the disgraceful and destructive Labour Prescott law, which allowed in-filling and back-garden development in our royal town to be treated as brownfield land—something that the coalition Government mercifully overturned as soon as they were elected in 2010, not least following Sutton Coldfield's trenchant campaign.

I must make it clear at this point, however, that we in Sutton Coldfield are not proponents of nimbyism. We fully understand and actively support the view that more homes must be built if future generations are to enjoy the housing opportunities that our generation has enjoyed. That is why Sutton Coldfield councillors have consistently accepted planning applications that have increased the density of housing in Sutton, most recently in the context of the vexed issue of Brassington Avenue. Indeed, we accept that were Aston Martin to choose to come to Peddimore in my constituency—which we ardently hope it will—development would take place in area D of the green belt under the current plan. We have always

said that if area D were needed for economic development that would provide jobs and employment for the future, we would accept it in the greater local interest.

Equally, our green belt in Sutton Coldfield was bequeathed to us by past generations, and we should think with extraordinary care before allowing it to disappear forever under bricks and mortar. Once built on, it can never be restored for future generations. The Minister will also note that the west midlands region has less green belt than any other region of the country.

**Wendy Morton** (Aldridge-Brownhills) (Con) *rose*—

**Mr Mitchell:** I happily give way to my hon. Friend and parliamentary neighbour.

**Wendy Morton:** I am grateful to my right hon. Friend and, indeed, constituency neighbour. Is not the green belt an integral part of the beauty of our neighbouring constituencies and of all that they comprise? I know, and he knows, how much it is valued by our communities.

**Mr Mitchell:** My hon. Friend is absolutely right.

Throughout our campaign, there have been significant campaigning events and marches over the green belt involving hundreds of my constituents. Indeed, I have addressed meetings attended by more than 1,000 people in my constituency. Royal Sutton's Conservative councillors have campaigned vigorously against Birmingham's proposals. I pay particular tribute to Project Fields, led so brilliantly by a local campaigner, Suzanne Webb, and to the three councillors in New Hall whose constituents are most directly affected by these proposals, Councillors Yip, Wood and Barrie. More than 6,000 people from our town have written directly opposing the proposals; all have been ignored. Consultation processes held in holiday periods, and ill-considered comments by Labour councillors that it was all "a done deal" and protest was futile, did nothing to deter the sense of local anger and injustice.

This campaigning of ours is localism writ large. It is the "big society" made flesh. However, my constituents have been wilfully ignored by council officials—ever courteous, of course—as officials have been dispatched to inform us of their political masters' decisions rather than consulting us, and to advise us that resistance is hopeless as this Labour-inspired juggernaut bears down upon us all in Sutton Coldfield. We have been very constructive in advancing alternative ideas, propositions and compromises, none of which has even received the courtesy of a serious response.

There are huge opportunities to maximise brownfield sites in Birmingham, and examples, too, of how to build new and fulfilling inner-city communities featuring proper infrastructure and opportunity. Such developments could make a significant contribution to Birmingham in its emerging role as a key element of the midlands engine. There are between 40,000 and 50,000 existing brownfield opportunities in Birmingham, but alas, my calls for an independent audit of brownfield land in Birmingham fell on deaf Labour ears. There are also new areas covered by the local enterprise partnership which seek house building as part of their strategy for economic growth and new jobs, but again no comprehensive audit has been carried out. There is an enormous opportunity

to build as many as 8,300 homes at Brookhay—more than the entire number with which our green belt in Sutton is threatened.

Most important of all, I have put forward a compromise proposal that there should be a moratorium of between eight and 10 years while the rest of Birmingham City Council's building plans take shape before there is any question of building on our green belt in Sutton Coldfield. That will allow us to take account of updated figures and up-to-date developments, not least the inward immigration figures for Birmingham, which, each time they are examined, vary by a multiple of the 6,000 homes with which we are threatened. This compromise proposal will allow for further consultation in 2023 based on updated figures for housing needs throughout the wider area. That might arm officials in Birmingham with serious and credible arguments for building on the green belt, but such arguments are wholly absent today.

Royal Sutton Coldfield is an ancient royal town with more than 1,000 proud years of history, and the sheer scale of the proposed destruction of our green belt is not easy to describe.

**Julian Knight** (Solihull) (Con): My right hon. Friend is showing himself to be a strong advocate for his constituents and his community. I am disturbed by what I have heard in his speech but I am not surprised. Does he agree that these plans add fuel to the fire in regard to his proposal to break the city of Birmingham up into its constituent parts?

**Mr Mitchell:** That is perhaps a debate for another day, but I agree with my hon. Friend. He understands why such a proposal could make a considerable contribution to good local governance.

As I was saying, the sheer scale of the proposed destruction of our green belt is not easy to describe. The imposition of a colossal 6,000 homes adjacent to our town would be impossible for us to absorb. It would be a wholly inedible Labour dump of concrete, which would change forever the character of Sutton Coldfield and have huge infrastructure consequences, which have barely received the slightest official attention. For example, our local hospitals, which would undoubtedly be affected by these monstrous proposals, have not even been consulted on the plans. The effects on schools, healthcare and other amenities have hardly been considered, and the huge implications of the strain that would be imposed on our transportation systems, alongside the knock-on effect on other communities, are barely understood, let alone addressed.

The people of Sutton Coldfield have cried out against these proposals with an articulate, unanimous and mighty voice, and the Government have a commitment to hear them. We demand that the Government step in to resist these plans. We offer our compromise proposal for an eight-year moratorium on this aspect of the overall plan, and we do so in a spirit of good will for the sake of our town and of future generations. We fully understand the importance of building more homes for the future, but those homes must be built in the right place. We ask the Minister and the Government to heed our cry today, and we ask the Government to accept the case that we have made and to take the necessary action forthwith.

6.3 pm

**The Parliamentary Under-Secretary of State for Communities and Local Government (James Wharton):** I congratulate my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) on securing this debate. I also note the presence in the Chamber of my hon. Friends the Members for Solihull (Julian Knight) and for Aldridge-Brownhills (Wendy Morton), which underlines the importance with which this matter is viewed. My right hon. Friend has painted a picture with a clarity that is rarely demonstrated to such effect in debates in this place, in describing his concerns and those of his constituents. The fact that we are having this debate tonight, that he has covered so many topics and that he has spoken so clearly and forcefully on the matter serves to underline the importance of the issue locally and the importance that the Government must attach to it in considering his concerns.

I pay tribute to my right hon. Friend's strong campaigning for the interests of the royal town of Sutton Coldfield and of his constituents, and I note his clear concern that the nearby green belt should not be lost to housing development unnecessarily or needlessly. May I take this opportunity also to wish success to the new royal town council, due to be established later this year? As we again emphasised in the run-up to last year's general election, this Government attach great importance to the green belt. It is the way to prevent the uncontrolled sprawl of conurbations, and the unwanted merging of towns and villages proud of their special, separate identity. At the same time, as my right hon. Friend recognises, we need to build new homes as well as making full use of existing dwellings and other buildings suitable for residential use. Our national planning policy framework makes it clear that local authorities should heed its safeguards for the environment. Strong restraints and protections are in place.

About 40% of England is protected against development by designations such as green belt, areas of outstanding natural beauty and national parks. Since 2010, we have made significant progress in speeding up and simplifying the planning system, building the homes this country needs while protecting valued countryside and our historic environment.

We issued additional guidance in 2014 to remind local authorities—and indeed planning inspectors—that, in planning to meet objectively assessed local housing needs, they must still have regard to national policies such as those protecting the green belt. My right hon. Friend will appreciate that Ministers cannot comment on draft local plans that are still before the appointed inspector, but in response to his speech I would make the following general comments.

First, on housing, it is widely accepted that England has built too few homes for many years. The pace of housing development was bureaucratic and slow. This drove up prices and rents, and regional strategies imposed central Government targets. Our reforms are now delivering a substantial increase in housing provision: over 639,000 new homes built since April 2010; over 135,000 housing completions in the year to September 2015; planning permission for 242,000 homes granted in the year to June 2015, up 44% on the previous year; and the widening of permitted development to allow better use of existing buildings, which has allowed thousands of office-to-residential conversions.

The success of our reforms depends on getting up-to-date local plans in place. That includes assembling robust and objective evidence of housing needs in each area. So our framework asks each local authority to prepare a strategic housing market assessment to assess its full housing needs.

**Julian Knight:** My hon. Friend the Minister is making a powerful case in terms of the success of this Government's housing policy, but will he also think upon the fact that, as my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) said, Birmingham council has not even consulted the local hospital trust, which covers hospitals in my constituency as well? That trust, the Heart of England trust, is currently suffering severe financial difficulties, and this measure may well add to them. Surely that shows that the local plan was inept?

**James Wharton:** My hon. Friend tempts me to repeat what I said earlier about not wanting to comment on individual plans, but there is a process through which they need to be considered. His views are very important as part of that process. He is articulating them clearly and I am sure they will be heard not just by me and all of us present in the Chamber for this debate, but much wider than that.

**Mr Mitchell:** Of course the Minister cannot comment on the substance of what our hon. Friend has said, but I am sure he will agree that, were it to be the case that the hospitals, already very challenged, had not even been consulted by the authority, that would indeed be very remiss and would suggest that the full duty had not been exercised by the local authority and planning inspector in their researches.

**James Wharton:** Articulate and nimble in his use of language as my right hon. Friend is, he tempts me to go further than I am going to on the specifics, but he makes a very important point with which I can agree in the general. Where a local body charged with delivering a public service, particularly one as important as health, has a strong view, that view should of course be made known and be part of any consultation and consideration, and if it is a view that has a particular planning impact, it should be considered as part of that process. My right hon. Friend and my hon. Friend the Member for Solihull have made their concerns in that area very clear and I will take that away from this debate, along with much else that has been said.

We expect local authorities to prepare strategic housing land availability assessments. In so doing, they have to take account of any planning constraints that indicate that development should be restricted and which may restrain the ability of an authority to meet its need. One of those constraints is the green belt.

The Government continue to attach great importance to green-belt land, which covers 13% of England—a level that has remained constant for many years now. My hon. Friend the Member for Aldridge-Brownhills eloquently set out the importance that her constituents attach to green-belt land, the difference that it makes to communities and how it makes the constituencies of my right hon. and hon. Friends such special places. I welcome her helpful contribution.

Our national planning policy framework is clear that a green-belt boundary can be altered only in exceptional circumstances after local consultation, using the local plan process. That should concentrate the minds of local authorities on ensuring that any brownfield land is put to good use first.

My right hon. Friend is absolutely right to talk about the unidentified number of brownfield sites that are likely to be found in Birmingham. From the outset, the NPPF has been clear that local authorities should encourage redevelopment on brownfield land. Our supporting guidance also advises that local plan policies should reflect the desirability of reusing brownfield land. If desired locally, a local authority can propose for adoption in the local plan its own policy to increase the take-up and prioritisation of brownfield sites. Under our plan-led system, that could be very influential locally.

Following the general election, we made the major commitment to ensure that 90% of brownfield land suitable for housing will have planning permissions for new homes in place by 2020. My right hon. Friend is right to underline the need to find out where any suitable redevelopment sites are and to study the reasons if a potentially useful site is not currently available. The Minister for Housing and Planning is keen to work with areas to develop those too. Brownfield sites differ greatly and local authorities are in a good place to assess their suitability, viability and availability, and that is something that they should do. That is why we are introducing the requirement for local authorities to compile registers of suitable, viable and available brownfield land.

This Government, while stressing the major contribution that brownfield sites can make, are clear about the priority: getting a local plan in place. Indeed, in areas where no local plan has been produced by early 2017, we have said that we will intervene to arrange for the plan to be written, in consultation with local people. That drive to complete the modernisation of the plan-led system, with all its implications for securing sustainable growth and meeting the need for homes, is a top-level commitment, which was reaffirmed when we were re-elected.

Birmingham began to review its 2005 plan in 2007, and recommenced after we abolished the top-down regional housing targets, and brought in the streamlined

locally led NPPF. The current draft plan was submitted in July 2014. I note my right hon. Friend's comments and concerns and his hope that the plan can be stopped. The Secretary of State though found it appropriate to appoint an independent person to examine Birmingham's plan on his behalf, with power to call for more or better evidence if necessary, and to delay a decision if that proved essential.

Inspectors have a vital role in scrutinising plans impartially and publicly to ensure that they are legally compliant and sound. Only in very rare circumstances will Ministers intervene in the process. A plan will be found sound only if it is properly prepared, justified, effective and consistent with national policy in the framework. If the plan contains proposals to adjust a green-belt boundary—as here—it must demonstrate exceptional circumstances, and I hope that this debate will make it clear to Birmingham that local people want to see brownfield first, as national policy supports.

Assuming that a local plan will eventually be adopted, in whatever form it takes, may I remind hon. Members and their constituents that that does not give anyone planning permission? The plan reflects the current best estimate of how much development needs to take place, if a particular level of need is to be met. Moreover, the people of Sutton Coldfield would still have their statutory opportunities to comment and criticise whenever a planning application is made. Even if land is allocated in a local plan, planning applications can still be refused permission in response to evidenced and well-argued objections,

I can tell my right hon. Friend that the Government have heard his case loud and clear, and I would expect others with an interest in this process to have heard the comments that I and my hon. and right hon. Friends have made this evening loud and clear as well. I recognise the importance of this matter, the quality of the well-considered contributions that have been made, and I hope that, at the end of this process, we will reach a place that pleases rather more people than appears to be the case at present.

*Question put and agreed to.*

6.15 pm

*House adjourned.*



# Westminster Hall

Tuesday 26 January 2016

[MR GEORGE HOWARTH *in the Chair*]

## Onshore Oil and Gas

9.30 am

**Kevin Hollinrake** (Thirsk and Malton) (Con): I beg to move,

That this House has considered the potential role of UK manufacturing in development of onshore oil and gas.

It is a pleasure to serve under your chairmanship, Mr Howarth. Shale gas exploration is a key issue in my constituency. Exploration licences have been granted to five operators in Thirsk and Malton, covering the vast majority of my patch. I receive dozens of letters and emails about fracking every week and I care passionately that, if it goes ahead, it is to the great advantage, not disadvantage, of my constituents.

As a local man, I understand why so many local residents worry that the peace and tranquillity of North Yorkshire, including the stunning North York moors, will be disturbed, and why they feel that their lives may never be the same again. I do not believe that that will be the case. As long as fracking is conducted in a balanced and measured way, the advantages for our local and national economies far outweigh the disadvantages.

**David Simpson** (Upper Bann) (DUP): I congratulate the hon. Gentleman on obtaining this important debate. On his point about constituents who have concerns, how do we bring people along and convince them that there is no issue? What job of work needs to be done?

**Kevin Hollinrake**: I thank the hon. Gentleman for his intervention. That is a key issue, which I will come to later on in my speech.

The environmental reasons for moving from coal to gas are compelling. Global carbon dioxide emissions will be found to have declined in 2015, principally owing to reduced coal use in China and the US, and the Intergovernmental Panel on Climate Change and the US Environmental Protection Agency both credit the majority of the US reduction directly to the move from coal to shale. The World Health Organisation recently declared a state of emergency on air quality in many countries. It estimates that the cost of air pollution to the EU alone is a staggering £1 trillion and the human cost is even more dramatic: in 2010, about 600,000 premature deaths in the European region were caused by air pollution.

According to a report by the Health and Environment Alliance, coal-fired power stations are responsible for the following effects on UK citizens: 1,600 premature deaths; 68,000 additional days of medication; and 363,000 working days lost. Diesel cars and coal-fired power stations must become things of the past.

Geopolitically, domestically produced shale can help us develop a more effective foreign policy. Despite growing turmoil in the middle east, UK energy prices are falling in the markets, at the fuel stations and for our domestic energy. Traders can clearly see that the west is developing

independent sources of energy and the British Geological Survey estimated that 10% of the predicted UK reserves could meet our gas energy needs for 40 years.

As with North sea oil and gas, fracking could lead to a new industrial supply chain. In 2014, 375,000 people benefited from employment and tax revenues of £2.1 billion resulted from the North sea oil and gas industry. Reports by the Institute of Directors and Ernst and Young indicate that shale gas could provide 64,000 jobs and £33 billion of domestic investment. Domestic is the most important word. This opportunity could spawn tens of thousands of jobs, and good jobs, too.

In my constituency, we have many world-class engineering businesses and a first-class training organisation called Derwent Training Association, which specialises in training top-quality light and heavy electronic and electrical engineers. Such businesses can be the innovators of the future, taking the industry forward and making it cleaner and more efficient. For example, it is possible to convert methane to hydrogen—a CO<sub>2</sub>-free fossil fuel—and the University of Strathclyde has established the UK centre for hydraulic fracturing to develop quieter, more energy-efficient equipment.

Shale would offer significant opportunities for many UK industries. It is estimated that it would require 12,000 km of steel, worth £2.3 billion. Recycling of waste water by domestic businesses would also be required and that would be a £4.1 billion opportunity. Other opportunities include rig building and environmental monitoring. Our chemicals industry could also be a big winner by capitalising on cheaper natural gas liquids often found alongside shale deposits.

If the UK could demonstrate the success and environmental credentials of shale gas, we could export our knowledge, skills and technologies to other countries in Europe and further afield, just as we did with conventional exploration. We must not repeat the mistakes of offshore wind, where we are the market leader in generation but lack any significant supply chain.

In the future, power generation will be centralised, cars and home heating—probably using air source heat pumps—will be electric and battery storage will be commonplace. Some people will argue that a new fossil fuel is a backward step that will prevent the energy industry from innovating. I disagree. Yes, renewables should be part of the future, but subsidies will only hold back their efficacy. I think that we should have reduced subsidies more progressively, as has happened in the US, but the Government had little choice given the wild and unmanaged overspend overseen—or probably not seen at all—by the previous Secretary of State.

Let us think of the technology sector. Deep Blue is the computer best known for defeating world chess champion Garry Kasparov on 11 May 1997, but a modern smartphone is 30 times more powerful than Deep Blue and made without Government intervention or subsidy. Should not the Government simply set the parameters for CO<sub>2</sub> emissions and air quality and then let industry deliver the solutions? Is that not a better solution than paying homeowners unsustainable amounts of money to put solar panels on their roofs?

Of course, we can contemplate welcoming a new industry only if it is compatible with daily life in North Yorkshire. Last autumn, I paid a visit at my own expense to Pennsylvania to speak to local people, the

[Kevin Hollinrake]

US regulators, academics, protestors and operators about the impacts of the shale gas industry on the economy, the community and the environment. I did not see significant and widespread industrialisation of rural areas, but we do need to learn from early regulatory failures and carefully plan for the industry's cumulative impacts.

We need a single regulator to make sure that there is a clear line of accountability. We need independent regulation and monitoring at every stage and, crucially, a rolling five-year local plan to co-ordinate activities. We need a local plan for fracking, covering a five-year roll-out and detailed solutions for key concerns. We also need traffic plans for the movement of heavy industrial equipment. Heavy industrial plant connected with shale gas, such as compressor stations and refineries, needs to be located in areas used to hosting industrial chemical sites.

We need minimum distances to settlements and schools and minimum distances between sites to prevent the industrialisation that many people are concerned about. We also need to consider the impact on other important parts of our local economies and, of course, the visual impact on our countryside, so we need buffer zones around our national parks and areas of outstanding natural beauty.

In an age of computer-generated imagery and simulated time-lapse photography, we can and must paint the picture for the public on how we can carry out fracking safely and discreetly, or risk years of delays owing to public concern. The effects on the economy and on job creation locally in Pennsylvania were positive, and I met various supply-chain businesses that were clearly thriving.

We must look at the whole picture. We cannot afford to ignore this opportunity. Under this Government, the economy is doing well and unemployment has come down, but we would benefit from having a clean, low-cost, low-carbon, home-grown energy source that supports domestic businesses, creates local, well-paid jobs and makes our economy and our nation strong by generating energy for generations to come.

9.40 am

**Angela Smith** (Penistone and Stocksbridge) (Lab): As always, it is a pleasure to serve under your chairmanship, Mr Howarth. I congratulate the hon. Member for Thirsk and Malton (Kevin Hollinrake) on securing this important debate on the role that manufacturing can play in the unconventional gas extraction industry.

This is not really a debate about whether the UK should develop a shale gas capability. The House has rightly focused on the need for a robust regulatory framework for such an industry, and it will no doubt continue to debate such important issues, but this morning's debate is much more pragmatic. The question before us is clear: if the shale gas industry is going to develop within the clear regulatory framework agreed by the House, how do we best ensure that UK manufacturing can exploit to the maximum the supply-chain opportunities made available by that nascent industry? That pragmatic point is what is important to people up and down the country who have traditionally depended on manufacturing jobs to maintain their prosperity, living standards and

family life. At its heart, this is about a debate that understands the importance of manufacturing to the UK economy.

In the US, which has had a shale gas industry for some time, one of the biggest winners has been the chemicals industry. Shale gas production in the US has seen feedstock costs reduce significantly, giving the chemicals sector a major competitive advantage over manufacturers in the EU and Asia. Shale gas ethane from the US is much cheaper than that from the EU, which is produced from naphtha, a refined form of crude oil. Cheaper energy, combined with cheaper feedstock, has kick-started investment in the US chemicals industry, attracting \$138 billion of investment so far and funding 225 new projects.

In the UK, the chemicals industry is already a major exporter, with about £25 billion of exports. Yearly, it adds almost £9 billion to the UK's GDP, as well as underpinning much of the manufacturing sector, including steel. In terms of competition, the chemicals sector could benefit greatly from a new source of domestic feedstock. It would benefit from lower costs and, importantly, from shorter, more secure supply lines.

There should also be opportunities for many UK-based manufacturers in other sectors to supply an emerging shale gas industry. A report by Ernst and Young estimates that more than 39,000 indirect jobs could be created by UK shale gas extraction. It also suggests that the total spend involved in bringing UK shale wells into production would be £33 billion by 2032, which would include £17 billion on specialised equipment, such as high-pressure pumps and mixers. I note with interest that EEF has said that, although the majority of pumps are currently manufactured outside the UK, with some assembly done here, there is significant potential to increase UK production. However, if UK manufacturing is to benefit, it will be necessary to build the case for investment in those things, and that is my first ask to the Minister.

This is, however, not just about pumps; it is also about the sand that will be required for the fracking process. That will come from existing quarries and could generate a £2 billion spend in the UK from 2016 to 2032. This is also about the cement, for which there could be a nearly £1 billion market, and that cement could come from the UK's four cement manufacturers. We cannot afford to dismiss that potential.

For me, as a south Yorkshire MP, however, the most exciting prospect lies in the opportunities the shale gas industry could create for steel manufacturing. Steel is in crisis. A global slump in demand, contractions in the oil and gas industry and the dumping of cheap, subsidised steel on global markets by the Chinese have combined with high energy costs and unsustainable business rates to create a debilitating sense of volatility in the industry. I acknowledge entirely that the industry must respond positively to the challenges it faces, but if UK steel is to develop a positive way out of its difficulties, it needs Government support.

**Tom Blenkinsop** (Middlesbrough South and East Cleveland) (Lab): My hon. Friend is making a good case in relation to the UK steel industry, but the shale industry could help other integrated industrial sectors in the wider economy to develop, and one of those is carbon capture and storage. In a world where fossil fuels are getting cheaper, we should be using pots of

funds originally used for renewables for CCS, and the Government should review their decision to get rid of it. In addition, non-conventional gas such as syngas, which comes from coal gasification—there are still tons of coal in the Durham coalfield under the North sea—could be less than 50% of the price of conventional gas. Those two pillars could lead to an industrial renaissance in some areas.

**Angela Smith:** I completely agree with my hon. Friend on both those points. On CCS, it is difficult for the Government to make progress on gaining public acceptance for the shale gas industry, and part of the argument against the industry has always been the emissions and the problem of using fossil fuels into the foreseeable future. CCS is one of the key ways we can deal with that issue and that argument. If there is to be a long-term future for any fossil fuel, the Government must think again about their abandonment of CCS technology.

We need to understand that the nascent shale gas industry offers one of those rare opportunities to create new demand for steel—something we badly need at the moment—and a new sense of hope that there is a positive future for one of our foundation industries. As United Kingdom Onshore Oil and Gas points out, the crisis that the industry faces will not be solved just by dealing with issues relating to energy and business rates, important though those issues are. It needs to be addressed by supporting UK steel to play a bigger role in manufacturing supply chains domestically and globally. This is about the Government supporting the development of a wider range of steel capabilities, by building the business case for the development of a UK shale gas supply chain.

What we do not need, as the hon. Member for Thirsk and Malton said, is a repeat of what has happened with the UK's offshore wind industry, where we have missed opportunities to build a robust supply chain, despite our strength in the wind energy market. This time, the Government can get things right by working with industry and by supporting the building of a business case for developing shale gas. They can encourage confidence among investors and supply-chain companies and prevent the industry from meeting the fate that has befallen the green energy sector.

Steel's opportunities as part of the shale gas supply chain focus on two main capabilities. First, as was pointed out earlier, the shale gas industry could need more than 12,000 km of high-quality steel casing, costing £2.3 billion. It could also need 50 drilling rigs, which would cost £1.6 billion to manufacture. So how do we make sure that we make the best of British, in meeting that potential demand? I suggest that we need first to identify the best means of making the UK contribution to the rigging requirements of the shale gas industry. That may or may not mean the domestic manufacturing of the rig components; but at the very least there is great potential for exploiting domestically the need to upgrade rig components to UK standards and to provide ancillary equipment. According to EEF, that market could be worth £1.2 billion. That is a good, practical, pragmatic way forward, which the Government could help to deliver.

As to the steel casing, the problem is, of course, that the UK manufactures welded tubing—not the seamless tubing required by the industry. UKOOG points out,

however, that a significant amount of work is required on seamless pipes before they are ready to be used by the shale gas industry and that that could and should be done in the UK. That position is supported by EEF. I would prefer it if the necessary investment could be made to give a UK home to such a manufacturing capability once again; but, however we look at the issue, the Government have a role to play in supporting the steel industry to exploit the opportunities available and thereby to secure a better future for itself.

The Government need to support the establishment of the business case for all aspects of the shale gas supply chain, with particular urgency in relation to the steel aspects of that supply chain. As UKOOG points out,

“We are at the start of the shale journey and the steel industry needs help now.”

UKOOG has pledged to work with the Department for Business, Innovation and Skills to see whether any support can be given. That is incredibly helpful. What we want from the Minister today is a commitment to ensuring that that offer of collaboration from an industry that in a sense is new to the UK—shale gas extraction is new—is taken up enthusiastically by the Government; we want it to be translated into a supply chain strategy that guarantees that the best of British will lie at the heart of a successful, safe and environmentally sustainable British shale gas industry.

9.52 pm

**Graham Evans (Weaver Vale) (Con):** It is a pleasure, as always, to serve under your chairmanship, Mr Howarth. I congratulate my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) on securing this important debate. It is a pleasure to follow the hon. Member for Penistone and Stocksbridge (Angela Smith), who, in a campaigning speech, made some powerful points on behalf of her constituency and in favour of well-paid jobs and the future of the steel industry in south Yorkshire.

I am the chair of the chemical industry all-party group and co-chair of the energy-intensive industries all-party group. The UK chemical and pharmaceutical industries have a strong record as manufacturing's No. 1 export earner. However, the fact that they are energy-intensive industries that compete globally means that their export success is critically dependent on secure and competitively priced energy supplies.

The chemical industry uses energy supplies both as fuel and as a raw material to make the basic chemicals that provide key building blocks for almost every sector of manufacturing and the wider economy. UK energy supplies are becoming uncompetitive and less secure. Supplies of North sea gas for use as raw materials and fuel are diminishing, and there is increased reliance on less secure supplies of imported gas. Our onshore oil and gas reserves offer an unrivalled opportunity to secure our energy supply for the future, crucially lessening our dependence on foreign energy markets while also creating tens of thousands of high-skill, high-wage jobs and generating billions in tax revenues.

The political realities in Russia and Ukraine, as well as parts of the middle east, show in no uncertain terms the increasing importance of energy security in the coming years. We cannot afford to be complacent. It is estimated that fracking has offered the US and Canada approximately 100 years of gas security, and it has

[Graham Evans]

presented an opportunity to generate electricity with half the carbon dioxide emissions of coal. Our shale reserves offer a stepping stone in our transition to a low-carbon future, especially the move from coal. Fracking can undoubtedly provide us with a legitimate, cleaner means of gradually bridging the gap between fossil fuels and renewable energy. Our energy security and the reduction of CO<sub>2</sub> emissions are critical considerations when we think about fracking as part of a broad energy mix, but I firmly believe that scientific and engineering evidence should be front and centre.

The safety and security of people, their homes and their businesses are paramount to any discussion. As I have said in the past, I cannot and will not support anything that may pose a risk to the health, safety and wellbeing of local residents, the natural environment, homes or businesses. Perhaps that is an area in which the Government need to do more to convince the great British public. I recently held two public meetings, in Frodsham and Helsby, where there is currently fracking exploration. I invited representatives of the Environment Agency, Public Health England and the Health and Safety Executive, together with a local property surveyor, representatives of Ineos with more than 50 years' experience in the industry, and a rather sceptical professor.

The meetings were particularly well attended. It is interesting that the public bodies are relatively poor at getting points across. They are there to reassure the public, but they are reluctant public speakers. They are reluctant to engage face to face with members of the public, who have legitimate reasons to be concerned. People may have been told that their property will not be worth as much, that it may be susceptible to subsidence, or that their health may be at risk. There are many such stories—I regard them as scare stories, but they are based on what is said by powerful lobby groups such as Frack Free Dee, which point to what has happened in Australia and America in the past.

**Kevin Hollinrake:** I had a similar experience at a public meeting in my constituency. All the regulators were on a panel there, and it was clear that some questions and answers fell between the cracks. Does my hon. Friend accept that a single regulator with overall responsibility for the industry would improve public confidence?

**Graham Evans:** My hon. Friend makes a powerful point, and I agree. The three agencies involved are the Environment Agency, Public Health England and the Health and Safety Executive, and they go together as a threesome. If the Environment Agency says it cannot or will not attend, Public Health England and the HSE do not turn up. They go as a triple act. The people involved must of course be skilled in what their agency does, but I point out to the Minister that that should include being skilled in public speaking. That means speaking to the public in plain language, not jargon. People's concerns are legitimate, but I also believe that there is evidence available to reassure the public. I am sorry to say that it is a struggle. We politicians are used to knocking on doors and being eye to eye, face to face, with the public, so we can argue and explain complicated issues to our constituents. However, the public agencies need to raise their game and stop using jargon.

**Kevin Brennan** (Cardiff West) (Lab): The hon. Gentleman is making a compelling point. There was a day, obviously, when civil servants of that type did not engage at all with the public. Did he consider inviting a Minister to explain things, given that Ministers are responsible for policy and have the skills he is talking about?

**Graham Evans:** No, I did not consider inviting a Minister. It was a Friday night in the north-west of England, on a wild, windy and wet night. I would not expect my right hon. and hon. Friends to support me. We constituency MPs are perfectly placed. We are experienced enough, and we know the public and the area. I chaired the meeting, and I believe it is the role of the MP to do that, and to reflect all the concerns that exist. The public agencies are there to reassure the public, because not all members of the public believe what politicians say, but I also had independent people there. There was an independent professor there, who was a sceptic, but also a local businessman who was an expert in property values, and representatives of Ineos, a good local employer and well known chemical company.

Those public meetings were a great success. Despite the suggestion of the hon. Member for Cardiff West (Kevin Brennan), I would not expect a Minister to be at such meetings, but I would expect the public agencies to be there. My hon. Friend the Member for Thirsk and Malton made a good point, and we should have the expertise there to reassure the public. We are asked for guarantees; we cannot guarantee anything, but the whole point of the Environment Agency and Public Health England is to hold Government, the contractors and the companies to account.

I regard this as a first-world problem. We are a great manufacturing nation, and we need to keep it that way for high-wage jobs. When I became an MP in 2010 we had a wind farm application on Frodsham marshes, which went ahead. We also had four applications for energy from waste sites, otherwise known as incinerators, surrounding Weaver Vale. Two of those have planning permission, one is in operation and one is currently being built. Energy is clearly a thing of the 21st century in a constituency such as mine, which is part of Cheshire. Cheshire is regarded as a rural county, but it has expertise in engineering and chemicals.

The potential benefits of additional high-skill, high-wage engineering and manufacturing jobs and the increased security of our energy supply are too important to neglect. Hydraulic fracturing is an established technology and has been used in the oil and gas industries for many decades. The UK has more than 60 years' experience of regulating the onshore and offshore oil and gas industry and is a world leader in the field. I believe that if the best engineering practices are used alongside a robust inspection system, fracking can be carried out safely in our constituencies. Engineering and chemical industries are a vital part of the northern powerhouse, especially if we want to ensure a high-wage, low-tax, low-welfare economy in the north-west of England.

10.1 am

**Stuart Blair Donaldson** (West Aberdeenshire and Kincardine) (SNP): It is a pleasure to serve under your chairmanship, Mr Howarth. I congratulate the hon.

Member for Thirsk and Malton (Kevin Hollinrake) on securing the debate. I read about his visit to Pennsylvania with great interest.

Onshore oil and gas operations use rigs, casing, pipework and other components in the drilling and stabilisation of wells. Those terms will be familiar to many of my constituents in West Aberdeenshire and Kincardine, and to many people throughout the north-east of Scotland who work in the offshore oil and gas industry. Indeed, unconventional oil and gas extraction already takes places to some extent in the North sea.

Furthermore, Scotland has a long history of unconventional onshore extraction. James “Paraffin” Young, who lived in my constituency in Durriss for a time, was extracting shale oil in West Lothian as far back as the 1850s. At one time the industry employed 4,000 men, but the availability of cheaper forms of oil meant that it died out. I understand that concerns about the environment and the impact on public health were not taken as seriously in the 19th century as they are today, but the impact of unconventional oil and gas on our environment, communities and economy needs to be fully understood. That is why, on 28 January 2015, the Scottish Government introduced a moratorium on onshore unconventional oil and gas, including hydraulic fracturing. The Government also announced a programme of research into the issues surrounding it, as well as a full public consultation.

The moratorium will allow time for careful examination of the issues and proper engagement with the public in considering them. The comprehensive programme of research includes projects to investigate possible climate change impacts; a full public health impact assessment; further work to strengthen planning guidance; further tightening of environmental regulation; research on transport impacts; seismic monitoring research; consideration of decommissioning and aftercare; and economic impact research.

People who live near places where there could be onshore oil and gas extraction are rightly concerned about the potential impacts—other Members have mentioned that and given good advice on why local people may not need to be so concerned. That is why the Scottish National party-led Scottish Government are taking a pragmatic, responsible and evidence-based approach to the development of onshore oil and gas.

10.3 am

**Neil Parish** (Tiverton and Honiton) (Con): It is a pleasure to speak under your chairmanship, Mr Howarth. I thank my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) for securing the debate. He is quite a brave man—I can stand up and support fracking because it largely does not affect my constituency, but when fracking does affect a Member’s constituency, supporting it is a much braver thing to do. He made a measured speech, as did my hon. Friend the Member for Weaver Vale (Graham Evans). We have to ensure that the public understand what we want to do, because they want to be reassured that it will be safe.

I have made the point before in this Chamber that we sometimes miss a trick in this country. I spent 10 years in the European Parliament—do not blame me for everything that happened in Europe over that period. In France, for example, when they build nuclear power

stations they ensure there are houses, roads, infrastructure and leisure facilities. I am not saying we can do all of that with the fracking industry, but we can make the industry more beneficial for local residents. That is what we need to do, because at the moment we are not really selling fracking very well. That is the trouble; we need to sell it.

**Tom Blenkinsop:** Carbon emissions are obviously a big issue surrounding shale or any form of fossil fuel extraction. We have to treat CO<sub>2</sub> as not only a waste product but a potential by-product, because the chemical industry already uses it as feedstock for a lot of different things, including agriculture, the bottling industry, the canning industry and the food preparation industry in general. It is the purest form of CO<sub>2</sub> when it comes through those energy-intensives. We need to educate people about the benefits of fossil fuels, the CO<sub>2</sub> from which can be sequestered and used again, thereby reducing the emissions that they create.

**Neil Parish:** The hon. Gentleman makes a good point, but we have to ensure that the people who will be living around the mouths of the wells, where the shale gas comes up to the surface, feel that there is a direct benefit to them. It is good to appeal to the greater good, but it is also good to appeal to those who will see the fracking most. That is the particular point I am making.

**Angela Smith:** Does the hon. Gentleman acknowledge that there are already plans on the table to return to local communities some of the investment and profit from the shale gas industry—something like 6% of the value of the gas extracted?

**Neil Parish:** I think there are such plans. There are various ideas, such as sovereign funds, but again, we need to explain to the local residents that they will get that money. One problem in the past with many such schemes has been that the money has not filtered down to the local people who have to live right next to the entrance to a shale gas resource. That is what I want to see.

We need to ensure that we explain the situation to local people and that they know there will be something in it for them—I know that may sound basic—and that they are doing something for the greater good. I will go on to talk about industry, but the hon. Member for Middlesbrough South and East Cleveland (Tom Blenkinsop) made a really good point: fossil fuel extraction is necessary. We need only take the agricultural industry, in which natural gas creates ammonium nitrate, to see that it is hugely necessary.

My hon. Friend the Member for Thirsk and Malton made a point about having a single regulator, which is a good idea. It is about reassuring the public. The fracking will take place far underground and there is little or no chance of any problems with groundwater supply, but people are talking about those things. Those who are against fracking make much of them, so they need to be reassured. We must ensure that someone goes to the areas in question and presents the case strongly, so that people feel reassured about the safety of fracking. People can always cite problems in certain parts of the world, which makes it doubly important that we reassure people.

**Tom Blenkinsop:** The hon. Gentleman is being generous with his time. I want to back up what he is saying. He is a fellow North York Moors MP, where we have the Boulby potash mine in the national park. The mine goes more than 1 mile underground and 2 miles out under the North sea. Although it does not use the same technology, it goes through the same strata that the shale and gas industry will go through and is completely controlled. When large developments such as that occur, there is initially big uproar and upheaval, but the mine now employs more than 1,000 people. Although it is sadly letting people go, without it, the community would not have benefited from the well-paid jobs and solid employment they have reaped over the past 30 or 40 years.

**Neil Parish:** The hon. Gentleman raises an interesting point. I became very much involved with potash, because it is important in growing crops. We have such a massive amount of potash that we can probably produce enough not only for this country but for virtually the whole world. As he says, everybody has to be reassured that the processes can work together.

I am really heartened by this morning's debate, given what I was expecting—perhaps I am tempting fate, as Members may yet come in with the opposite view. I often think that when we are talking about shale gas, it is easier to support those who are protesting against it. They make an awful lot of noise and have a fair point to make, but they get almost undue attention, and I think we have to be realistic about the potential for shale gas and the resource that we have.

To pick up on a point that my hon. Friend the Member for Weaver Vale made, we are potentially very reliant on gas from Russia, given that it may well come through Europe to Britain. We also import an awful lot of frozen gas from the middle east by tanker through Milford Haven. All those routes are susceptible to problems, and we will need a lot of gas in future. As we reduce our carbon emissions, there will still be a great need for gas. I think about 40% of our heating in this country comes from gas, and when people have gas in their homes, they expect to be able to turn on the gas boiler or gas fire. It would be wrong of people on all sides of the political debate not to allow shale gas to be got out of the ground, although we have to make sure that the controls are there, that we can do it safely, and that local communities feel that they get huge benefits from it.

We will continue to need gas as we decarbonise, particularly for heating and manufacturing. If we are not able to extract shale gas, the UK will have to import. In 2014 the UK imported 48% of its gas needs, and in 2030, without shale gas, it will import three quarters. Shale gas is still in its exploration phase, and if production is successful, it could vastly reduce gas imports. National Grid projects that it could meet about 40% of UK gas demand by 2030, but we need to get the process up and running if we are ever to hit that figure. We have to make shale gas extraction much more acceptable to local people, and we need to have a single regulator.

Additionally, shale gas extraction has the potential to create more than 64,000 jobs, which would not only help our long-term economic plan but ensure energy stability, which, with our ever-growing population, is a matter of increasing concern. Furthermore, the shale gas industry could help to revitalise our struggling steel

industry. If shale gas extraction were to take off in the UK, the industry could need more than 12,000 km of quality steel casing, which would cost in the region of £2.3 billion. I have looked into that, and it is interesting that the type of pipes that are needed are not manufactured in this country. If we were to go into shale gas in a big way, we could invest in the steel industry to get it back up and running.

**Tom Blenkinsop:** The two tube mills in Britain are in Corby and Hartlepool, and they could easily be adapted to produce non-welded tubing. Of course, there is also a very good site in Teesside that is no longer being used. Again, that site could be adapted to provide non-welded tubing if virgin steel were produced once again there.

**Neil Parish:** I agree with the hon. Gentleman, because a way of supporting our steel industry would be to make sure that we produced British steel that went into the British shale gas industry. We would also be certain that the steel pipes that we produced were of great quality. We should be able to reassure the general public about the quality of that steel piping, so it could be a win-win situation.

In the US, having abundant cheap shale gas has helped to attract \$138 billion of investment in the chemical industry, which is funding something like 225 new projects. The US has also brought a huge amount of its manufacturing back to that country because of its supply of shale gas. I do not believe the UK has quite the resource that the US has, but it will make a significant difference.

This has been a good debate, with many ideas being raised that I hope the Minister will take on board. My final point is to repeat what I said at the beginning: we have to make sure that the plans are acceptable to local people and benefit them. We have to bring out into public exactly what safety measures are being put in place, and we have to make that argument clearly in public meetings. We should ensure that we bring shale gas out of the ground in this country, to create better energy security in the future.

10.16 am

**David Mowat (Warrington South) (Con):** I congratulate my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) for leading the charge on this. It seems that the key word in this debate is “manufacturing”, and it is good to have a discussion that focuses on that. I thought that the hon. Member for Penistone and Stocksbridge (Angela Smith), in particular, made an extremely good speech, not only about the shale industry and manufacturing in that area, but the impact on manufacturing generally. It is very hard to have a march of the makers when we have higher electricity and feedstock costs, and generally a higher cost environment than our competitors, particularly those on the eastern seaboard of the US. Those points were well made.

I support the shale industry, which I have spoken about in the past. I completely agree that the concerns of local MPs—I have a fracking site in my constituency—need to be listened to. The industry needs to be well regulated and safe. I will come on to—what did we hear?—the “pragmatic and responsible” position apparently taken by the SNP.

I completely support the need for good regulation and local involvement, but I also have to say that sadly, in my view, the shale industry in the UK is not going to take off with the current prices of oil and gas. At \$28 a barrel, the US shale industry is closing down and it has much more significant economies of scale than we have—the cost is something like \$50 or \$60 a barrel over there, and the gas price is linked. There will have to be closures. Frankly, in Aberdeen, we are seeing the impact of \$28 a barrel. That is only just starting to hit Aberdeen, because \$28 is higher than the operating cost in the North sea, let alone development and exploration.

I will put that caveat to one side and turn to the manufacturing potential of the industry—I hope I am wrong, however, and that perhaps prices will increase. We do not know.

**Angela Smith:** I thank the hon. Gentleman for his kind comments. Is it not also the case that the shale gas industry is much more fluid, dynamic and has much lower start-up costs than the oil industry, for instance, and that, in the long term, shale gas probably has a better future?

**David Mowat:** All that is true—and it is much more tactical, quicker and goes on from one to another. It does not have the big up-front development costs of, for example, North sea platforms. That is true, but it is also true that the wells do not last as long. The fact is that in the US, the shale industry is a \$50-a-barrel industry, and at \$28 dollars, that industry is in trouble. That is the whole strategy that the Saudis are taking and is what they are trying to achieve. They are going to be successful unless other things make them stop.

The title of the debate, however, is “Onshore Oil and Gas”—not shale. I say that because it is worth remembering that we have an onshore oil and gas industry. We have drilling and have had it for the past 30 years in places such as the New Forest, without the level of controversy that appears to surround this industry.

Other Members have talked about this, but let us examine briefly what has happened in the US shale industry. The industry has reduced the cost of gas by two thirds and has been converting—unfortunately, this also might stop—liquefied natural gas import ports to become LNG export ports. Equally important, the US has met any climate change target that anyone has given it. It did not sign up to Kyoto, but it would have met it by miles because of the displacement of coal by gas in its carbon emissions.

I want the House fully to understand that if the world were capable of taking out all coal and replacing it with gas, which is a big ask, it would be equivalent to increasing the amount of renewables in the world by a factor of six. That would be real progress in emissions. When political parties talk about carbon emissions—we heard about that earlier—without giving cognisance to that fact, it is frankly disingenuous at best.

**Kirsty Blackman** (Aberdeen North) (SNP): On emissions and greenhouse gas, it is relevant to think about methane emissions when natural gas is used instead of coal. We need to consider that, and not just the carbon emissions.

**David Mowat:** That is a strong point and I agree with it. It is extremely important that, as in the US, there are no methane emissions. We have seen over and again in

places such as Pennsylvania that methane is not emitted and that some of the scare stories are not true. I am sure that when the Scottish Government conduct their pragmatic and responsible review of the industry they will find that out for themselves.

In the US—I will not repeat my points—there are two elements in what cheap energy can do in manufacturing. The US has created around 200,000 jobs in that industry but, more important, the estimate is 1 million jobs in the onshoring chemicals industry in the US eastern seaboard. The transformation is extraordinary. It is re-shoring industry from Asia, China, Europe and, frankly, the UK.

Organisations make marginal decisions—this is not about closing Teesside and moving it to the US. When it comes to the marginal decision of where to open the next production unit, it will not be in Grangemouth, Teesside or Runcorn, but in Pennsylvania or Cleveland because that is where energy prices and feedstock prices are so competitive that more money can be made. We need to be cognisant of that. We sometimes talk in this House as though it is a new industry, but it is not.

The question arises—it is a fair one—of whether that applies to the UK. I have heard it said many times that things are different in the UK. It is true that we have a smaller manufacturing base and a much smaller chemicals industry, so perhaps it will not be so dramatic. People sometimes say, “Well, US gas prices have reduced by 70%, but that can’t happen here because we are on a European grid.” Generally speaking, when there is more of a commodity, the price falls. It is true that we have a European gas price and a European hub, but we had a global market for oil and look at what shale eventually did to the oil price. We are still living with that.

**Tom Blenkinsop:** I take on board what the hon. Gentleman is saying about a sheikhs versus shale fight, but the reduction in general fossil fuel prices, because of the online, downstream effect of renewables in the last 10 years, has also had an effect on driving down fossil fuel prices. The future of shale could be very beneficial to energy intensives because of cost, which is at least 50% cheaper than conventional gas. In addition, most of those industrial sites in Britain are located close to where those feedstocks are found.

**David Mowat:** I meant to say at the start that with current prices where they are, I do not think we will see a massive upkick in the UK’s shale industry. I think that will happen where shale is available near a chemicals site—INEOS in Runcorn and in Grangemouth is an example—because the costs and economics are different.

**Tom Blenkinsop:** Rather than seeing shale as a means by which to reduce consumer prices for heating boilers, for example, we should also have an industrial strategy that targets the use of shale gas for cheap energy-friendly intensives because that would be a cheap benefit.

**David Mowat:** My point was more about feedstock. I have no problem with an industrial strategy along those lines, although I make the point gently that the million jobs that were created on the eastern seaboard of the US were the result not so much of industrial strategy, but of a massively cheaper economic model and business case and all that goes with that. We need to learn from that.

[David Mowat]

The Chairman of the Select Committee on Environment, Food and Rural Affairs, my hon. Friend the Member for Tiverton and Honiton (Neil Parish), made a number of points about the fact that we are running out of gas. This is not principally a discussion about whether we should have gas versus renewables. It is gas versus coal, as I said earlier, in environmental terms. Gas production is now 70% lower than five years ago and we are importing it from Qatar and principally from Norway, but increasingly from Russia. Centrica has a contract with Gazprom and around 10% of our gas will come from Russia by 2020. We need to understand that and be comfortable with the implications.

**Alex Cunningham** (Stockton North) (Lab): I am sorry I was not here for the start of the debate. The hon. Gentleman has talked a lot about the proximity of supply and forward gas production over the years. Will he talk a bit about coal gasification, which could be so important and is so close to Teesside and the north-east, for our energy-intensive industries?

**David Mowat:** I am not sure whether that was a request for me to talk about coal gasification. I will not because I have been talking for 10 minutes, but I agree that it is a complex market and an opportunity for Teesside. Our country's industry base in Teesside is extremely important to all constituents there, and I completely agree with that.

On Wednesday, I had dinner with the head of Ernst and Young in the UK and I said that one thing that annoys me about parliamentary debates is that we quote reports from people like Ernst and Young as though they are some sort of gospel. We all say, "That's what they say, so it is true and I will go with that." It said in its recent report that it estimates that 64,000 jobs will be created in the shale industry alone, 6,000 direct and the rest in the supply chain, steel and so on. I return to the US experience where more jobs were created in the industries that benefited from the lower feedstocks than in the direct industry—the chemicals industry and so on.

**Angela Smith:** I thank the hon. Gentleman for making that important point. Does he recognise that the steel industry unions are one of the biggest supporters of the shale gas industry in the US?

**David Mowat:** I think the steel industry unions are right, as are the chemicals and aluminium industry unions. The US, unlike the UK, still has an aluminium industry, principally because energy prices there allow it to happen.

**Neil Parish:** The US has reduced its gas price hugely to attract the industry. When we extract shale gas, will we reduce our gas price or will we keep it the same? That is an interesting point because, if we are to encourage the industry properly I suspect we will have to reduce our gas price.

**David Mowat:** Gas prices are set by the market. We have a spot price for gas which is set in the European gas market. People have made the point that the European price will not decline in the same way as in the US. That

may be true, but I make the point again that they could have said that about oil and shale oil. We have seen what has happened there. Clearly, the more there is of something, all other things being equal, the more the price falls. Fuel poverty is not the subject of this debate, but many people are living in fuel poverty in our country and we should all be keen to have lower energy prices.

Before I close, I want to pick up on the pragmatic and responsible points made by the Scottish National party. All of us as Members of Parliament have a leadership role in our communities. We heard my hon. Friend the Member for Thirsk and Malton exercising his leadership role. Of course he faces pressures in terms of the environment of the Yorkshire dales, but he also understands that we need jobs in our country and we need to create wealth. Importing gas at scale from Qatar, Russia and Norway takes jobs away from our country and has an impact on industries in Cleveland and so on. That is the exercise of leadership. "Leadership" is an important word, and all of us in this place need to exercise leadership. Saying that we are going to have a moratorium on this activity because that is responsible and pragmatic when the reality is that this industry has been going for 10 years and can go to Pennsylvania, like my hon. Friend did, and have a look—it can do all of that—is what I would describe as negative leadership, and it is populist politics because there is a body of people out there who are receptive to that; and that is not what any of us were elected to this place to do.

**Mr George Howarth (in the Chair):** We have approximately 30 minutes left. That should be adequate time for the three Front Benchers, but I caution them that the hon. Member for Thirsk and Malton (Kevin Hollinrake), who moved the motion, has said that he would like a few minutes to sum up at the end.

10.30 am

**Kirsty Blackman** (Aberdeen North) (SNP): It is an honour to serve under your chairmanship, Mr Howarth. I thank the hon. Member for Thirsk and Malton (Kevin Hollinrake) for bringing this debate to the House; that is very much appreciated. I am delighted to follow the hon. Member for Warrington South (David Mowat), because he picked up on a few points from the SNP and this is a good time to discuss those. I am also pleased that my hon. Friend the Member for West Aberdeenshire and Kincardine (Stuart Blair Donaldson) said some of what I was planning to say, because that means that I can get through my speech a bit faster.

My hon. Friend laid out the SNP position. We are looking at a comprehensive programme of research, and the consultation is due to end in spring 2017. Mary Church, head of campaigns for Friends of the Earth Scotland, said:

"This framework for reviewing shale gas fracking and coalbed methane looks like a well designed process, over a sensible timescale...undertaking a thorough review of unconventional gas cannot be rushed."

If we are to exercise leadership and take the public along with us on this issue, a comprehensive review and a moratorium in the meantime is a sensible approach.

**Graham Evans:** The hon. Lady quotes Friends of the Earth. Is that the same Friends of the Earth that distributes misleading information to the general public by direct mail?

**Kirsty Blackman:** I have never received any misleading information from Friends of the Earth, so I cannot answer that point.

I want to make a few points about fracking. I do not understand what the hurry is. As the hon. Member for Warrington South mentioned, the gas price is pretty low at this point. The risks are not that well known yet. Fracking has been undertaken on an industrial scale really only since the very late 1990s and early 2000s. It does not have a body of evidence behind it. In terms of the rush to do this, the UK Government are trying to paint this as a gas versus coal debate—looking at our energy needs in terms of gas versus coal—but we have been shouting about other things. We have been making the case for things such as renewables and putting them front and centre. I do not think that this is a gas versus coal debate, no matter how much the UK Government try to paint it as such.

**Angela Smith:** For the record, the term “fracking” is not that helpful to the debate, but surely the key point of today’s debate is the importance to the future of UK manufacturing of giving this industry the support that it needs to get going. On that basis, there is surely a sense of urgency around all this. UK manufacturing needs new industries and new activity in order to grow.

**Kirsty Blackman:** I appreciate that point and I will come on to manufacturing; I just wanted to answer first a few of the points that had been brought up throughout the debate. “Fracking” is the term that my constituents use and the term that is recognised throughout the UK. That is why I was using it.

It has been mentioned a lot that we should ensure that controls are in place and there is proper regulation. The Scottish Government’s point of view and the direction that we are taking is that we want to prove the safety first and, if we do decide to do this, ensure that the controls are in place after that.

**Kevin Hollinrake:** During the moratorium, what evidence has been collated about the safety or otherwise of shale gas?

**Kirsty Blackman:** We are still in the process of researching this. The research does not finish until later this year, and then in 2017 the public consultation will finish, so we are not at the point in time at which we will be publishing the evidence. I think that that is reasonable. It is reasonable to look at the research properly before we bring it all together—

**Tom Blenkinsop:** Will the hon. Lady give way?

**Kirsty Blackman:** Not now. I want to make some progress because I do not have long.

I want to talk briefly about carbon capture and storage, which is very important for reducing carbon emissions; that is not just about moving from coal to gas. I have mentioned already the issue in relation to methane emissions. I understand that there is some evidence that methane emissions are relatively low, but I would like to see the body of evidence brought together in a report on unconventional oil and gas.

I also want to talk briefly about the supply chain and the benefits in that respect. I represent Aberdeen, where we have been feeling the effects of the oil crash for much

longer than a few weeks or months. For the past year, contractors have been finding it very difficult to get jobs and redundancies have been being made. In terms of the supply chain and supporting jobs in the UK, particularly in manufacturing around the supply chain, renewables would be very helpful. Also helpful would be looking at supporting the oil industry as it is now. I understand that the unconventional onshore oil and gas industry would bring jobs, but we need to protect the jobs that people currently have and are currently losing.

**Tom Blenkinsop:** I thank the hon. Lady for giving way; she is being generous with her time. The argument that I have certainly tried to make is that to have the industry that provides the solutions for renewables, which we still need to keep pushing hard for, we need the cheaper energy in order to retain the industry—so that we onshore that industry. For a steelworks to go forward and development to become cheaper and more efficient, it needs cheaper energy; and it is only the steel industry that provides the slab that is then rolled into tubes for monopiles that go into wind turbines, for example. It is the only onshore solution and it needs that cheaper energy.

**Kirsty Blackman:** I appreciate that. I am not sure how much the onshore oil and gas industry will affect the price of energy. I did not know a huge amount about the chemicals industry and things like that; a point was made about feed. However, we do have the lowest oil price for a long time, and natural gas is at a 10-year low as well, so energy prices should be cheaper as things stand, without the need for fracking.

**Tom Blenkinsop** *rose*—

**Angela Smith** *rose*—

**Kirsty Blackman:** I do not want to give way again.

I am concerned about the rush to fracking. The UK Government will not get a major tax take from it, because of the current position with the prices. We should not be rushing to do it. In terms of my constituency and protecting jobs in the north-east of Scotland, we need to be looking at supporting the conventional, established offshore oil and gas industry, as well as supporting renewables. The Government need to rethink their renewables obligation changes.

10.38 am

**Kevin Brennan** (Cardiff West) (Lab): We have had a very interesting debate. I have certainly learned a lot by listening to contributions from hon. Members on both sides of the Chamber. I thank everyone for that and congratulate the hon. Member for Thirsk and Malton (Kevin Hollinrake) on securing the debate. He told us that fracking—I am sorry to use that term—was a big issue in his constituency. Nevertheless, he made the case in relation to clean air, strategic interests of our economy, the industrial supply chain and jobs, including in the steel industry, tax revenues and exports. He slightly deprecated Government intervention in the economy, I think, by giving examples of economic progress where that had not happened. Then he outlined a whole series of Government interventions that he thought were necessary for this industry to work appropriately in the context of

[Kevin Brennan]

his constituency, so I think that there is a balance to be struck in relation to what the Government's role is in developing a new industry of this kind.

**Kevin Hollinrake:** The deprecation that I expressed was more about providing short-term subsidies that are then withdrawn, rather than thinking long term. The interventions that I suggest are long-term interventions that would control and regulate the industry.

**Kevin Brennan:** I understand that, although I think that there is a case to be made for saying that some of the subsidies that the Government have withdrawn could have been planned in a longer term way. We will leave that point, however, because it is not the subject of our debate.

I praise my hon. Friend the Member for Penistone and Stocksbridge (Angela Smith), as other hon. Members have done, for her speech and for campaigning assiduously, particularly on behalf of the steel industry and her constituents. She put the case very well. Whatever we may think about the industry, the House has taken a decision, although it may not be the one that we wanted. There are clearly opportunities for British manufacturing, so we have to take a pragmatic approach and plan accordingly. We need a strategic approach to ensure that UK plc and jobs in the UK benefit to the greatest extent possible from the development of the industry. My hon. Friend outlined the potential for the UK chemicals industry and for manufacturing in general. She made some good points about the pumps that would be required for the industry, about sand and cement and about the steel industry. I congratulate her on her contribution.

The hon. Member for Weaver Vale (Graham Evans) described a public meeting in his constituency. I understand the difficulty of getting the message across. Energy generation is one of the great “wicked issues” of politics. We all know the rule in politics: everybody wants cheap, plentiful, clean energy at the push of a button, but nobody wants it to be produced anywhere near to where they live. Those two things, as we all know, are incompatible. We are required to wrestle with such wicked issues every day as constituency MPs, Ministers and leaders in our community and across our country. The hon. Gentleman was quite right to point that out.

I believe that Ministers might have a more direct role than the hon. Gentleman seems to think in taking the message to the public. That is part of Ministers' responsibility, and they should not duck away from taking on difficult issues. In my experience, when Ministers take such responsibility, in the longer term they produce results for the Government in question—not that it is my duty to give them advice on how to win elections. I certainly think that Ministers have a direct role, although I appreciate that the Minister might not wish to spend his Friday nights in the way in which the hon. Gentleman described.

The hon. Member for West Aberdeenshire and Kincardine (Stuart Blair Donaldson) gave us an interesting insight, in his brief contribution, into the fact that the industry had its place in the 19th century. Shale was exploited in his constituency in the 19th century, so it is not a new concept.

The hon. Member for Tiverton and Honiton (Neil Parish) told us about his experience in Europe, and told us not to blame him for the bad things that have gone on there. Yesterday, other hon. Members and I attended a dinner with the aerospace industries. Since the start of the European collaboration that is Airbus, the European share of the commercial airline market has gone from 18% of the world market to 50%. It was made absolutely clear to us last night that that would not have happened without European co-operation and our membership of the European Union, so it is not all bad.

The hon. Gentleman described his friend the hon. Member for Thirsk and Malton as brave, and I am sure that he is. I am sure he would be equally brave if his majority were 456 rather than 19,456. He is quite right that it is always tough to have to wrestle with concerns from one's own constituents.

The hon. Member for Warrington South (David Mowat) made, as ever, an informative and expert speech. He pointed out—this is the elephant in the debate—that the current wholesale price makes it substantially more difficult for the industry to get going than might otherwise be the case. He made a well-informed and interesting speech, in which he pointed out the potential for other industries.

We had a speech from the SNP spokesperson, the hon. Member for Aberdeen North (Kirsty Blackman), who laid out her party's position. I wish my hon. Friend the Member for Middlesbrough South and East Cleveland (Tom Blenkinsop) had made a speech. He made many interventions, all of which were interesting and, as ever, informative. We slightly missed out, but he did give us the benefit of his interventions.

It is my responsibility to set out our position as a party. We have already laid out the conditions that we wanted to see in place before the industry developed further, to ensure the implementation of the protections that hon. Members have expressed concern about. I will not go into great detail on that, because we have not got time. Given that the UK will rely on gas, on any estimate, until at least the 2030s and possibly beyond that—we are very reliant on imported gas from Norway and Qatar, as was pointed out during the debate—we support exploratory drilling, but it must not be at any cost. We made that clear in the amendments we tabled last year to the Infrastructure Bill. Despite conceding some of those points during the debate, the Government have somewhat reneged on them since the general election. We laid out a large number of conditions that we thought were necessary before exploratory drilling could go ahead. I will not list them now, because of the time, but they are well established on the record. That remains our party's policy.

We have criticised the Government for allowing communities to decide whether they want onshore wind farms but not extending the same community involvement to this industry. There are questions about the appropriate level of local concern over a strategic industry of this kind. In relation to onshore wind, the Government have rather undermined their argument about the industry by the position that they have taken. I will not press any further on that point.

The development of this industry offers great opportunities for manufacturing industry in this country. One might call it “manufacturing”, as some have done. The Government must acknowledge that unless

they bring forward an active industrial strategy, those opportunities will not be realised. We have heard about opportunities that have been missed with other industries, including offshore wind, because of a failure to understand and exploit the supply chain opportunities of a developing industry. There is a great danger that the same thing will happen in relation to this industry as it develops, unless there is an active industrial strategy. That must be driven by the Government being prepared to pull every lever at their disposal and bring all the appropriate parties together in the same room, as the previous Government did, for example, with the creation of the Automotive Council. In fairness, that was carried on beyond 2010 and is still in existence. It has brought tremendous benefit to UK manufacturing by getting industry and interested parties together and encouraging them to understand that there is a commonality of need, even where people are in competition with each other, for the sector.

**Tom Blenkinsop:** On the subject of an integrated industrial strategy, the comments of the hon. Member for Warrington South (David Mowat) about the east coast of America are quite interesting. The Obama Administration underwrote a lot of those projects with stimulus funding, which is part and parcel of the Obama Administration's industrial strategy.

**Kevin Brennan:** On this side of the Atlantic, we tend to think that the USA is a laissez-faire society, but when we go there and see the reality of policies, not only at federal level but at state level, we soon find out that the picture is very different from our assumptions. Next time, I hope that my hon. Friend will prepare a speech, because we will not let him intervene so many times, no matter how interesting his contributions are. We look forward to hearing from the Minister about what he will do to make sure that the Government pull every possible lever.

**Mr George Howarth (in the Chair):** Order. Before I call the Minister, I advise him not to take the Opposition spokesman's suggestion of addressing us, as Queen Victoria accused Gladstone of doing to her, as though we were a public meeting.

10.48 am

**The Minister for Skills (Nick Boles):** It is a pleasure to serve under your chairmanship, Mr Howarth. I congratulate my hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake) on securing the debate. I had the advantage, or perhaps the disadvantage, of arriving in the Chamber this morning almost wholly ignorant on the subject. This Chamber, at its best, is the best university seminar in the world, and I will leave after an hour and a half a lot more knowledgeable on the subject.

Particularly important and welcome is how constructive and responsible the debate has been. Not a single contribution has been out-and-out anti-unconventional onshore oil and gas drilling. Concerns have been expressed and different approaches by different Governments in the country have been outlined, but nobody has suggested that onshore drilling does not potentially have a role to play in our future.

Interestingly, the focus—especially from Conservative Members—has been on the role of the Government and their various agencies in helping people to cope

with change, the unexpected, and the things that baffle and worry them. I congratulate all my hon. Friends on the role they take as Members of Parliament in bringing people together, securing the contributions of relevant experts and helping to lead their communities. The hon. Member for Cardiff West (Kevin Brennan) observed the scale of the victory of my hon. Friend the Member for Thirsk and Malton in the last election, but I am sure that he would be as brave in leading his community wherever he was elected and with however few votes over his nearest opponent.

The suggestion of a combined regulator is interesting. There might be a more practical approach than merging regulators, which would be pretty complicated. I will ask Ministers—I suspect it will be those in the Department of Energy and Climate Change rather than the Department for Business, Innovation and Skills, but it might be a combination of the two—why all three agencies have to send people to meetings. I will ask whether it is possible to have people who, despite being employed by the Environment Agency or the HSE, can speak to all the different aspects, rather than, as my hon. Friend the Member for Weaver Vale (Graham Evans) pointed out, the agencies having to travel in packs. That seems slightly inefficient and suggests that there is not a joined-up view and that things can get lost in the cracks.

The Government's policy on shale is that it can make a significant contribution to energy security, environmental protection and economic growth if it is managed carefully and regulated responsibly. Both Government and Opposition Members have mentioned the desire to arrive at just that balance, between recognising the opportunity and dealing with the risks and legitimate concerns.

On energy security, my hon. Friend the Member for Tiverton and Honiton (Neil Parish) mentioned that we currently import more than 50% of our gas, and my hon. Friend the Member for Warrington South (David Mowat) pointed out that by 2020, 10% will come from Russia. In the 2020s, based on current projections without the development of domestic sources of onshore gas, we will import more than 70% of our gas needs. Many Members have made the point that gas will always be a major part of our energy mix—or if not always, at least for the foreseeable decades. It is therefore important that we have a secure supply of it, ideally from domestic sources.

**Alex Cunningham:** I am pleased that the Minister has expanded his knowledge this morning. Does he plan to become equally knowledgeable about coal gasification? He could become an advocate for that part of the energy mix as well.

**Nick Boles:** The hon. Gentleman tempts me. No doubt if he secures a similar debate on that subject, I will have that opportunity. I am sure he is right that we can help to reinforce the competitive advantage of our existing chemical and steel industries, and others, through all sorts of innovative ways of securing energy supplies that are more environmentally sensitive than previous ones.

On the vital question of environmental protection, my hon. Friend the Member for Warrington South made the powerful point that, if all the world's coal were replaced by gas, it would contribute the equivalent of a sixfold multiplication of the world's renewables

[Nick Boles]

industries. Gas is a fossil fuel and, in the long run, we all hope not to be reliant on fossil fuels. Nevertheless, the transition from coal to gas is probably the most dramatic thing we can do to enable us to cut carbon emissions and prevent further climate change. That is why the Government are so keen to see the development of shale gas in the UK. There are substantial reserves, which will assist us in achieving our environmental objectives and providing economic security.

**Kirsty Blackman:** What about the possibility of supporting offshore oil and gas companies to extract gas from more difficult high-pressure, high-temperature wells, for instance, rather than putting the efforts into shale gas?

**Nick Boles:** In this constructive and responsible debate, I do not want to enter into partisan criticism. The hon. Lady and the hon. Member for West Aberdeenshire and Kincardine (Stuart Blair Donaldson) represent seats in Aberdeenshire, which, of all places in the United Kingdom, has a great understanding of and reliance on the oil and gas industries. It was extraordinary that they did not mention the Scottish election that is coming up in the spring, as that was perhaps one consideration that informed the timetable of the SNP's no doubt responsible and serious moratorium on the development of the industry.

It was extraordinary that the hon. Member for Aberdeen North (Kirsty Blackman) said that the industry has not been in existence for very long and therefore we do not know whether it is safe, when she also mentioned that it started in a serious way in the 1990s. I wish that the 1990s were not as long ago as they are, but they are 20-odd years ago. The failures of the previous Government mean that we have lost a huge opportunity by being slow. We do not want to continue that irresponsibility.

I thought the most interesting part of the debate was the discussion about the vital interplay between the potential of unconventional oil and gas and coal gasification, and the competitiveness of industries that are fundamental to the UK's prosperity and employment in the north-east and elsewhere, which face a challenging time. We have heard, in interventions by the hon. Member for Middlesbrough South and East Cleveland (Tom Blenkinsop) and in the excellent speech by the hon.

Member for Penistone and Stocksbridge (Angela Smith), about the dramatic effect that access to much cheaper and more local gas supplies has had on the chemical industry in the United States, and how vital it could be here. We have also heard about the opportunity that it would create for our hard-pressed steel industry if it were able to supply the dramatic needs estimated in the Ernst and Young report—£2.4 billion of steel tubing, and drilling rigs worth an estimated £1.65 billion. If the steel industry were able to take part in that and the chemical industry were able to benefit from the cheaper costs, we could benefit dramatically. Thanks to my hon. Friend the Member for Thirsk and Malton, we have heard a powerful case for a responsible, regulated and measured approach, but not for a moratorium. I congratulate him on securing the debate.

10.58 am

**Kevin Hollinrake:** Once again, it is a pleasure to serve under your chairmanship, Mr Howarth. I apologise for my initial lack of knowledge about protocol. I am grateful to Government and Opposition Members for the constructive way in which the debate has been dealt with. I am also grateful to the Minister. I quite understand that onshore oil and gas is not his normal brief, but skills and industry is, and we have heard compelling cases from Members on both sides of the House about the opportunities for the steel, chemical and engineering industries. There are huge opportunities for jobs for young people, which would give them a chance in life as young engineers. I welcome the recent announcement by the Secretary of State for Education that schools will be required to direct young people to engineering as well as to university, which will be key.

We need clear regulation. People have concerns about who they would go to if something went wrong—would it be the Environment Agency or the Health and Safety Executive? Having a single regulator, or a lead regulator, would deal with some of those concerns. We also need a clear, well articulated plan. The shadow Minister mentioned my majority. That is a clear case in point. We need to ensure that Members of all parties—whatever their majorities—are willing to support onshore drilling on the basis that it is the right thing for the UK and a real opportunity for UK manufacturing. It is incumbent on the Government to clearly illustrate how that can be done in a way that eases local people's concerns.

*Motion lapsed (Standing Order No. 10(6)).*

## Child Poverty

11 am

**Peter Dowd** (Bootle) (Lab): I beg to move,  
That this House has considered levels of child poverty.

I am pleased to serve under your oversight, Mr Howarth.

“Even if we are not destitute, we still experience poverty if we cannot afford things that society regards as essential. The fact that we do not suffer the conditions of a hundred years ago is irrelevant... So poverty is relative—and those who pretend otherwise are wrong.”

I start by agreeing with the Prime Minister, who hit the nail on the head when he said that in his 2006 Scarman lecture. Consideration of the levels of child poverty is a matter of huge significance. A reasonable definition of poverty proposed by the Joseph Rowntree Foundation is “when a person’s resources are not enough to meet their basic needs.”

In other words, being able to enjoy the activities of normal daily living is important. The Prime Minister agreed with that in practical terms.

I do not want our consideration to turn into a political football, but given the political choices that the Government have made in this policy area, it would be almost impossible not to stray on to that pitch. I take it as read that, at some point or other, a Government Member will mention the apparent mess in which Labour left the country; how the Government have got the country back on track and saved the day but that there is still much to do; how the country needs to fix the roof while the sun shines; how we have to live within our means; and, of course, every other cliché to which Ministers can lay their tongues. Unlike the world economic crisis of 2008, which was clearly and wholly the fault of the last Labour Government, even I acknowledge that the current international economic uncertainty has little to do with Government policies, but that cannot be an excuse or an alibi for the Government to shirk from ensuring that child poverty does not increase.

**Nick Thomas-Symonds** (Torfaen) (Lab): It is a pleasure to serve under your chairmanship, Mr Howarth. Does my hon. Friend share my concern about what the Social Mobility and Child Poverty Commission said just before Christmas:

“It has long been obvious that the existing child poverty targets are not going to be met. In fact they will be missed by a country mile”?

Does he agree that that is a damning indictment of the Government’s policies?

**Peter Dowd:** It is a damning indictment. If just one organisation was saying that, perhaps we could bypass it, but organisation after organisation is identifying that as a cause of concern. Somewhat topically, if the Government can exempt the most powerful of commercial institutions from paying their due taxes or can slope away from challenging the practices of bankers, who are the real culprits in the economic chaos of 2008, surely they can protect our children from the worst effects of those who seem unable or unwilling to pay decent wages.

The existence of any level of child poverty in one of the world’s wealthiest countries should be a source of deep concern to everyone in this room, but it should also be a source of shame that the levels of child

poverty in this country are high and rising. I have many friends who either were or are teachers or health and social care professionals—they work or have worked to make the lives of children better, easier and gentler—but such professionals have a hard task. They have spent much of their careers seeing the number of children in poverty beginning to drop. For example, poverty reduced dramatically between 1998 and 2011, when 1.1 million children were lifted out of poverty, but that has changed over the past few years, as my hon. Friend said. Austerity has taken its toll, particularly on those who can least afford it. Figures from the Department for Work and Pensions indicate that, since 2010, child poverty has, at best, flatlined. Meanwhile, the number of children in absolute poverty has risen by half a million since 2010. That is 100,000 children every year, more than 8,000 children a month, almost 2,000 children every week or, put another way, 300 children a day for five years—year in, year out—which cannot be right.

Let us not beat about the bush. The unspoken question on many minds is whether that poverty is due to the fecklessness of parents. Well, I think not in most cases. More than two thirds of children affected by poverty live in households where at least one member is in work. God knows what type of work permits and enables such poverty, but they are, none the less, in work. End Child Poverty, an organisation considering such issues, is particularly concerned about the rising poverty in working families. As the Joseph Rowntree Foundation report, “A UK without Poverty,” noted,

“Too often, public debate talks about ‘the poor’ as if they were a separate group of people with a completely different way of life.”

**Imran Hussain** (Bradford East) (Lab): It is a pleasure to serve under your chairmanship, Mr Howarth. Does my hon. Friend agree that low-wage, low-skill economies lead to an increase in child poverty? In my constituency, Bradford East, we have an absolute child poverty rate of 28.6%, compared with a national average of 18.2%, which is unacceptable. Does he agree that one solution is not this rhetoric of more employment, which the Government keep telling us, but to provide high-skill, high-wage jobs, so that families cannot just survive but live properly and children are brought out of poverty?

**Peter Dowd:** I agree with my hon. Friend, and I will come back to that in a moment.

**Nick Thomas-Symonds:** I am grateful to my hon. Friend for giving way again. He is making an important speech on an important topic, and I congratulate him on securing this debate. He has mentioned poverty suffered by people who are in work. Does he agree that the cuts that the Government are introducing to the work allowance of universal credit from April 2016 will make that situation worse? Perhaps that explains the enormous turnout of Tory Back Benchers to support the Minister today.

**Peter Dowd:** I agree with my hon. Friend. I spoke earlier about Members in the room being deeply concerned about poverty, but obviously not that many Government Members are concerned.

I will finish the quote from the Joseph Rowntree Foundation report:

“In reality almost anyone can experience poverty—over half of the population spent at least one year in relative income poverty between 1991 and 2003.”

[Peter Dowd]

Even if we accept that fecklessness is a factor, it is only part of the picture, and not a very big part. It becomes another alibi for doing little about the problem. Blaming poor people for being poor, even when they are working hard, is unconscionable. Shakespeare is always a good source for thought:

“And, being rich, my virtue then shall be,

To say there is no vice, but beggary.”

My late mother was a war widow. She died at the age of 95 and had been a widow for 50 years. Her mother was a war widow and a war mother—she died at the age of 106 and had been a widow for 67 years. Much, if not most, of their time was spent in relative poverty, with poverty for their children, too. Was that right? As the youngest, I feel that I was lucky, but luck should have nothing to do with it. That cannot be right.

The country’s economic structure plays a significant part in poverty. For example, the Government are still not concentrating on the effects of the productivity gap, which accounts for billions of pounds in lost GDP. My hon. Friend the Member for Bradford East (Imran Hussain) raised that issue earlier. Output per worker remains 2% below the pre-crisis levels of 2008, whereas in the rest of the G7, it is 5% higher. *The Economist* has said:

“The French could take Friday off and still produce more than Britons do in a week.”

In an article in *MoneyWeek* last year, Simon Wilson indicated:

“Bank of England calculations suggest if productivity had kept pace with the pre-2008 trend, the UK population might on average be 17% better off than it is today.”

Rather than pointing the finger at the poor, the Government should get that same finger out and address that driver of poverty.

**Jo Cox** (Batley and Spen) (Lab): I have statistics similar those of to my hon. Friend the Member for Bradford East (Imran Hussain). In my constituency, one third of all children, 33%, live in poverty, which is heartbreaking and shocking for the many hard-working families there. Does my hon. Friend the Member for Bootle (Peter Dowd) welcome the major defeat in the Lords last night of the Government’s attempt to abolish income-related child poverty targets, and does he agree that it is simply not credible to tackle child poverty without acknowledging the worst issue, a lack of money? For the Government to attempt to abolish that target is simply reprehensible.

**Peter Dowd:** I agree with my hon. Friend, but I think a pattern is beginning to develop with this Government: they redefine everything when it does not suit them. So, for example, affordable housing now means a house costing £400,000 or £500,000. Everything is redefined to suit the Government’s agenda.

**Patricia Gibson** (North Ayrshire and Arran) (SNP): To follow on from the point made by the hon. Member for Batley and Spen (Jo Cox), is the hon. Gentleman as concerned as child poverty charities are by the Government’s attempt to redefine child poverty? It is important to publish annual figures on income-related child poverty,

if for no other reason than the long-term impact of such poverty on health, development, educational outcomes and life chances.

**Peter Dowd:** The hon. Lady makes an important point. As I said earlier, even the Prime Minister accepts that there is relative poverty, and all the jiggery-pokery with definitions is not going to make that untrue.

**Liz McInnes** (Heywood and Middleton) (Lab): Is my hon. Friend aware that the Child Poverty Action Group has stated that it costs £29 billion a year to respond to the issues caused by child poverty? CPAG says that it is a false economy to drive up child poverty and that this Government should be considering measures to drive it down.

**Peter Dowd:** My hon. Friend is absolutely right. She has stolen my thunder—I will refer to that figure later—but she makes an absolutely valid point.

The Government’s January 2014 evidence review of the drivers of poverty found that a lack of sufficient income from parental employment, not just worklessness, is the most important obstacle to getting children out of poverty. Of course, to pick up on what my hon. Friend said, the Government say that a high-skilled, high-wage economy will lift family incomes—ergo, poverty will fade away. In the world where many of my constituents live, it does not quite work like that. I am afraid that even combined with increased personal tax allowances, the increase in the minimum wage, or whatever the Government want to call it—another redefinition—does not go far enough to alleviate child poverty to any substantial degree.

There can be no doubt that child poverty is rising and that it has an effect on educational outcomes, health outcomes and job prospects in the longer term. Independent projections from the Institute for Fiscal Studies indicate that, as has been mentioned, child poverty is beginning to rise. Research by End Child Poverty identified that 4.1 million families and 7.7 million children have been affected by below-inflation rises in both child benefit and child tax credit over the past few years. Interestingly, poverty of aspiration by the Government in policy terms begets financial poverty, because it restricts the use of the very tools that could tackle the drivers of poverty.

In my constituency, child poverty in one ward has reached 40%. Across the constituency, it is around 30%. In other words, almost 7,000 children in my constituency live in poverty. That cannot be right. Remembering the point I made earlier about the number of children in working families who still live in poverty, youth unemployment hovers between 8% and 9% and adult unemployment at about 7%. The median wage is £470, below the national median level of £520 and the regional level of £480. What message is that sending to our children: “Start your life in poverty; get a job on low wages; and you’ll still be in poverty—and so, in turn, will your children.”? It is hardly the most encouraging of straplines for young people.

In 2015, £7 million in early intervention funding was allocated to Sefton Council, in whose area my constituency sits. That is a reduction of £10 million since 2010 in early intervention, the very thing we should be getting

to grips with. How can that funding cut help alleviate child poverty? Problem debt in Bootle is £12.5 million. The Children's Society suggests:

"Too often, when families are struggling with repayments, the response from creditors is unhelpful...a breathing space scheme" would give

"struggling families an extended period of protection from default charges, mounting interest, collections and enforcement action", enabling them to seek advice and preventing them from falling deeper into the debt trap. That is a practical suggestion.

I believe that my constituency is not an outlier in statistical terms; it is typical of many areas, both rural and urban. It is lazy to suggest that people are shirkers. Levels of child poverty in this country are dreadful. They are a blot on the integrity of our society. The Government cannot solve all the problems, nor does anyone expect them to, but poverty costs money. As my hon. Friend the Member for Heywood and Middleton (Liz McInnes) said earlier, the cost to the UK of poverty is reckoned by one assessment at about £29 billion pounds: almost £6 billion in lost tax, £15 billion for extra spending on services to deal with the consequences of poverty and £8.5 billion in lost earnings to individuals. What a waste! Surely, even forgetting the human stories and experiences behind those figures, the statistics and costs are enough to make any Government reconsider their strategy for dealing with the child poverty that our country faces.

As Nelson Mandela said, standing just yards away from here while he addressed Parliament,

"poverty is not natural. It is man-made, and it can be overcome and eradicated by the actions of human beings."

I have managed to agree with the Prime Minister and Nelson Mandela in one fell swoop, which does not happen very often.

11.17 am

**The Minister for Employment (Priti Patel):** It is a pleasure to serve under your chairmanship, Mr Howarth. I thank the hon. Member for Bootle (Peter Dowd) for securing this debate. I agree completely with him that child poverty is an incredibly important issue, and that child poverty levels are too high in this country. Indeed, he and I discussed the indicator and its importance to addressing child poverty while discussing the Welfare Reform and Work Bill in Committee not long ago.

The issue is of immense importance. The hon. Gentleman referred to my right hon. Friend the Prime Minister in his remarks. Tackling child poverty is close to the Prime Minister's heart, and it is at the heart of this Government's agenda. We have committed to eliminating child poverty and to improving the life chances of children up and down the country. They are the future of this country. It is also important to recognise, as the hon. Gentleman has done, that poverty is not natural. At the same time, it should not be defined by arbitrary measures. We must look at the actual causes of poverty and how we as responsible Government and parliamentarians use policy levers to create the right solutions to address the actual causes of poverty.

**Nick Thomas-Symonds:** Does the Minister agree with what the Social Mobility and Child Poverty Commission said just before Christmas? It said that

"it is not credible to try to improve the life chances of the poor without acknowledging the most obvious symptom of poverty, lack of money."

Will she take this opportunity to confirm that in defining child poverty, the Government will take into account income, as well as their defeat on this matter in the House of Lords last night?

**Priti Patel:** I recognise the defeat that took place in the House of Lords last night. It is a perfectly normal part of the parliamentary process. On income measures, we will continue to use the number of households below average income. On the point about the Social Mobility and Child Poverty Commission, the SMCP itself is clear that the current approach focuses on dealing with symptoms and not the underlying causes of child poverty. Of course, that is exactly the purpose of this Government.

In fact, we debated this issue very extensively during the passage of the Welfare Reform and Work Bill. We are focusing on the root causes rather than symptoms. It is also important to say that we are seeking to prioritise the areas that will make the biggest difference and help to transform the lives of children.

**Nick Thomas-Symonds:** Will the Minister simply confirm something? Does she agree that lack of money is an obvious measure of poverty—yes or no?

**Priti Patel:** Income is a significant part of this issue, but there are many other causes as well. Through the Welfare Reform and Work Bill, we are focusing on certain factors, because all the evidence tells us that the factors that have the biggest impact on child poverty and our children's life chances, and consequently they become the real drivers, are focus on education, educational attainment and work, because they make the biggest difference to disadvantaged children, both now and in the future.

In particular, with the new life chances strategy we are focused, as I have already said, on tackling the root causes. The Prime Minister has already outlined that strategy, which sets out a comprehensive plan to fight aspects of disadvantage and extend opportunity. However, we should also recognise that many of those in poverty have to confront a range of challenges and issues, such as drug addiction, alcoholism and health issues, including poor mental health. It is important that we use the right public policy levers to bring the support together to deliver the right services and mechanisms for those households.

The strategy will include a wider set of non-statutory measures on the root causes of child poverty, including family breakdown, the problem of debt, and drug and alcohol addiction. These measures will sit alongside the life chances measures in the Welfare Reform and Work Bill. This spring in particular will present an opportunity to examine the details and to consider how we start to address these deep-rooted social problems, and how we can work collectively—by using public policy and the delivery mechanisms that we have in all our communities—to focus on how we can support children and transform their lives.

**Jo Cox:** I thank the Minister for giving way. I just want to push her a little bit on whether she will now accept the defeat last night and listen to a range of

[Jo Cox]

experts, the Social Mobility and Child Poverty Commission, and the public, who feel that the Government should report annually on income-related aspects of child poverty. While I acknowledge that child poverty is a complex issue, the income dimension is such a key part of it that it is not credible to ignore it.

**Priti Patel:** The Bill is going through the right process of scrutiny now in the Lords, as it already has in the Commons. Of course, we will consider all responses when it comes to considering the next steps in particular. That is the right and proper parliamentary process and of course all legislation goes through it.

Once again, however, I must emphasise that there is no silver bullet for this situation; there is no way in which child poverty can be just addressed overnight. A range of areas need to be looked at and, as I have said, tackling the root causes is a fundamental step in the right direction.

**Nick Thomas-Symonds:** The Minister is being very generous in giving way. Does she accept that trying to change the definition of child poverty simply confirms what the Social Mobility and Child Poverty Commission has said about missing the existing targets by a country mile? Are the Government not just trying to change the definition because they will miss the targets?

**Priti Patel:** I completely reject that assertion for many reasons, and I do not have the time now to have the full debates that we had in Committee; please forgive me, Mr Howarth.

This process is not about moving goalposts or changing definitions; it is about making a fundamental review of the approach that we take. I will not be tempted by the hon. Member for Bootle, who basically said that I would inevitably regale Members with what happened under Labour. However, this process is a fundamental shift in the strategy and the approach that are being taken. The approach is a holistic one, looking at the root causes and recognising that we have to address, for example, the number of workless households and the causes of worklessness, and ask why households have been workless in the past, and recognising that having work in households changes the future outcome for children and of course redefines child poverty and what it means to households.

We should also recognise in this debate that work plays a very important role in addressing the issue of poverty, including child poverty, because we know that work is the best route out of poverty. Evidence has shown that nearly three quarters of poor workless families who have found employment have escaped poverty. So these are some of the crucial underlying factors that we have to address, and of course work—

**Liz McInnes:** Will the Minister give way?

**Priti Patel:** I will give way just one more time, because there are other points that I want to make.

**Liz McInnes:** I thank the Minister and I will ask a brief question. If work is the route out of poverty, can she explain why two thirds of those who are defined as being in child poverty are in working households?

**Priti Patel:** We should also recognise that evidence shows that the highest poverty exit rate—75%—was for children living in families who went from part-time to full-time employment. Of course, as the economy grows, and through the introduction of the new national living wage as well, we will see those households benefiting much more when it comes to income in particular.

Regarding the hon. Member for Bootle's own constituency, the latest figures show that the number of children living in households that receive out-of-work benefits fell by 7% between May 2013 and May 2014. Of course, we are seeing that trend develop by providing more employment opportunities, by recognising that, of course, work is the best route out of poverty, and by finding the right employment to support those families in particular to gain employment.

**Imran Hussain:** I accept that work assists with removing child poverty. Nevertheless, while the Government talk about mass employment and this road to economic recovery, in my constituency of Bradford East many of the jobs are zero-hours contracts, part-time work and poorly paid work. That does not assist my constituents and it certainly does not go towards eradicating child poverty in my constituency.

**Priti Patel:** There is good news in the economy and not all the jobs in the hon. Gentleman's constituency will be part-time, low-paid or zero-hours, so he has made a sweeping generalisation. However, regarding his point about low-skill, low-wage work, he is right; that is a wider issue in the economy that we must tackle. Tackling it is based on getting a higher skill country and economy, which can only be achieved by our being competitive as an economy and by investing in education, which is exactly what this Government are doing, and by focusing on education as a key factor in transforming the outcomes and lives of children in particular. Educational attainment is the biggest single factor in ensuring that poor children do not end up as poor adults and get stuck in that cycle of dependency and that cycle of low wages and low skills.

We all know that good English and maths are important. There are plenty of studies—hundreds of them, and international studies as well as national ones—that recognise that those subjects are key aspects in improving children's future life chances. Focusing on educational standards and having a new, vigorous curriculum are part of this Government's commitment. However, educational attainment is also important. In areas of deprivation, turning around schools that unfortunately have been focused on low standards and low outcomes, and ensuring that we have more good and outstanding schools, particularly in areas of deprivation, including wards, is important, and we would all support that.

Hon. Members have obviously touched on measures in the Welfare Reform and Work Bill, but once again we must look at the changes that we are introducing, particularly regarding welfare. This process is not about individuals and using some of the terms that have been used: I think that the language that the hon. Member for Bootle used about shirking should not be used at all.

In the minute or so that I have left, it is important for me to emphasise that part of these reforms is focusing on the support that we can provide to individuals; not

only cash payments but support to help people to get into work. That is exactly what the Welfare Reform and Work Bill is about.

I want to reassure the House about our focus when it comes to eliminating child poverty. The Government and this Prime Minister have been very clear about that. Our focus is on work and education, on a commitment to improving the life chances of all children and—importantly—on tackling the root causes of child poverty.

*Question put and agreed to.*

11.28 am

*Sitting suspended.*

## Further Education Colleges (North-east)

[SIR EDWARD LEIGH *in the Chair*]

2.30 pm

**Helen Goodman** (Bishop Auckland) (Lab): I beg to move,

That this House has considered further education colleges in the North East.

It is a great pleasure to serve under your chairmanship, Sir Edward. I requested the debate after a meeting that north-east MPs had with the further education colleges in our region. We believe that the quality of education that young people get in FE colleges is central, not just to them and to their life chances and futures, but to the economy in our region, and we therefore have a number of questions to put to the Minister, which I hope he is able to answer.

The economic needs of the north-east are clear. We have the largest proportion of our economy in manufacturing, and it is very good manufacturing. We are the only region outside London to have a balance of payments surplus, because we are extremely successful exporters, and we want to build on that platform.

In preparation for the debate, I contacted the North East chamber of commerce, because it does fantastic work in our region, and it alerted us to where the skills needs and shortages are at the moment. It told me that according to the Office for National Statistics the proportion of adults in the north-east qualified to national vocational qualification level 4 was 7% below the national average; meanwhile the North East local enterprise partnership's strategic economic plan highlights that by 2020 a staggering 120,000 more jobs will need a level 4 qualification.

The latest quarterly economic survey conducted by the chamber of commerce found that 71% of businesses in the service sector and 83% in the manufacturing sector were experiencing difficulties in recruiting staff, and the UK Commission for Employment and Skills' employer skills survey reports that 18% of employers face a skills gap—the largest of any English region.

We know that there will be an increase in demand for skilled workers in contact centres, warehousing, manufacturing, construction, customer service, sales and food production and that it will be compounded by the demographic changes that our region faces. We know that 3,500 construction jobs will be created each year between now and the next general election, but we also know that the total population growth in the north-east is less than a third of the national average. We know that many people with skills are retiring—in engineering, the average age of welding machine operators is 50. The skills shortages are completely predictable, and it is absolutely straightforward and simple for us to know that, even to continue as we are, we need to train more people. That is why we are extremely concerned by the prospect of reviews that destabilise and threaten the FE colleges.

The FE colleges in the north-east are much better than those in the rest of the country. According to Ofsted, 95% of them are either good or outstanding, compared with a national average of 79%. Consequently, they are educating 200,000 young people. Bishop Auckland College is absolutely typical of the colleges in our

[Helen Goodman]

region. It teaches technology subjects, such as construction, along with skills that are needed in the automotive industry, which are even more important now that we have not only Nissan but the new Hitachi plant in Newton Aycliffe. Also, everyone knows we need more skilled workers in childcare and in health and social care, and the college provides courses in those skills, too. It has approximately 900 full-time students and the number of apprenticeships has gone up to almost 1,000.

I am sorry to say that the policies that this Government implemented in the last Parliament and also seem to be proposing now give Bishop Auckland College the feeling that it is being destabilised. What are the Government's policies? The first thing they did was to cut the education maintenance allowance. The Minister, when he went to Winchester, Oxford and Harvard, might not have needed the support of an education maintenance allowance, but many of my constituents do.

According to National Audit Office figures, there have been real-terms cuts in the sector of 27% since 2010, and although the funding settlement announced by the Chancellor before Christmas was flat in cash terms, it represents another 10% real-terms cut, and I ask the Minister why that is. Why does he believe that it is okay to spend £9,000 per student on university tuition, but only £3,000 per student in FE? That is not a sign of a country that takes its technical skills base seriously, and I urge him to look at the experience on the other side of the North sea—at what is happening in Germany—and say, “We were lagging behind in this area 120 years ago and we are still lagging behind.” Alison Wolf found that in her nationwide survey.

I also ask why the Minister has instituted area-based reviews. Obviously, if there are failing FE colleges in some part of the country, he can review them all he likes, but that is not the situation in our region. The hon. Member for Berwick-upon-Tweed (Mrs Trevelyan) smiles and nods, because she knows I am not making a political point. I am making a point about the quality of education in the north-east. When the Minister made the announcement about the reviews, he said that he did not want any arbitrary boundaries, but we have arbitrary boundaries. The Tees valley review is under way, but the north-east one has not yet started, yet constituents of mine are educated both in Darlington and Stockton and in Bishop Auckland and Durham. That seems very arbitrary to us. What will the Minister do to resolve different possible upshots from the reviews? We have been told that there is slippage, so we would like to know when he expects the north-east review to take place.

When the Minister announced the reviews, he said that he expected policy options to include rationalising the curriculum and considering opportunities for specialisation, merger, collaboration and closure. Improving the curriculum is always a good idea, as is collaboration, but closure is unacceptable and particularly problematic in a rural area.

The average distance travelled by the 16 to 18-year-olds who go to Bishop Auckland College in my constituency is 8 miles each way each day, and for those over the age of 19, it is 14 miles. If the college was closed and they had to go to Darlington and Durham, some of those young people would have journeys of 28 miles. It is not

just the time and distance that are the problem; it is the cost. The bus fare from Barnard Castle to Darlington is £7 return—a £35-a-week bill—and for a young person living in Cockfield and going to Durham the cost would be £11 a day, or £55 a week. Those amounts are simply unaffordable. The Minister must know, notwithstanding his own wholly different educational and personal experience, that that would put some young people off doing what was best for them and for the country. Their whole future life possibilities will be limited by extortionate fares and excessive travel times.

When the Minister announced the reviews, he also said that any changes should be funded by the local enterprise partnerships and the local authorities. I was absolutely astounded by what he meant by that. Durham County Council is having to undertake cuts of 40% between 2010 and 2020. Against that massive reduction in the available resources, I simply cannot see how the council can be expected to take on new responsibilities for financing FE.

As I said earlier, Bishop Auckland College is facilitating 1,200 apprenticeships. In fact, I have an apprentice in my office—my third apprentice—and I have had extremely good experiences with them. They have improved the efficiency of the office no end. When I talk to the college, it says that the key logjam in increasing the number of good-quality apprenticeships is not what goes on in the colleges, but finding the placements with the employers.

I was interested to hear the questions that the chamber of commerce had about the apprenticeship levy. The first point it asked me to raise was whether the Minister intends to wrap up the apprenticeship arrangements under the Construction Industry Training Board with the apprenticeship levy. The construction industry has a good scheme that is working well. Everyone is happy with it. Rather than asking for it to be closed down and for the industry to get involved in something new, would it not just be simpler to let the industry carry on doing something that works well and to exempt it from the new arrangements? If it ain't broke, don't fix it.

The second point that the chamber of commerce made was that its members want longer-term funding, with agreements of at least two years to tie in with the fact that apprenticeships last for two to four years. That point was reiterated by the colleges. On numerous occasions in recent years, decisions about funding have been taken after they had begun to recruit for the following academic year, because the academic year and the financial year do not coincide. They are calling for three-year settlements. That proposal seems perfectly sensible, and I would like the Minister to consider it.

The thing that is really unclear is how the levy will be distributed. Which sectors will receive the money, and how will the Minister ensure that it reaches small and medium-sized enterprises? As the chamber of commerce pointed out, it is important that we prioritise current skills shortages and future skills shortages that we can predict from economic forecasts and how the regional economy is training. It also said—this seems completely reasonable—that we should prioritise those employers who already have a good training record.

The colleges and the employers are united in wanting a good inspection regime. It could continue to be Ofsted, but that good regime is vital to maintain the quality and, with that, the confidence that people have in apprentices. A recent survey for the UK Commission

for Employment and Skills found that 18% of employers in the north-east offer apprenticeships and 37% of employers wish or intend to do so. That is the highest level in the entire country. They are showing their commitment, and they, the colleges and we wish to see that matched by the Government with resources and stable frameworks for policy and delivery.

2.44 pm

**Mr Kevan Jones** (North Durham) (Lab): It is a pleasure to serve under your chairmanship, Sir Edward. I begin by congratulating my hon. Friend the Member for Bishop Auckland (Helen Goodman) on securing this debate. She outlined what is self-evident to many of us in the north-east: we have a good network of further education colleges.

I do not have a further education college in my constituency. My learners access Derwentside College in Consett and New College Durham. They also travel further afield to Newcastle and Sunderland and to other colleges in the region. As my hon. Friend outlined, some go to Darlington and Teesside. The colleges are an asset to our region. It is clear to anyone who speaks to or visits any of them that they are not inward-looking institutions—they are dynamic and forward-thinking. Derwentside College has a good liaison with local engineering companies, both large and small. It not only engages in recognising and understanding what further training is needed, but actively takes part in encouraging young people and adult learners to think of a career in engineering.

New College is an outward-looking institution that sponsors two academies: one in Stanley in my constituency and one in Consett, which is in the constituency of my hon. Friend the Member for North West Durham (Pat Glass). That initiative was spearheaded by John Widdowson, who is the chief executive of the college. He is working well to build the link between the school sector and the FE sector. He is giving great opportunities in Stanley to many young people. In addition, New College has 200 international students from across the world who come to study there.

I had the privilege last year of visiting Newcastle College's new railway engineering academy. That initiative came from the college, which recognised that there is a skills shortage in the rail sector. It is now providing well-qualified people for jobs—in some cases, those jobs are highly paid—in the rail sector. That college is taking the initiative. In the north-east, we have colleges that are not just allowing the world to pass them by; they are taking the initiative to understand what the business community and their local communities require.

**Andy McDonald** (Middlesbrough) (Lab): While my hon. Friend is acknowledging some of the work across the region, will he pay tribute to Middlesbrough College's work on its remarkable new science, technology, engineering and maths centre? That was launched recently, very much with the involvement of local employers, the manufacturing base and the supply chain.

**Mr Jones:** Yes, I will. It is a good example of how local colleges are taking the lead, not by just putting on courses that they hope people will come to, but by working with employers to ensure that the courses they offer are needed by young people and adult learners

and by local businesses. This might be an old-fashioned thing, but in our region, the colleges and the education sector are raising awareness that careers in engineering and manufacturing are a way forward and not a thing of the past.

**Chi Onwurah** (Newcastle upon Tyne Central) (Lab): My hon. Friend raises an important point: further education colleges in the north-east already work together and are forward-looking. Newcastle College is engaging with new industries, such as the aeronautical industry and the energy industries. Does he share my concern that the area-based reviews may take the focus away from what is best for our industry and our young people? Too much time may be spent focusing on how to respond to the review. I would like to see more work on adult education in the north-east, particularly given the cuts to local services.

**Mr Jones:** I agree with my hon. Friend, because one of the important points is collaboration between colleges. Looking back, one of the problems in the further education sector was where we had competition between different colleges. That network of working together, which provides opportunities for young people and adult learners, is important. Speak to anyone in the industry and they will say that the 16-year-old leaving school today is unlikely to be in the same job when they retire at 65 or 67 or whatever the retirement age will be when they come to retire. They will need constant on-the-job training and will need to re-access the education system, so the further education sector is vital.

I chaired a meeting last night at an event organised by the Industry and Parliament Trust to talk about the aerospace sector, which has huge potential for growth not only in engineering skills, but in the soft skills of process management and other areas as well. All our colleges, certainly in Durham, are encouraging not only engineering apprentices, who are vital, but the growth sector of tourism in the north-east. I know that Houghall college and also Northumberland deal with land skills and agriculture, which people might think are industries of the past, but they are very important to rural communities in the north-east, and certainly the tourism sector is a growth area across the north-east.

I understand that the Government will want to tackle bad performance, and I support that. If a college or any institution is failing its learners, it needs to be dealt with, but I am not sure how the review will fit in with the rest of the education system. For example, I have already mentioned New College's sponsorship of two academies, because it saw a clear need to link back into education. The sector is not separate from the rest of the education system, so I want to know how local schools and suchlike will be involved in the process.

My hon. Friend the Member for Bishop Auckland mentioned travel, which is a stark issue in my area and many rural areas. Many young people have to travel quite long distances to access courses. It might be easy in large cities such as London or Birmingham where there is a choice of providers close together, but in my constituency and in hers—for example, in Northumberland—people have to travel long distances, so the issue is not just about the number of colleges, but where they are. I totally agree with her that the abolition of the education maintenance allowance had a huge effect on young people's ability to access courses.

**Ian Lavery (Wansbeck) (Lab):** Does my hon. Friend recognise the problems in Northumberland? Northumberland College in my constituency is 60 miles from the Scottish border and 20 miles from the nearest fantastic city of Newcastle. Northumberland College has got fantastic results with 1,000 apprentices and £2.5 million invested in a new STEM centre. We have got fantastic results like we have never had before and a good rating by Ofsted. If there is any reduction in financing, or rationalisation, mergers or closures, does my hon. Friend agree that Northumberland could not be a part of that?

**Mr Jones:** I agree, but that is where the problem lies. I sympathise with the Minister. Having been a Minister myself, I accept that civil servants sometimes look at things through a London—not even a south-east—prism and think that if something is not happening in London or the south-east, it cannot be happening elsewhere. The idea that my hon. Friend has an outstanding college in Northumberland is perhaps something that they cannot comprehend. Any changes need to be right. One size will not fit all. We have a dynamic group of colleges. The issue is not about competition. That would be a retrograde step back to the bad old days when people were literally competing. That is not a good use of resources and not good for the learners themselves.

Another aspect that is important for the further education sector is to raise aspirations. If we are going to get people into engineering or hospitality and tourism, one thing that the north-east needs more than anything—the further education sector has a key part to play—is to raise aspirations. Sadly, in my own constituency, and in other constituencies as well, we have the problem of—it is a horrible word—NEET: not in education, employment or training. It is difficult to find out the numbers. There are individuals now who are not included in any statistics anywhere. They are not in the education statistics; they are not claiming benefits; and they do menial, part-time, casual work. That is okay while they are young, but they are missing out on the opportunities to get the qualifications that they need for the future, and in many cases they put themselves at great risk working on building sites or in conditions with no health and safety provision or any care for those individuals. Those are the people we need to reach. Sometimes, when the school system has failed them, the further education sector is a good way to access them.

I want to address two other points and how other Departments' policies impact on the further education sector. Just outside my constituency, in the City of Durham constituency, is Finchale Training College. It was set up in 1943 for the rehabilitation and retraining of ex-servicemen. It does fantastic work with veterans who have mental health problems and physical disabilities. It has a long tradition of retraining them and getting them ready for work. It has also done other training work in the wider further education sector. It was a residential college until 2015 when the Government changed the rules in a move away from residential colleges, and we can argue the pros and cons of that.

In September 2015, the Department for Work and Pensions introduced the specialist employment service to help individuals who need extra help because of disabilities or other training needs. They would have gone into the residential system, but are now—I think

positively—in the community. The system set up to deal with this is not only bureaucratic, but it has a detrimental effect on colleges such as Finchale. Contracts were issued nationally and large organisations such as the Shaw Trust, Remploy and others got the contracts. They have sub-partners and Finchale is a sub-partner for the Shaw Trust. The pathway for the people who need extra help into the system is via the disability employment advisers in local jobcentres. There are only two full-time disability employment advisers in the entire north-east; the rest are part time, and there is a problem. Access is gained through a computer-based system. On the first working day of each month, a number of places and contracts are put out. The employment advisers then have to match people to those.

In theory, there is a regional cap, so there should be 18 for the region, but that does not work in practice. So Finchale, which would have expected 70 students over the last period, has only got two, because as soon as a jobcentre in Croydon or south Wales logs on and gets in early, it can upload all its applicants to fill the places. So the idea that Finchale will access learners from south Wales or Croydon is not the case. There are an estimated 200 people in the north-east who need help.

**Sir Edward Leigh (in the Chair):** Order. The hon. Gentleman is giving an excellent speech, but he has gone on now for 15 minutes. Several people want to speak, and I want to get everybody in, so can he now bring his remarks to a close?

**Mr Jones:** Will the Minister ask his Department for Work and Pensions colleagues to change the system? The system needs to have a regional cap and to allow for people at least to access it, because at the moment it is having a detrimental effect on colleges such as Finchale.

Finally, I would like to hear the Minister's thoughts on regional devolution. We are told that post-16 further education will be devolved to the new regional body, whatever that will be. Will he guarantee that, if that happens, any cash will be ring-fenced or immune from cuts? When the public health budgets were devolved to local government, the first thing to happen was that they were top-sliced. One of my fears, I think rightly, is that the devolution agenda being pushed by the Government is more about devolving responsibility—without the cash to go with it—and then the blame when the new local authorities have to make the cuts. I am interested to know the Minister's thinking.

We have world-leading colleges and further education institutions in the north-east. The Minister needs to work with them and not to try and implant in the north-east some blueprint that might look nice on his civil servants' spreadsheets. If something is not broken, why try and fix it?

**Sir Edward Leigh (in the Chair):** We have a number of people wishing to speak. Please keep your speeches down to less than six minutes.

3.1 pm

**Mr Iain Wright (Hartlepool) (Lab):** It is a pleasure to serve under your chairmanship, Sir Edward. I thank my hon. Friend the Member for Bishop Auckland (Helen Goodman) for securing the debate.

Further education colleges in the north-east are important engines of economic growth and prosperity in our local communities, as well as significant drivers of social mobility. By 2022 the Tees valley will require 127,000 jobs in key sectors, but only 278,300 people out of a working-age population of 417,000 are in employment. The skills mismatch is incredibly important, and FE colleges can fill the gap.

Hartlepool, for a relatively small town, has a remarkably diverse range of post-16 provision. We have a sixth-form college, Cleveland College of Art and Design, and two schools with a sixth form. Hartlepool College of Further Education is the biggest provider of apprenticeships in the Tees valley and the second biggest provider in the north-east for 16-to-18 apprenticeships. It has a fully functioning aircraft hangar, with two jets and a helicopter, and we have real skills, expertise and quality in STEM. The college's apprenticeship success rate was 86.4%, when the national rate was 70.3%.

As my hon. Friends have indicated, there are concerns that the Government's reforms are pushing FE colleges to adopt significant changes in their business models, which will put their viability at risk.

**Alex Cunningham** (Stockton North) (Lab): I am grateful to my hon. Friend and neighbour for giving way. Yesterday in Education questions the Minister dismissed my concerns about the cost of area reviews, which I am led to believe could result in millions of pounds of extra banking fees being incurred as loan agreements are ended and new ones created. Does my hon. Friend agree that any real financial benefit to colleges might be lost unless the Government step in and decide what will happen with those additional costs?

**Mr Wright:** My hon. Friend makes a fair point, but I would go further, because I worry about the area-based review in the Tees valley. May I ask the Minister why the review includes FE and sixth-form colleges, but not school sixth forms, 16-to-19 free schools or university technical colleges? If a comprehensive review of post-16 provision in an area is being undertaken, why include only certain providers? The 10 FE colleges in the Tees valley subject to the review account for only about 60% of provision, so how can a proper evaluation take place? The process seems opaque, and no one has been able to demonstrate to me clear and transparent criteria for how the area-based review is being conducted. Will he use this opportunity to do so this afternoon?

Furthermore, given that colleges are autonomous organisations, it is difficult to see how any conclusions of the review can be implemented unless the Government starve colleges of funding until they agree to the conclusions. Will the Minister respond to that point and confirm that colleges in the north-east that refuse to accept the findings will not experience disproportionately harsh cuts to their funding?

The Government's key objective in skills policy is the target of 3 million apprenticeships by 2020. The apprenticeship levy has been proposed as a means to ensure that firms pay for training. I appreciate that core funding for 16 to 19-year-olds and adult skills will be maintained in cash, if not real, terms as a result of the spending review. However, the Minister knows that there remains acute pressure on college budgets. The Skills Funding Agency has suggested that about 70 colleges throughout the country could be deemed financially inadequate by the end of 2015-16.

A devastating impact on FE colleges in the north-east is possible. Will the Minister reassure the House, without referring to specific institutions—doing so might undermine confidence—that colleges in the region will have suitable resources? Will he explain how he anticipates that the combination of his main priority, apprenticeship expansion, with other FE college activities will complement one another, rather than the former being seen as a substitute or alternative for the latter?

I mentioned that FE colleges in the north-east are drivers of social mobility. For people in the north-east in their 20, 30s or 40s who have been made redundant—sorrowfully, we have had far too much of that in the north-east recently—or who may not have worked hard at school but now want to put their lives back on track, and yet are not in a position to take on an apprenticeship place, how does the Minister anticipate that FE colleges will be able to provide them with the necessary basic skills to make something of their lives?

I turn to the apprenticeship levy and, in particular, something that the Minister said when giving evidence to the Sub-Committee on Education, Skills and the Economy yesterday. About 2% of firms in England will be liable for the levy, and the Tees valley figure is broadly comparable to the national proportion—2.2% of our employers are large firms. In Committee I asked the Minister whether the Government position was that the levy will be a ring-fenced fund to be drawn on only by levy payers to fund apprentice training. The Minister said that large firms would have “first dibs” on the money raised from the levy.

That response prompts a number of questions. If that is the case, how will the 98% of smaller firms receive funding for apprenticeship training through the levy if they are waiting for scraps from the table? Will firms be able to carry the levy forward to subsequent financial years, so that if a large firm does not want to draw on it in year one, it will have that possibility in year two? Again, how will that help smaller firms? How will the system help FE colleges provide suitable financial planning? Will the “first dibs” approach be allocated on a national, regional or sub-regional basis—will it be large firms only in the Tees valley, or only in Hartlepool? How will the levy work?

As the Minister understands, the considerable uncertainty is undermining the ability of colleges in the north-east to plan and to provide their existing excellent further education provision. I hope that further detail will be provided this afternoon, so that colleges can get on with the job of ensuring that we can transform our regional economy and that people's lives in the north-east are made better.

**Sir Edward Leigh (in the Chair):** Congratulations—on the nail at six minutes. I call Anne-Marie Trevelyan.

3.7 pm

**Mrs Anne-Marie Trevelyan** (Berwick-upon-Tweed) (Con): Thank you, Sir Edward. I will do my best, although I am less practised than my colleagues.

Northumberland is one of our largest counties geographically, covering more than 2,000 square miles, but with a population of only 320,000. More than 50% of the population live in the small south-east corner of the county, where our excellent Northumberland

[Mrs Anne-Marie Trevelyan]

College is situated, in the constituency of the hon. Member for Wansbeck (Ian Lavery). For students in the Hexham or Berwick constituencies, the travel times and distances from local towns such as Alnwick, Hexham, Haltwhistle or Berwick are enormous. From Berwick the journey is more than 50 miles each way. The need for an excellent college to offer courses that the local school cannot is vital.

Northumberland College, under the fantastic leadership of Marcus Clinton, ably supported by a brave and determined board of governors, aims to provide a world-leading college for our students. A network of highly specialist centres is being built to provide a regional centre of excellence for hospitality, for tourism and for land-based training. A technology park, a STEM centre and a wind hub in conjunction with the Port of Blyth are also being created. Northumberland College wants to ensure that every student can access the training that they need in their chosen field, but my constituents face a challenge in even getting to the college.

Since our Labour county council stopped funding post-16 transport some years ago, the college has had to pick up the bill so that no student is lost. It is vital that there is stronger careers advice in our high schools, and that the sixth forms and colleges work together. Unlike in other parts of the country, in rural north Northumberland the pressure on schools is not too many pupils but too few. The schools are therefore keen to persuade their pupils to stay on for A-levels to help their cash flow, even though the college might be the better choice for a pupil. I ask the Minister, as the hon. Member for Hartlepool (Mr Wright) did, why the area review is not looking at provision in sixth forms as well as colleges and encompassing the whole post-16 sector. It is a small sector in Northumberland, but vital if we are to make the best use of resources and get the best for our students and for the future economic benefit of Northumberland.

A student who wants to specialise in construction, engineering or IT in our new STEM centre, or in land-based studies, which are so important to rural Northumberland, may be better off going to Northumberland College than remaining in a school setting, but that will be a problem as long as the battle for funds is an issue. Our college could not do more on rationalisation and working with local businesses to build apprenticeship programmes, but sparsely populated communities present real challenges, which I hope the area review and the Minister will shortly consider closely.

On apprenticeships, I, like the hon. Member for Hartlepool, would like the Minister to clarify how SMEs, which are the lifeblood of Northumberland—we do not have any large companies, and every company is an SME—will access levy funding to help them take on apprentices. We are struggling to get clarity on that, and I would appreciate having the Minister's guidance so that we and every SME that wants to be part of the apprenticeship programme can get our heads around the issue.

As the only college in our county, Northumberland College welcomes the recent moves to stabilise funding over the coming period, to introduce 19-plus loans and to support apprenticeship funding—my point about SMEs notwithstanding—and it is keen to discuss that with the Minister. It also welcomes the increase in

funding for those studying the land-based industries, and I hope Northumberland will continue to lead the way on innovative and modern thinking about farming practices. Those funding streams are allowing Northumberland College, at Kirkley Hall, near Ponteland—and, soon, I hope, at a satellite campus near Berwick, if we can persuade a local farmer to take on a bunch of students—to maintain a really specialist resource that is important for our agricultural county and for the whole north-east region. I look forward to hearing shortly from the Minister about how we can get some real clarity on that and the other issues I have raised.

3.11 pm

**Jenny Chapman** (Darlington) (Lab): It is a pleasure to serve under your chairmanship, Sir Edward. I congratulate my hon. Friend the Member for Bishop Auckland (Helen Goodman) on securing this important debate, and I am grateful for the opportunity to contribute.

I am not opposed in principle to area reviews, and it is right to assess from time to time the post-16 education on offer to young people and adults in any locality. We need to do that now because resources are scarce and colleges have been under immense pressure—more than they have ever been—in the past five years.

As a result of the environment the Government have created in recent years, I have seen some quite sharp practices taking place between colleges. In my area, we have the ludicrous situation that students have been enticed by offers of free travel to study at colleges further from home, when they could just as easily have studied the same courses in their home towns. That is not a sensible use of public money. Colleges are incorporated, but they are funded by the state, and taxpayers would expect such practices to be discouraged. My fear is that area review actually encourages such a lack of co-ordination and collaboration and that, once colleges agree whatever they agree with the area review team, the situation will deteriorate. I want to know what area review will do to cement collaboration between colleges.

I am all for student choice. I have no objection at all to Darlington students travelling further afield to access courses that are not on offer in the town or that are offered to a higher standard elsewhere. In fact, I would encourage that, and a small number of students from my area travel to Hartlepool to study on the courses mentioned by my hon. Friend the Member for Hartlepool (Mr Wright). I am pleased that they do that, and it is great that they can, but the lamentable state of public transport in the Tees valley is becoming an ever bigger obstacle to that happening more often. However, I do not like the gimmicky enticement of students who have not had the benefit of independent, well-informed advice about what is best for them.

College funding mechanisms certainly need to be looked at. Currently, colleges can do well as long as they can attract enough students on to their courses and keep them there, but they are not held to account adequately for the destinations of course leavers. Colleges operate in a market, but that market does not work sufficiently well for students.

My hon. Friend the Member for Hartlepool was absolutely right to refer to social mobility. There is a lack of quality advice and guidance for young people.

Students are therefore not savvy consumers able to shape the market in the way that I am sure the Minister would wish. The Social Mobility and Child Poverty Commission put it well:

“There is a jungle of qualifications, courses and institutions which students find hard to penetrate. Quality is variable and there is little or no visibility about outcomes. Nor is the system working as well as it should for the economy with skills shortages in precisely those areas—construction, technical and scientific skills—that vocational education is supposed to supply.”

In the north-east, we have seen thousands of older potential students lose their jobs in the public sector—and now in steel, too. How will area review take account of the needs of older learners? I ask that because I looked at what happened in Scotland, which undertook an area review—indeed, I was expecting a Member from Scotland to be here. The number of colleges in Scotland fell from 37 to 20. At the same time, there was a reduction of 48% in the number of part-time students and of 41% in the number of students aged 25 or over. That is deeply concerning to those of us from the north-east, given the job losses I referred to.

**Chi Onwurah:** My hon. Friend makes an important point about adult education and the capacity of our further education colleges to meet a growing demand for which there is less support. As the chair of the all-party group on adult education, I hope that the Minister will be able to give us some reassurance that the destruction of adult education will not continue.

**Jenny Chapman:** My hon. Friend makes an important point. The review could do serious damage if we are not mindful of the impact on older learners, given the experience north of the border.

One of the real problems is the confusion about courses, funding streams and where courses lead. A UCAS-style website could be created for vocational education, so that any learner can see for themselves what progression they are likely to undergo and what employment and earnings opportunities they are likely to have, as a consequence of choosing any course.

It would be remiss of me not to refer to my two local colleges—Darlington College, which is ably led by Kate Roe, and Queen Elizabeth Sixth Form College, which is led by Tim Fisher. The heads of both colleges are fantastic individuals, but they are both grappling like mad with how on earth to take their colleges forward, given the context that we are likely to see. Colleges in Darlington are really struggling with what Darlington needs to look like in the 21st century. What should the course mix look like? Who are the students of the future? What will they want? What will the skills needs be not just in our local area, but in the region, in the country and internationally? I want students in Darlington to get the same opportunities as students in the Minister's constituency, because that is not the case now. That is what we are meant to be aiming for. Those are the right questions for my colleges to be asking, and the Government should be focused on helping them to find answers.

Many of our colleges collaborate well, but there are too many examples of competition. I fear that the area review process will cement that counterproductive behaviour between colleges. As well as three-year funding security, colleges need external leadership. Unless we cement in some form of governance change—I do not know whether

that should be done through city deals or some other means, but we do need strategic leadership on a wider scale—and force colleges to accept a direction that builds in employers' needs, it is inevitable, given the likely future funding context and the competition for students, that different institutions will embark on wasteful enterprises and use novelty gimmicks to remain viable. That is in nobody's interests: it is bad for the economy, bad for taxpayers and, worst of all, bad for our students, who need well-informed advice that is given without prejudice and based on a sound knowledge of the jobs market.

I am afraid that so far area review has been conducted away from the gaze of students and parents, and away from employers. That has to change. The colleges are our colleges. They are vital local employers and community resources, and they undertake a vital task. We all feel great ownership of our colleges and do not want that to be lost. As I have said, I am open to change, as are my colleges, but the Minister needs to understand that the rationale for that change must have the students' best interests at heart.

3.20 pm

**Catherine McKinnell** (Newcastle upon Tyne North) (Lab): I commend my hon. Friend the Member for Bishop Auckland (Helen Goodman) on securing the debate, given the vital role played by further education in our region, which my hon. Friends have amply set out. I am pleased to have the opportunity to contribute, because on Friday I met the new principal of Newcastle College, Tony Lewin, at the college's aviation academy, which is based at Newcastle international airport in my constituency and ably led by former RAF engineer Tim Jacklin.

The aviation academy is just one of a wide range of world-class facilities at Newcastle College, including the energy, chefs, construction, healthcare, lifestyle and performance academies, as well as the rail academy, which has already been mentioned. I like to think of the aviation academy as one of the college's flagship operations, not only because it is in my constituency but because the facilities offered to learners are second to none. Students come from across the north of England to undertake FE courses in areas such as airport operations, cabin crew operations, aeronautical engineering, aviation operations and aerospace engineering. Some of them go on to take a foundation degree in aeronautical engineering or even an honours degree in aircraft engineering, operated in partnership with Kingston University.

Many of the courses are run in conjunction with high-profile names from the aviation industry, including Jet2 and Swissport, ensuring that the academy is delivering the skills that industry needs. Indeed, such are the facilities—including the academy's very own fully functional Boeing 737, and workshops kitted out with latest hydraulics, landing gear, pneumatics and electrical and electronic equipment—that people come from across the world to undertake the courses. Current students come from as far afield as Mozambique, Namibia and the Maldives.

Of course, all that is being provided at a time of great uncertainty for the FE sector, which has too often been afforded very limited time to plan properly or strategically, as a result of budget cuts imposed by the Government over recent months and years at unacceptably short

[Catherine McKinnell]

notice. I will not repeat all that has been said in the debate—my hon. Friend the Member for North Durham (Mr Jones) made a powerful case for the innovative approach taken by north-east colleges, as did other hon. Members—but it is worth reflecting on the open letter sent to the Prime Minister ahead of last year's spending review by 128 FE colleges across the country that stated:

“Late and unexpectedly large reductions in annual funding allocations...make it increasingly difficult to plan ahead with any certainty. Significant funding cuts for the 2015-16 academic year were announced in March 2015 with a further round of cuts announced in July. The cuts applied immediately from 1 August 2015. The uncertainty this creates means colleges cannot invest in their staff, effectively plan their curriculum, and meet the needs of the local economy and communities which they serve. It has become almost impossible to plan ahead and work meaningfully with other agencies and partners who rely on us to deliver their education, training and skills requirements.”

That is a serious concern for any part of the country, but surely more so for the north-east, which continues to have the highest rate of unemployment anywhere in the country by some margin.

Of course, one of the key ways in which the north-east FE sector is supporting our regional economy is through apprenticeships. Indeed, the proportion of the north-eastern colleges' adult education budget used for apprenticeships is higher—at 41%—than in any other region. I welcome any growth in the number of high-quality, meaningful apprenticeships because, as hon. Members may recall, one of the first things I did after being elected to this place in 2010 was to introduce a Bill to make better use of our public procurement system to deliver apprenticeship places. It was therefore with a wry smile that I read the Cabinet Office's new procurement policy note, published in August last year, which clearly states that

“central Government procurement contracts with a full life value of over £10 million and a duration of over 12 months should be used to support skills development and delivery of the apprenticeship commitment”—

particularly as I was told again and again by coalition Ministers that what I wanted could not possibly be done because of EU law.

Yet there is further uncertainty for colleges, among others, about apprenticeships. Newcastle College wants to take an active role in the delivery of apprenticeships through the new apprenticeship levy. However, despite the Government's proposal for the levy to be operational from April 2017, in just one year's time, the college is concerned about the continued lack of detail on how the initiative will work in practice. One can see why the scheme will be attractive to large firms, which can offset their apprenticeship costs against their levy payment; and, of course, the Government claim that only 2% of firms—those with an annual wage bill of more than £3 million—will have to pay the levy in the first place. So, as my hon. Friend the Member for Hartlepool (Mr Wright) asked, what about those smaller firms who will not pay the levy? How will they access funding for the programme, and will they be able to do so in a way that is not mired in bureaucracy that will put them off? After all, such businesses currently deliver more than 90% of apprenticeships in the country, yet *FE Week* reported 11 days ago that the Department for Business, Innovation and Skills just cannot clarify the issue.

Other questions remain, including how Ministers will ensure that, instead of a race to the bottom, the new system will create a race for quality apprenticeships—quantity over quality is a big risk—what will happen to potential apprentices who cannot be matched with an employer; what happens to the funding for apprentices where a firm terminates an apprenticeship part-way through; and how the Government will prevent a dip in apprenticeship numbers while firms wait to see how the new plans pan out.

For colleges such as Newcastle, for SMEs and, most importantly, for should-be apprentices across the country, I implore the Minister to make the details of the scheme available without delay, so that colleges and businesses have the lead-in time to plan properly for the changes ahead.

3.27 pm

**Mr Gordon Marsden** (Blackpool South) (Lab): The story of the area reviews is one of a belated and, to be blunt, over-hasty response by the Government to a developing crisis that they should have seen coming over a period of time. I congratulate everyone who has spoken, including the hon. Member for Berwick-upon-Tweed (Mrs Trevelyan). All the contributions were strong and compelling arguments for the vital importance of FE in the north-east. I particularly congratulate my hon. Friend the Member for Bishop Auckland (Helen Goodman) on securing the debate in the first place.

Some of the common themes that have come out of the process have been about the nature of the north-east's excellence, and the need not to jeopardise that in any way—not just the good manufacturing base, but also the service centre. It is not only for young people that that is important. In view of some of the statistics, such as that the average age of welders is 50, retraining and reskilling older people is crucial. I hope that the Minister did not miss the fact that virtually everyone who has spoken is worried about the unintended—I assume they are unintended—consequences of the over-hasty and rushed process I have referred to.

**Ian Lavery:** Is it not time that we cut to the chase? We have discussed Newcastle College, Northumberland College, Hartlepool College of Further Education, Bishop Auckland College, and colleges in Darlington, Durham and Teesside, among many others. All of them provide a brilliant education service to the people in their area. The reality is that we are here because we are extremely concerned that the area-based review will mean rationalisation or merger, which could both mean closure—or that it will simply mean closure. We are really concerned. We want some guarantees from the Minister that that will not happen in an area where the provision is much needed.

**Mr Marsden:** My hon. Friend repeats the eloquence that he and colleagues have displayed throughout the debate. Indeed, the questions he puts are essential, because what we have seen from the Government has been a continual process of cuts to funding both in-year and outside of it. An important point was made earlier about the inability to adjust in such a period of time. There has also been a lack of promotional budget for traineeships; cuts in the adult skills budgets, where the Government are still trying to find £360 million of

efficiencies and savings; and the scrapping of the education maintenance allowance to which many colleagues have referred.

I am afraid that that theme continues, with the scrapping of higher education maintenance grants for some of the most disadvantaged students, which are crucial to many colleges in the north-east. I have looked at figures that show that will affect 380 students at Cleveland College of Art and Design, 377 at New College Durham and more than 50 at Bishop Auckland College—that is not to mention those at Northumberland, Tyne Metropolitan, Newcastle College and Newcastle Sixth Form College. Therefore a large number of colleges will be affected.

While all of that is going on, we have seen the Minister and the Government set timescales for the area reviews at unrealistic levels. The arbitrary nature of the way in which the reviews are being carried out does not point to a happy outcome, which is why in December the Public Accounts Committee expressed its concern that that will not deliver a more robust and sustainable further education sector. It said that

“The departments appear to see the national programme of area-based reviews, which they announced in July 2015, as a fix-all solution to the sector’s problems. But the reviews have the potential to be haphazard”.

That is rather understating it. On the basis of what we have seen and heard so far today, the words “bull” and “china shop” come to mind.

Colleges across the north-east have done great work to support not just young people, but older people in gaining skills and we have heard how vital they are to the sub-regional economy. That is why we cannot afford to see the Government’s area reviews damaging the link between colleges and businesses or the many decent networks of colleges and schools in the area. As I said to *The Times Educational Supplement* in October,

“FE is all about getting students”—

especially local people—

“into work in the local economy.”

However, the area reviews risk undoing all that hard work. In view of the potential for combined authorities in the north-east that may wish to take on skills, education and training powers, over-centralised, Whitehall-led area decisions taken now could hamper their ability to do so effectively. That is particularly the case for adult skills and community learning budgets, which are the ones most likely to be devolved under any combined authority umbrella settlement.

Reports from the many parties that have run reviews have raised concerns that there is no clear process for making difficult decisions. My hon. Friend the Member for Scunthorpe (Nic Dakin), who is a former FE principal, expressed that view to *FE Week* in October. The steering groups look unwieldy and the reviews do not have to involve all post-16 providers. I am also concerned that groups of 25 are far too large. I would like the Minister to respond to those points.

We know that there are issues of financial inadequacy. The National Audit Office’s report shows that 29 colleges were inadequate in 2013 and that will rise to about 70 in 2015-16. That is a consequence of the many errors and failures of the previous Government, which have been continued by this Government. For many people, the idea that we have one law for sixth-forms and FE colleges and another for schools, academies and free

school sixth-forms who are not participating in the process or affected by it, beggars belief. If the reviews were about the quality of teaching and maximising FE colleges’ apprenticeships and outreach in the community, surely they should include all education and training providers. That point was made by Susan Pember, who was a distinguished civil servant in the Minister’s Department until not so long ago. As Martin Doel from the Association of Colleges and others have said, it is illogical that the process should continue without them.

All of the concerns raised have been highlighted in our discussion and it is imperative, as we have heard, that the local geography and economic conditions are taken into account in such reviews. In the north-east, as my hon. Friend the Member for Bishop Auckland demonstrated, the changes may be very harmful to the social fabric and social mobility of young people.

It is interesting that when the ideas for mergers and so on came to the Minister’s distinguished predecessor as Minister for Skills, the right hon. Member for South Holland and The Deepings (Mr Hayes), I am led to believe that he quietly shooed them away. He did that for a good reason, because he represents a rural constituency and therefore he knew well what some of the problems would be. The area reviews look set to force shotgun marriages on many colleges, with closures and mergers being put ahead of geography and economic sense.

It is also a pity, as my hon. Friends have said, that there has not been a broader role for learners, trade unions and the whole range of people affected by the changes. The National Union of Students has taken its own initiative and convened roundtables to mirror some of the reviews. An early report from its area review in the Tees Valley says:

“The travel infrastructure across Tees Valley needs to be improved significantly, particularly if learners are expected to travel further. At the moment, many colleges have to put on buses to enable students to come to college. With funding cuts and potential for a wider catchment of learners, this is not a sustainable model.”

It also mentioned an issue that we have not touched on today:

“We have significant concerns about the future of student support services, such as counselling, pastoral care and childcare, which are vital for widening access... and a commitment to ongoing support for disabled students... with physical and learning disabilities.”

My hon. Friend the Member for Stockton North (Alex Cunningham) mentioned the potential costs. Although the Minister said yesterday that he did not want such things to happen, we all know about the law of unintended consequences, so I hope that, if he does not answer that point today, he will write specifically to hon. Members to explain who will pay.

The truth of the matter is that all of the colleges we have heard about play a crucial role in partnering with businesses to provide the training and skills needed for the future in the north-east. We have seen that in the examples given and I could list many more, but I do not wish to add to those amply provided by my colleagues. We need to see the potential skills shortages and careers advice issue addressed, because they are crucial to sustaining those colleges. I was interested to see the recent Newcastle City Council taskforce report, which criticised standards as being inconsistent.

The experience of careers advice and training falls short not just in the north-east but across the country, yet the Government have continued their cuts, restricting

[Mr Marsden]

the support it is possible to give young people. Just yesterday in the Chamber, the Secretary of State had no answer to my question on the adequacy of limited funding and volunteers for a national careers service and the area reviews may do little to help and plenty to hinder promoting FE in careers advice.

Critically, we cannot afford to let talented and skilled young people, and older ones, fall by the wayside because their colleges have closed and the funding is not there to develop the skills needed to boost regional and sub-regional economies. The Government's area reviews, as they stand at the moment, are littered with problems and miss key components—they are simply a cost-cutting exercise. As we have heard, FE in the north-east is vital to improving the regional economy, so the Government must ensure that closures, mergers and cost-cuttings do not take place and do not destabilise the balance between education and work and that students do not lose the opportunity to go to a college near them. Otherwise, the Minister is in danger of presiding over a series of dysfunctional Rubik's cube processes, which could do permanent damage to local economies and learners' life chances in the north-east and elsewhere.

3.39 pm

**The Minister for Skills (Nick Boles):** It is a great pleasure to serve under your chairmanship, Sir Edward. I congratulate and, indeed, thank the hon. Member for Bishop Auckland (Helen Goodman) for securing the debate because I hope that it gives me an opportunity to reassure her on a number of points.

The hon. Lady said that the process of area reviews is destabilising colleges in the north-east. What destabilises colleges is not only the north-east but across the country is the Labour party holding an Opposition day debate in advance of the spending review and declaring that further education budgets will be cut by between 25% and 40%. Of course, what we actually saw in the spending review was a protection in flat cash terms of both the adult and community learning budgets and the funding rate for 16 to 19-year-olds—something that nobody in the college sector, the Opposition or anywhere else had predicted.

What also destabilises is hearing a series of speeches—with a few honourable exceptions, which I will come back to—from Members in which they wave appalling prospects of forced closures and people having to trudge hundreds of miles through the snow to get to a course, when absolutely nothing could be further from the truth and when they have literally no evidence at all for any of the fears they are trying to awake.

There are two approaches to opposition. The first is the approach that was admirably modelled by the hon. Members for Darlington (Jenny Chapman) and for Newcastle upon Tyne North (Catherine McKinnell), who said that she, in principle, could support the idea of an area review if it was genuinely intended to create stronger institutions that would be better able to supply the skills training required to meet the region's skills needs. We also heard constructive suggestions from the hon. Member for Newcastle upon Tyne Central (Chi Onwurah), who has now left. However, I would say to the other Opposition Members that it does nothing at all for their colleges or the students who they claim to

represent to terrify them into thinking that the Government are somehow slashing budgets when we are not or closing institutions when there is no proposal to do so.

**Mr Marsden** *rose*—

**Helen Goodman:** Will the Minister give way?

**Nick Boles:** No, I am not going to give way. I am going to move on—[*Interruption.*]

**Sir Edward Leigh (in the Chair):** Order. The Minister has intimated that he is not giving way, and I am afraid we have to listen to him quietly. It may be difficult, but Members must calm down.

**Nick Boles:** Hon. Members have asked a great many questions, and I want to try to answer as many as I can.

First, as well as seeming to think that my own educational background was a subject of interest for the debate, the hon. Member for Bishop Auckland suggested that I have no understanding of rural areas and the issues they face. I point out to her and the hon. Member for Blackpool South (Mr Marsden) that the constituency of South Holland and The Deepings neighbours—indeed, borders—my own. Your constituency, Sir Edward, also does. I, too, have a very rural constituency. I, too, have a constituency in which there are three towns that are more than 20 miles apart, so I entirely understand the issues. I am afraid that in Lincolnshire, fine and wonderful county though it is, we probably do not have much better public transport between towns than in the north-east, so to suggest that I have somehow brought an urban or south-east view to area reviews is ludicrous.

Secondly, the whole point about area reviews is that they are locally based. They are run locally, with local colleges taking these decisions. We of course accept that for the lower level of training in particular—level 1, 2 and 3 training—it is simply impossible to expect people to travel significant distances if we want them to continue in education. We do want them to continue in education, so we will absolutely not be looking to do that.

Opposition Members might want to ask themselves why the great and much admired Newcastle College is able to do so well. One reason is that it is big. In a single year, it secures £38 million of grant funding from the Skills Funding Agency alone, whereas many other colleges in the north-east receive £2 million, £3 million, £4 million or £5 million. “Merger” does not necessarily mean the closure of sites. In fact, what makes the closure of a site much more likely is a small, financially challenged institution that simply cannot cope with the overhead costs of running a college for very low volumes of training—

**Mr Kevan Jones** *rose*—

**Alex Cunningham:** Will the Minister give way?

**Nick Boles:** I will not give way. I am answering all Opposition Members' questions—[*Interruption.*]

**Sir Edward Leigh (in the Chair):** Order.

**Nick Boles:** I will now move on to funding. With many of the Opposition Members here today having participated in that Opposition day debate in which they frightened their constituents and mine with the prospect of a 25% to 40% cut, I hoped that I might hear

one word of welcome for the fact that the Chancellor was able to guarantee that the adult and community learning budget will be protected in flat cash terms throughout the spending review period—that is, until 2019-20—and that the 16-to-19 funding rate will also remain flat at £4,000 until 2019-20. Opposition Members predicted a 25% to 40% cut. We, through managing the economy responsibly, have secured funding stability, which I know their colleges welcome.

The hon. Member for Hartlepool (Mr Wright), as always, asked some important and serious follow-up questions, with the slight advantage of having quizzed me yesterday for an hour and a half. I will try to answer them, though they are not directly on the theme of area reviews. The change in the nature of apprenticeship funding is, of course, a critical element in looking at the future of any college's finances. I hope that he will welcome, endorse and help to go out and spread this message. Currently, across the country, colleges secure only 30% of all the funding for apprenticeship training. The rest—two thirds—goes to private training providers. We all believe that private training providers have an important role to play, and none of us wants to fix the market for colleges, but I hope that he and other hon. Members will join me in urging colleges to set themselves the ambition of winning two thirds of that funding.

Colleges are incredibly well placed to provide training for apprenticeships, as many colleges in the north-east already do. It will be a significantly expanding budget. The apprenticeship levy, about which the hon. Gentleman has some understandable concerns, will increase apprenticeship funding in England to £2.6 billion by the end of this Parliament. Between 2010 and 2020, apprenticeship funding in this country will have doubled. What other education budget will have doubled in that period? That is a dramatic shift. Colleges are fantastically well placed to take advantage of that funding, and I hope that we can work together to ensure that more of them secure it.

The hon. Member for Bishop Auckland asked an important question about the interaction between the new apprenticeship levy and the Construction Industry Training Board levy. She is right to say that the CITB has the support of the industry, but she is perhaps a little over-generous to say that the scheme is not broke. The reality is that our construction industry yet again has gone straight from feast to famine and suddenly finds that it does not have the skills it needs, so something is not quite working in the provision of skilled labour. I am sure that that is as true in her constituency as it is elsewhere in the country.

We have made very clear to the industry and, indeed, to the CITB that it will be for the industry to decide how it wants to combine the two levies. It may well be possible to devise a solution whereby one levy is effectively netted off against the other, so that no individual levy payer pays twice but we continue to provide support. The CITB levy, as the hon. Lady will be well aware, will cover more employers than the apprenticeship levy. She has my commitment that we will work with the industry to ensure the two levies work well alongside each other.

A question was asked about the devolution settlements and whether the funding that might be devolved will be ring-fenced. Hon. Members will be aware that we have already devolved capital funding to local enterprise partnerships in relation to skills. That funding is not

ring-fenced; it goes into the single capital pot that the partnerships have. I hope that Members will be reassured to know that even as adult skills funding starts to be devolved to areas that have secured devolution deals, local authorities in those areas will still be subject to the same statutory requirements to provide certain skills for free to certain members of the population. Local authorities might not have a ring-fenced budget, but they absolutely will have a statutory duty to meet that provision, as they do in relation to social services and all sorts of other services. I am sure that hon. Members will know from their own experience that local authorities take such statutory duties very seriously indeed.

The hon. Member for Darlington raised an interesting point and was the only person really to get into what she called the jungle of qualifications. I agree with her; it is often a baffling sea to any 16-year-old who comes in, seeking a set of courses to take them to a career. I hope that she will welcome and contribute to the review being conducted by a former Labour Minister, Lord Sainsbury. He is looking into constructing slightly clearer and more directive routes for technical and professional education, so that from the age of 16, young people are given a clear sense of what will actually take them into a job.

Finally, I come back to area reviews, which are the real subject of the debate. It is very important to understand and underline that colleges are independent institutions. We simply do not have the power, nor do we want to have the power, to tell them to merge, close or do any such thing. That is why—

**Several hon. Members** *rose*—

**Nick Boles:** I am not going to give way when I am in the middle of explaining something. That is why, of course, we have set up these reviews as being locally based and driven by the colleges. Of course, there is input from the Skills Funding Agency, because there is a great deal of expertise and because the Skills Funding Agency and the Education Funding Agency are the major sources of their financing. Frankly, however, many colleges—not least Newcastle College—also get a lot of funding independently, and quite right, too. They get it from business and do not need to look to the Government to tell them what their future is. We have invited all these colleges to work together and come up with a solution that will make them all more robust and more sustainable. It seems extraordinary to me that Opposition Members do not believe that any change could be positive.

**Several hon. Members** *rose*—

**Nick Boles:** Opposition Members just simply assume that every potential change is a threat and is somehow going to close a vital—

**Mr Marsden:** On a point of order, Sir Edward. You will observe that we have a considerable amount of time for the Minister to answer interventions, but he has refused to take any. Is it in order for him to do so, or is it just simply impolite not to?

**Sir Edward Leigh (in the Chair):** It is certainly in order for him to decide whether to take interventions. Whether it is polite or impolite is for others to judge.

**Nick Boles:** Thank you very much, Sir Edward, for confirming my understanding of Standing Orders. I just want to conclude by reassuring hon. Members—*[Interruption.]* I just want to conclude my argument by reassuring hon. Members that area reviews are not top-down impositions. They are not going to come up—

**Mr Kevan Jones:** On a point of order, Sir Edward. I have never seen a Minister fail to accept any interventions. When time is not on a Minister's side, it is fair not to, but we have eight minutes left and he has refused to have any Opposition Members challenge him on anything he has said, which is absolutely outrageous.

**Sir Edward Leigh (in the Chair):** Well, that is not a point of order, but there we are.

**Nick Boles:** I hoped that Opposition Members would understand that, when I said that I wanted to conclude my argument, that was slightly different from saying that I wanted to conclude my speech. I will be happy to take some interventions when I have concluded the argument that area reviews are not going to be centrally imposed solutions. They are locally generated solutions that will provide a prospect for every college—about which Opposition Members have spoken in such glowing terms—to do an even better job in the future of providing vital technical skills to their young people.

I will start, if I may, by taking an intervention from the hon. Member for Bishop Auckland, given that she secured the debate, and I am happy to use the rest of the time to take further interventions.

**Sir Edward Leigh (in the Chair):** I was going to call the hon. Lady to wind up at the end if she wants to, so does she want to let others come in first?

**Helen Goodman:** Okay, I will wind up afterwards.

**Nick Boles:** In which case, I am happy to give way to the hon. Member for Stockton North (Alex Cunningham).

**Alex Cunningham:** The Minister has not addressed the issue that I raised with him yesterday, which has been raised again today, about the banking fees that merging colleges will ultimately face as a result of any mergers that take place. They will run into millions of pounds across the country. What action will he take either to influence the banks or to ensure that those costs do not lie at the doors of colleges and that they get the benefit of any mergers that go ahead?

**Nick Boles:** I am glad that the hon. Gentleman has asked the question again. He is right, of course, that sometimes when there are changes to banking arrangements, fees arise, but those will be visible and transparent, and a college will only undertake an operation that might trigger those fees if it considers that, overall, doing so is in its interest. He will be aware that the Chancellor made it clear in the spending review process that there will be a facility to provide transitional funding for the implementation of area reviews. We will have access to that facility if we need it to support, for instance, a merger or some other arrangement; but ultimately, we will only support such a merger or arrangement if the

colleges believe that it is worth doing, even if there are some transitional transaction fees. I hope that helps a little.

**Mr Kevan Jones:** I am glad that, despite the Minister's arrogance, he has been shamed into accepting interventions. He is trying to portray the north-east colleges as somehow stuck in the mud and not wanting to change. I assure him, however, that he could not meet a more dynamic set of leaders who actually want change. I want to ask him specifically about the point I raised on the specialist employment service. Although I accept that that is a Department for Work and Pensions responsibility, will he assure me that he will raise it with his colleagues at the DWP?

**Nick Boles:** Of course, I am very happy to raise that with DWP colleagues; I regularly meet the Minister for Employment and actually I will meet the Under-Secretary of State for Disabled People soon. May I just make it clear on the record that at no time have I suggested that colleges in the north-east are stick-in-the-muds? Indeed, I have singled out several as exemplar colleges. I absolutely have said that some Labour Members who have spoken in the debate seem to be stick-in-the-muds and attached to defending existing arrangements, and I happy to repeat that claim.

**Mr Jones:** What the Minister is highlighting is that it seems as though he has made up his mind what he wants: he thinks big is beautiful. He rightly argues, as I said in my contribution, that Newcastle College is a good, forward-looking institution, but he clearly wants large colleges with satellites. That is not what local colleges in the region want; they want to co-operate with one another, so I am sorry, but he is being disingenuous if he is suggesting that he has somehow not made his mind up even before he started this review.

**Sir Edward Leigh (in the Chair):** Order. Will the Minister give Helen Goodman a couple of minutes to wind up, please?

**Nick Boles:** Of course I will. I just want to give any other hon. Member the opportunity to intervene, Sir Edward. They seem to be very keen to intervene—but perhaps less keen now.

3.57 pm

**Helen Goodman:** First, the Minister began his remarks by suggesting that some of us who spoke in this debate were scaremongering and that we had no evidence to suggest that options coming out of the reviews might include the closure of institutions. That is not the case. It was his document, "Reviewing post-16 education and training institutions: guidance on area reviews"—published on 8 September 2015, when he was the Minister—that floated that option. That is what people have noticed.

Secondly, the Minister knows perfectly well—he is an extremely well-informed man—that flat cash means real-terms cuts. That is what we have pointed out.

Thirdly, I asked the Minister why he thought it was right that the capitation was lowest in FE, as compared with universities and, of course, with sixth-form colleges. If this country is going to continue to develop a high level of technical expertise and manufacturing, we need

to put more money into this kind of education, which needs small groups and high-quality equipment to teach these young people.

*Question put and agreed to.*

*Resolved,*

That this House has considered further education colleges in the North East.

3.59 pm

*Sitting suspended.*

## Merseyside Fire and Rescue Service

[MR PHILIP HOLLOBONE *in the Chair*]

4.30 pm

**Margaret Greenwood** (Wirral West) (Lab): I beg to move,

That this House has considered the funding of Merseyside Fire and Rescue Service.

*Sitting suspended for Divisions in the House.*

5 pm

*On resuming—*

**Margaret Greenwood:** It is an honour to serve under your chairmanship, Mr Hollobone, and I am so pleased to have secured this debate this afternoon on the future of Merseyside fire and rescue service.

I begin by congratulating Merseyside fire and rescue service on its response to the floods right across the north of England this winter. It was able to provide that response because it makes such a positive contribution to national resilience, and I think we would all agree that we would like to see that contribution continue.

Merseyside fire and rescue service has been at the receiving end of severe cuts from central Government since 2011 and it faces further damaging cuts under the current Government. The cuts have led to fire station closures, a reduction in the number of fire engines and the loss of firefighter posts. The situation is a serious one and so I would like to describe these cuts in some detail today.

We all rely on the emergency services to be there should we need them. The work of firefighters is heroic. They enter burning buildings to rescue people who are in extreme peril, and who are terrified, exhausted or unconscious. That is the work that our firefighters do. They are brave people who put their own lives at risk to save the lives of others and I am sure that the Minister himself understands that, because of course he was himself once a firefighter. Firefighters are highly valued public servants.

In Merseyside during 2014-15, there were 582 rescues from all incidents; a rescue was carried out by Merseyside firefighters once every 15 hours. Their value cannot be in doubt. So it is important that we do what we can to ensure that firefighters can carry out their work in as safe an environment as possible. That is the very least that we owe them.

**Mrs Louise Ellman** (Liverpool, Riverside) (Lab/Co-op): I congratulate my hon. Friend on securing this very important debate. Does she share my concern that by 2020 there could be a cut of around 41% in the number of Merseyside firefighters in this vital emergency service?

**Margaret Greenwood:** I thank my hon. Friend for making that really important point, which I will return to. She is absolutely right. A cut of 41% in any workforce would add stress, but in an environment such as firefighting the resulting stress would be an unacceptable one to place upon firefighters.

[Margaret Greenwood]

With these points in mind, I will set out the scale of the cuts that the service has suffered since 2011 and their impact. I will then turn to the further cuts that were announced in December last year by the Government, and their implications, and I will ask the Minister to consider what all this means for Merseyside fire and rescue service.

Looking at the cuts from 2011-12 to 2015-16, we see that Merseyside fire and rescue service had a total cut from central Government of 32%, which is a huge and damaging cut. Like other metropolitan authorities, Merseyside relies to a much greater degree on its central Government grant than do county combined authorities such as Buckinghamshire. In 2010-11, Merseyside received 63% of its funding from its Government grant. Clearly, when the Government grant is cut, Merseyside receives a disproportionate cut in overall funding.

From 2011-12 to 2015-16, the cuts resulted in Merseyside fire and rescue service having to make £26 million worth of savings. What that meant on the ground is that we have lost nearly 300 firefighters, which is a cut of 31%; we have lost nearly 150 support staff, fire prevention and protection staff, and management staff, which is a cut of 35%; and we have had a 21% cut in our control staff, whose numbers are down from 42 to 33.

Cuts from central Government have also led to cuts in the number of fire engines on Merseyside, and in this respect the numbers are staggering. Back in 2011, we had 42 fire engines; we now have just 28, which is a cut of 33%. That cut has also led to a cut in the number of fire stations. On Merseyside, we are losing four fire stations as we go down from 26 to 22, which is a cut of 15%.

In my constituency of Wirral West, we currently have two fire stations—one at Upton and the other at West Kirby. Both are due to close and my constituents will no longer have their own fire stations but instead will be reliant on fire engines arriving from a neighbouring constituency. That will lead to longer response times, particularly into West Kirby and Hoylake, which are important urban centres. I am extremely concerned about this situation. Merseyside's chief fire officer, Dan Stephens, has described the closure of those two stations, to be replaced by one station at Saughall Massie, as "the least worst option". Clearly, that is not a ringing endorsement. The situation is far from ideal.

The loss of firefighters, fire engines and fire stations has led to an increase in response times across Merseyside over the five-year period from 2011 to 2016. Most notably, the response times of the second fire engine to attend incidents have increased by up to three minutes. That is worrying, because the crew of the first fire engine to arrive at an incident have to assess whether to carry out a search for people or to tackle the blaze. The arrival of the second fire engine is crucial, because with two crews the service can both tackle the blaze and carry out search and rescue. The Minister knows that minutes cost lives in a fire and that any increase in response times increases the risk of loss of life.

**Ian Lavery** (Wansbeck) (Lab): The number of fire deaths is often misrepresented, but the facts and figures with regard to Merseyside are that in 2011-12 there were five fire deaths; in the year 2014-15, there was a

doubling of that number to 10; and the indications are that the number could even treble in the next year or so. Does my hon. Friend share my deep concerns about this situation?

**Margaret Greenwood:** I thank my hon. Friend for that really important point, because of course someone might say that five is a small number—of course, every life matters—but when we see a trend such as that one it is significant. We also have to consider the wider trauma that is suffered, because of course one person who dies in a fire may have many relatives and children, and so the trauma is not just restricted to that one person. This is a very serious situation.

In addition to the increased risks to the public that we are seeing, we must also bear in mind what these cuts mean to the fire crews themselves. When a firefighter is committed to an incident wearing breathing apparatus, the length of time that they spend dealing with that incident and the activity that they undertake will have a bearing on the length of time they will need to recover away from the area of danger before they can be recommitted. Each time a firefighter wears breathing apparatus at an incident, the potential risk that they face increases, because of the amount of time they are exposed to hazards and the physical efforts of repeated use of breathing apparatus.

The speed at which other fire appliances arrive to provide additional crew in breathing apparatus is crucial to reducing the risk to firefighters and to providing an effective firefighting response. Dan Stephens, the chief fire officer of Merseyside fire and rescue service, has given his view of the impacts of the cuts so far. He says, "The reduction of appliance numbers resulting from the cuts to the Merseyside fire and rescue authority budget have increased response times for the first and subsequent appliances to life-risk incidents. The reduction in appliances has also impacted on the number of crews that can be released for risk-critical training and exercises on any given shift. The organisational capacity to undertake community safety interventions such as home fire safety checks has also been significantly reduced." It is important that we take notice of the chief fire officer's analysis of the situation that the cuts have given rise to.

**Mr George Howarth** (Knowsley) (Lab): I am very grateful to my hon. Friend both for her good fortune in securing this debate and for the powerful way in which she is making her case. Does she agree that given the weight of the problem that she has described, it would be appropriate for the Government to treat the fire and rescue service in the same way that they have treated the police, which is to say there should be no further cuts to the fire and rescue service?

**Margaret Greenwood:** I thank my right hon. Friend for that excellent point, and I absolutely agree with it.

As though all that has happened from 2011-12 to 2015-16 was not enough, there are more cuts to come. The future funding settlement announced as part of the local government funding settlement at the end of last year—on 17 December—has left Merseyside fire and rescue service facing a 41.3% cash reduction in the revenue support grant, which is the grant from central Government, over the period from 2016-17 to 2019-20. That equates to approximately a 50% reduction in real

terms. Once business rates are added, Merseyside fire and rescue service will see a cut in cash terms of 16%, or between 22% and 25% in real terms if we take inflation into account. Of course, we have to remember that those cuts are on top of the cuts that the service has already suffered, meaning total cuts of £11 million over the four years. The cuts that are coming our way are likely to lead to the loss of another 10 fire engines, taking the number down from 28 to 18, and the loss of another four or more fire stations.

The overall impact of the cuts delivered and planned for by the coalition Government and the current Government, between April 2011 and March 2020, will be a 41% reduction in the number of firefighters—a loss of about 400—a 46% reduction in the number of support, fire prevention and management staff, to just under 200, and a 21% cut in control staff, bringing their number down from 42 to 33. We can also expect to see the number of fire engines reduced from 42 to 18—a 43% cut.

**Mrs Ellman:** My hon. Friend is generous in giving way again. Does she agree that it is of great credit to Merseyside fire and rescue service that it has maintained such high standards in the face of the cuts? It would be absolutely wrong for the Government to continue their course of action in the knowledge that there would be a calamity in due course.

**Margaret Greenwood:** My hon. Friend makes an excellent point. She is absolutely right that it behoves the Government to take the situation extremely seriously.

The combined numbers for the loss of fire stations mean that we would be down from 26 to 18—a 31% cut. The numbers are shocking, and the scale of the cuts dramatic. Frankly, I find it unbelievable that it is possible to cut the number of firefighters by 41% with no increased risk of loss of life.

**Steve Rotheram** (Liverpool, Walton) (Lab): My hon. Friend paints a bleak picture of the impact of the cuts. In many ways, Merseyside fire and rescue service is a victim of its own success. It undertook to carry out preventive measures pre-2010, and that had a massive impact on the number of incidents to which it was called out. Last year, fire deaths on Merseyside doubled, but the low point in 2010 was because of those measures. Does my hon. Friend fear that the loss of 300 firefighter posts will have devastating consequences for firefighters' ability to address the rising number of fire deaths on Merseyside?

**Margaret Greenwood:** I agree with my hon. Friend's excellent point.

We have already mentioned the increased response times that are so critical when it comes to saving life. Independent consultants Greenstreet Berman suggest that by 2020, should the cuts go ahead, slower response times nationally will mean up to 41 additional deaths at dwelling fires, up to 91 additional deaths at road traffic collisions, up to 57 additional deaths at water incidents and 212 additional deaths at special service incidents. A significant increase in loss of life is predicted, so we must consider too what cuts in staffing on that scale will mean for those left working in the service. Anyone working in an environment that involves teamwork

knows full well that the loss of 40% of staff would put pressure on those remaining.

As well as considering the impact on the service's ability to respond to fires, we must also bear in mind the other essential work that the fire service carries out. In 2015, the Government published the latest edition of the national risk register of civil emergencies, which is the unclassified version of the national risk assessment. The register covers a range of civil emergencies that threaten serious damage to our welfare, the environment and security. A striking number of those threats are matters dealt with by the fire and rescue service, for example terrorist attacks, coastal and inland flooding, storms and gales, low temperatures and heavy snow, heatwaves and severe wild fires, pandemic influenza and other disease outbreaks, major industrial and transport accidents, and public disorder, such as during the civil disturbances of 2011. We must remember that a Government's first duty is to protect its citizens, and the coalition failed in that duty in 2011, with the riots that took place in London. I happened to be in London at the time, and it was very frightening to be there.

Firefighters in Merseyside continually plan, prepare and train for those kinds of emergencies. Some of the risks posed by such events have increased in recent years, and with climate change many of the risks are likely to increase in the foreseeable future. The Government's own analysis of flooding incidents responded to by fire and rescue services across England in 2014-15 shows a 15% decrease in the number of such incidents, but I think that we would all agree that this winter we have seen just how important fire and rescue services are in flood incidents, and we have all powerfully been made aware of how unpredictable extreme weather events can be. Merseyside fire and rescue service has supported every major flood event over the past 10 years.

We have to remember too the risk of terrorism. Terrorist incidents are, of course, by their nature unpredictable, but Merseyside fire and rescue must be able to respond to them. For example, it provided a terrorist firearms attack team for the NATO summit in Cardiff.

Other events are highly uncertain and difficult to quantify, and it is impossible to plan for multiple events. Everyone assumes that the fire and rescue service is prepared, equipped and staffed to meet every challenge. The Government's planning for such risks assumes that sufficient firefighters are available to tackle the emergencies, and that the fire and rescue service in Merseyside is resilient in the face of such threats.

I want to talk a little about the drop in the number of fire incidents. Some have tried to argue that the drop justifies the reduced spending on fire and rescue services. That might have once been the case, but after receiving deep cuts in 2011, Merseyside fire and rescue service should not face any more. The latest round of cuts will adversely affect the service's ability to carry out crucial fire prevention work in the community, which is particularly important when one considers the age profile of the local population, as in my constituency, for example. Older people suffering from memory loss, mobility issues, sight and hearing loss, and dementia increase the risk of domestic fires. The prevention work carried out by Merseyside fire and rescue service is as important today as it has ever been.

[Margaret Greenwood]

The increase in the number of road traffic incidents, to which the fire service across England has had to respond, should also be borne in mind. The coalition's cuts to Merseyside fire and rescue service have damaged the service's ability to respond to fire and a range of other incidents, many of them life-threatening. The cuts announced before Christmas will make matters far worse. The loss of 41% of firefighters, 46% of support, prevention, protection and management staff, and 21% of control staff will put an unacceptable strain on the remaining staff and affect response times. Cuts on that scale could also lead to loss of life.

I have looked but have been unable to find mention in the Conservative party manifesto that the Government intended to make dramatic cuts to essential life-saving services. I welcome a correction from the Minister if I am wrong. I very much doubt that the public will support this level of cuts or that they would be forgiving of such detriment to the service over time.

**Mr George Howarth:** My hon. Friend will be aware that Dan Stephens, the chief fire officer, said today that he believes that there is no capacity to absorb any further cuts. He also said that the situation is exacerbated by our low tax base and that

“the cuts we have sustained to date”

mean that the

“bulk of future savings”

will have

“to come from response”.

Is that not the case in a nutshell? My hon. Friend has described all the consequences—that more people will be at risk, more firefighters will be at risk, more people will lose their lives, more people will be injured and more properties will be destroyed or badly damaged.

**Margaret Greenwood:** My right hon. Friend makes an excellent point. Increasing response times is not an option if we take risk management seriously.

In the spending review, on 25 November, the Chancellor made great play of the fact that there would be no cuts in the police budget and that there would be real-terms protection for police funding. He said:

“The police protect us, and we are going to protect the police.”—*[Official Report, 25 November 2015; Vol. 602, c. 1373.]*

On closer inspection, the pledge does not look quite as watertight as it did when it was first made, but the U-turn does prompt the question: why are the Government not going to protect firefighters? Moving the responsibility for the fire service from the Department for Communities and Local Government to the Home Office offers the Minister an opportunity to pause, reconsider and drop the cuts, and I urge him to do so.

**Mr Philip Hollobone (in the Chair):** I will call the Front Benchers at 5.38 pm. They will have 10 minutes each, and Margaret Greenwood will then have two minutes at the end to sum up the debate. We have got between now and 5.38 pm for other contributions. I have two names on the list in front of me—I am happy to take others—of which the first is Conor McGinn.

5.19 pm

**Conor McGinn (St Helens North) (Lab):** It is a pleasure to serve under your chairmanship, Mr Hollobone. I am grateful to my hon. Friend the Member for Wirral West (Margaret Greenwood) for enabling us to have this important debate. She spoke passionately and outlined in some detail the severe difficulties facing Merseyside fire and rescue service and the fears that its staff, public representatives and the people of Merseyside have for its future. I agree with everything that she said, so I will restrict most of my brief remarks to the impact on my constituency.

Let me say at the outset that I deeply regret the situation that Merseyside fire and rescue service finds itself in as a result of the huge cuts to its budget, which have meant that it has had to reduce significantly the number of firefighters, appliances and stations across the region. I pay tribute to the fire authority and senior management in the service for how they have tried to mitigate the worst effects. I also commend the regional and national leadership of the Fire Brigades Union for how they have worked constructively to protect and defend their members, but also for how they have laid the blame where it truly lies, which is at the feet of this Conservative Government.

Following a consultation last year, it seems likely that St Helens fire station in my constituency will close. Eccleston station, in the constituency of St Helens South and Whiston, will suffer the same fate, with a new station being built to serve an area previously covered by two. This merger, as it has been called, is a bitter blow to those who work at the stations, and there are expected to be 22 job losses. It will also have a hugely negative impact on the local community, who value the station, their firefighters and the prevention and safety work done out of what is colloquially known as Parr station. More fundamentally, it raises questions about the impact on public safety, given the statistics that have already been quoted in this debate—notably the rise in response times and the increase in the number of fatalities across Merseyside, which is above the national average. It is currently proposed that the second fire engine at the new station will be crewed by whole-time retained firefighters, and there are concerns about the potential impact that will have on the already bad response times, especially at periods of high demand.

I am very fond of the Minister, but there is a pattern here. Over the past five years, £20 million has been taken from Merseyside fire and rescue authority, with a further £6.3 million to be found this financial year. My local council in St Helens will have had its budget halved by 2020. A planned new police station in Newton-le-Willows is now unlikely to be built, and St Helens courthouse is under threat of closure. The Tory Government call that savings. I call it theft. They are taking from the people of St Helens, Merseyside and the north-west of England what is rightfully theirs: their public services.

**Steve Rotheram:** My hon. Friend makes a powerful point on the cumulative impact not just of the cuts to the Merseyside fire and rescue service, but of the cuts to local authorities in our area. Does he agree that it is a targeted ideology of the Government to hit the poorest areas hardest? Unfortunately, Liverpool City Council has had a 52% cut, which is disproportionate to the cuts in other areas, such as Witney in Oxfordshire, which is the Prime Minister's seat.

**Conor McGinn:** It certainly seems that way. Public services are not optional; they belong to the people of this country and the people of St Helens, Merseyside and the north-west of England. Those public services have been paid for by their taxes, built by their hands and staffed by their hard work. Firefighters and their families represent all that is best about our public services and communities. The Opposition will stand by them, as they have so often stood by us.

5.24 pm

**Liz McInnes** (Heywood and Middleton) (Lab): It is a pleasure to serve under your chairmanship, Mr Hollobone. I thank my hon. Friend the Member for Wirral West (Margaret Greenwood) for securing this important debate. She is right to highlight the cuts to Merseyside fire and rescue service and to the six metropolitan fire and rescue authorities in general. They have borne the brunt of budgetary reductions between 2010-11 and 2015-16. My constituency is served by the Greater Manchester fire and rescue authority, which like its metropolitan sister in Merseyside is facing massive cuts that cannot mean anything other than a drastic reduction in its services. Following the local government settlement, Greater Manchester fire and rescue authority will have to cut £15.8 million from its budget by 2020, with a massive £12.6 million reduction in the first two years alone.

Today the Government announced greater collaboration with the other emergency services, but Greater Manchester already has numerous collaborative projects, which include a national flagship station at Irlam that includes police, fire and ambulance, and the development of the UK's first safe and well assessments, which focus on health and crime prevention as well as fire safety and prevention. It is the first fire and rescue service in the UK to have all front-line firefighters and resources responding to cardiac arrests on behalf of the local ambulance service. It is also building a joint fire and ambulance station in Wigan; providing offices to Greater Manchester police in Stockport, Stalybridge and Mossley; launching the community risk intervention team to support Greater Manchester police and health services; opening prevention hubs with Greater Manchester police and Salford City Council to support troubled families; and developing and delivering joint realistic multi-agency public disorder training.

The Government announced joint working with the police with a lot of fanfare, but I put it to the Minister that it is already going on. A further cut of £15.8 million will undoubtedly have an impact on the projects I have just outlined and will serve to limit the type of joint working that the Greater Manchester fire and rescue service has done so successfully with the police and other agencies. That is surely a retrograde step, given today's announcement.

Since 2009-10, Greater Manchester fire and rescue authority has saved £28 million, which amounts to a 25% reduction in budget. Similarly to Merseyside fire and rescue service, that has been achieved through cutting the numbers of firefighters; cutting support staff and senior management; revisions to firefighter shifts and crewing arrangements; increased collaboration with other services, as I have already outlined; and improved procurement, among many other savings. With those steps already taken, a further cut of £15.8 million will require an unacceptable reduction in the fire and

rescue cover that the service can provide. The scale of the new cuts will require the loss of a further 312 firefighter posts and the reduction of night-time cover from 56 fire engines to 33, meaning that Bury, Stockport and Trafford will have only one engine that is immediately available. The cuts will reduce front-line firefighters to 1,000 by 2019. In 1996, the authority had more than 2,000 firefighters. Fewer firefighters means fewer crewed-up fire engines being immediately available. As other Members have outlined, the consequence is that it will take longer to get to incidents and fires will spread more extensively.

Greater Manchester fire service has delivered more than 425,000 home visits and reduced fires by 42% over the past six years, but the trend of reduced incidents is now levelling off and in some places reversing. Between July and September last year, special service calls, such as road traffic collisions and flood responses, rose by 28% compared with the same period in the previous year. The numbers of non-domestic fires, accidental house fires and fire casualties have also increased. Further cuts will have an impact on preventive work, resulting in increased risk, more fires and more casualties.

On Boxing day last year, two thirds of Greater Manchester fire and rescue service's available resources were deployed to provide flood rescue response across the county. Firefighters rescued nearly 1,000 people in less than 24 hours. Future incidents of that size will leave large parts of Greater Manchester with no fire and rescue cover. The Fire and Rescue Services Act 2004 does not place a statutory duty on fire services to respond to flooding, and Greater Manchester fire and rescue service will be unable to maintain its current levels of response to flooding following a further £15.8 million in cuts.

Greater Manchester fire and rescue service is one of the most innovative brigades in the country. As we go forward into a devolved administration in Manchester, our communities should have the power to decide the type of fire and rescue service that they need. Cost-benefit analysis shows that for every £1 invested in firefighter provision in Greater Manchester, £18 is returned in benefits to the local economy—a contribution of £1.27 billion in 2014 alone. I urge the Government to take note of those figures and ask themselves whether further cuts to our fire and rescue services are a false economy. If the answer is yes, which I believe it is, the Government must think again before they put short-term financial savings ahead of public safety.

5.31 pm

**Peter Dowd** (Bootle) (Lab): I am pleased to speak under your stewardship, Mr Hollobone, and I congratulate my hon. Friend the Member for Wirral West (Margaret Greenwood) on securing this important debate.

As a former chair of Merseyside fire and rescue service, I feel I have a little knowledge—some would say very little knowledge—of the area that it serves. As a former Fire Minister, my right hon. Friend the Member for Knowsley (Mr Howarth) also shares significant knowledge of the service. The headquarters of the fire service is in my Bootle constituency. I visited the service HQ only a few weeks ago, and I am pleased to say that there is a jointly located command and control centre, shared with the police. That was an initiative taken and implemented without Government diktat, so Merseyside

[Peter Dowd]

is already ahead of the curve in that regard. Discussions have also taken place to one degree or another with the ambulance service over the potential relocation of its control centre within the Merseyside fire service.

The service has excellent partnership arrangements with the police and local authorities, and, over the years, has developed excellent relations with community groups, voluntary organisations and the faith sector. It is no easy task to go out and make contact day in and day out to build up relationships with those organisations, and they respond constructively and positively.

Merseyside fire and rescue service can truly claim to be an integrated partner within the various communities that go to make up Merseyside. In addition, its relationships with the business community are absolutely second to none. Put simply, Merseyside has an excellent service that has a record of being proactive—in that, too, it is second to none. Over the years it has not only responded in the physical sense to actual fires, but has been responsive in ensuring that prevention has been at the top of its agenda. That takes time, determination and both financial and human resources, which are incrementally disappearing.

Merseyside fire and rescue service has risen to the financial challenge, albeit an unfair one, that the Government have set it over the past five years. Merseyside is a diverse community. It has a major river running through it, with two strategic road tunnels running beneath. It has major dock estates on both sides of the river and a burgeoning cruise terminal, with a major expansion of the Seaforth dock under way. It has an airport, two universities and major regional, national and international hospitals of repute within its care. It has two excellent football teams, in addition to Liverpool FC. It also has Aintree racecourse, which hosts one of the largest horse-racing events in the world. Meanwhile, Merseyside fire and rescue service has brought down the number of fires over the years with an innovative fire prevention strategy. The number of deaths and injuries have gone down to remarkably low levels, and that excellent record is in jeopardy. There is no doubt about that at all. It has done all that without kicking up a fuss and under great financial pressure, but that can go on only for so long without having serious effects on the resilience of the service.

The six metropolitan authorities, out of a total of 46 services, accounted for 57% of the budgetary reduction in the service as a whole between 2011 and 2013. Little is changing under the Government's proposals; in fact, it is getting worse. During the same period, Merseyside fire and rescue service's budget was cut by 13%—one of the highest cuts, and double the average—while others received increases. That is simply not fair and not equitable, and it is on top of all other the major cuts to local government services across the region over the past few years, which my right hon. and hon. Friends have mentioned. Put simply, that financial inequity is wrong, particularly when lives and livelihoods are at risk. The Government really have to think again.

5.36 pm

**Lyn Brown** (West Ham) (Lab): As we have heard, and as the figures that I have show, the Merseyside service faces a 41% cut in the support it will get from the

Government over the next five years. It is calculated that that means it is likely to shrivel from 962 firefighters in 2011 to 564 in 2020, almost halving its firefighting workforce. Fire engines have been depleted from 42 to 28—it is possible that another 10 engines are to go—and four of Merseyside's 26 stations have closed, with another eight under threat. It is a really dramatic cut in front-line services by anybody's measures.

My hon. Friend the Member for Wirral West (Margaret Greenwood) made an excellent speech, supported by the other Merseyside MPs. She was absolutely right to bring the subject to the House's attention and to seek to get the Government to understand, even at this very late stage, just what these cuts mean to our constituencies and constituents. It is not just Merseyside—other fire services have been hit hard, with a 15.6% reduction in the cash budgets of metropolitan services and a reduction of 5.9% for non-metropolitan services. As the National Audit Office has said:

“Spending power has fallen most in areas assessed by the Department as having highest levels of...need.”

There are likely to be more incidents in areas of the highest need, as the Minister knows only too well. It is in the cities—in poorer metropolitan areas just like Merseyside—that fires are most likely to happen and to cause the most damage. Spending forecasts show that the trend is likely to continue. According to the House of Commons Library, metropolitan services are going to lose more spending power than combined county services, which means that services such as Merseyside's will continue to face the toughest cash squeeze. Where is the risk-based allocation that used to inform Government spending on fire services?

Since 2010, our fire and rescue service has had to deal with year-on-year cuts totalling an estimated £236 million—about 22.5% of its overall Government funding—and a further 8.8% this year alone. That has led to real reductions on the frontline. We have 5,000 fewer firefighters in England than we had in 2010. I travelled around the country earlier this year—I was the shadow Fire Minister prior to the election—and I talked to people at both metropolitan and non-metropolitan services. Some of them told me that their services would not be viable in the future. Those words chilled me, as they should chill the Minister.

Those who see logic in slashing fire budgets seem to believe that as there are now fewer fires it is safe to have a depleted fire service, but that argument is utterly specious. It completely disregards other important services that firefighters provide in key areas such as flood fighting, terrorism and others that we have heard about today. As my hon. Friend the Member for Wirral West said, a key factor in the smaller number of fires is the 670,000 home fire safety checks that the fire service carries out every year. Since 2004, when the checks began in earnest, the proportion of homes with fire alarms has increased from 74% to 88%. Those checks save lives as well as preventing fires—double the number of fatalities happen when a fire occurs in a building without a smoke alarm. To cut the fire service because the number of fire incidents has been reduced successfully, saving lives in the process, would be like cutting the number of mammograms because the number of deaths from breast cancer is going down. It is complete madness.

We should therefore be in no doubt that the cuts faced by services such as Merseyside will put the public at greater risk. Indeed, as we heard earlier, the independent

consultants Greenstreet Berman suggest that by 2020, slower response times nationally—they are now at their worst level for 20 years—could lead to more than 100 additional deaths a year. The cuts may well lead to the Government failing in their first duty: to keep the public safe.

Fire deaths in Merseyside have already increased over the past five years of cuts. I know we are dealing with small numbers at the local level, so I do not want to talk about percentages because they can be totally misleading, but the trend concerns me deeply, as it should concern the Minister.

The funding cuts faced by the Merseyside fire service and other beleaguered services are all the more difficult to manage because the Government have consistently shown little or no leadership on the future of fire services. Now, however, after a long period of inertia, the Government are suggesting a patchwork, top-down reorganisation. They are effectively proposing to put fire services under police and crime commissioners, or to place the police on the boards of fire services to be part of their management. They are also suggesting a single employer.

There is real concern that all that will mean that the fire service becomes subsidiary to the police and ceases to be a statutory service in its own right, and that the fire service will be the one to see the reductions in budget and staffing—no longer two equal services working side by side for the public good, but one subordinate to another. Where PCCs take over, what guarantees do the public have that fire budgets will be maintained? Merseyside has a right to ask for that, and for an unequivocal assurance from the Minister that this top-down proposal will not be used to introduce privatisation.

The reorganisation is, I assume, to save money. Why, oh why did the Minister not look to Wales or Scotland to work out how a reorganisation could be done to save money and yet protect the frontline? Was it simply a “not invented here” reaction, or something more nefarious? As the shadow Fire Minister before the election, I thought hard about what an incoming Labour Government could do to save money, in Merseyside and elsewhere, and protect the frontline. I consulted experts, and they told me that there were only three ways to work within the Tory-Liberal Democrat spending plans: merge the service into one; volunteerise the whole service; or privatise it. Which of those options is today’s announcement moving us towards—a service staffed completely by volunteers or a privatised service?

As the Minister knows, firefighters run into danger when the rest of us are running away. They are professional and work with determination and expertise to protect us all from the most appalling risks. They should be valued and listened to, not ignored. The Minister knows that better than anyone, and I urge him to take stock of the funding on Merseyside and in all the other areas of the country that are struggling to make massive reductions.

The Minister must respond to the impressive and passionate case that Merseyside MPs have made today about fire service funding, and not fob them off with some fairy tale about reorganisation providing more money for the frontline. Budget reductions and his suggestions for mergers with the PCCs put him in danger of creating a Cinderella service. That fairy tale ended happily, but today, sadly, I see no Prince Charming on the horizon.

**Mr Philip Hollobone (in the Chair):** I call Prince Charming.

5.45 pm

**The Minister for Policing, Crime and Criminal Justice (Mike Penning):** It is, as everyone has said, Mr Hollobone, a pleasure to serve under your chairmanship yet again.

I welcome the shadow Minister, the hon. Member for West Ham (Lyn Brown), to her role. I thought we had got rid of each other after the psychoactive substances debate, but here we are again. I do not know which of us feels sorrier. This is the first time that she has attacked me, which is probably a sign of the future, but we can still be friends outside the Chamber.

Colleagues from Merseyside are present today and I understand what they have said, although I do not understand or recognise some of the figures that have been used. I will come to those in a moment.

I congratulate the hon. Member for Wirral West (Margaret Greenwood) on securing the debate and on making all these colleagues come out of the main Chamber for this debate, which is obviously important. I will answer as many of the points as possible. Naturally, if I cannot answer them all, I will write to colleagues. Actually, I want to write to colleagues from throughout the area—to colleagues who are not present as well—to clarify some of the figures, because I just do not recognise some of them. If I am wrong, I will obviously make that clear later and apologise, but let me give an example. The shadow Minister talked about core spending power between now and 2020, and a 41% cut was alluded to. Actually, it is 3.4% and a reduction of £2.1 million. There is obviously a discrepancy between the figures that my officials have produced for me and the figures that have been used in the debate.

One thing that slightly surprised me was this. The local authority is concerned and obviously has lobbied extensively, yet my notes tell me that Merseyside had the opportunity formally to respond to the local government financial settlement if it was concerned about the funding cuts, but it did not do so, so it did not take part in the consultation. I might be wrong, but those are the notes I have. I would think that if there were concerns, they would have been expressed.

**Steve Rotheram:** Will the Minister give way?

**Mike Penning:** I will make a tiny bit of progress and then give way.

I am very conscious that a former Minister and a former chair of the Merseyside fire and rescue service are present. I pay tribute to the hon. Member for Bootle (Peter Dowd), because he went through an enormously difficult time in reforming the Merseyside service. I know that that was not an easy thing for him to do, so I pay tribute to him for the work that he and his board did.

For a short period, I was a fireman in the fire and rescue service in Essex, and I was the branch representative of the Fire Brigades Union for a very short period—until we fell out—and so no one is more conscious than I am of the work that our firefighters do on a daily basis. A lot of it is not seen by the public, even though the public expect them to do it. I am very conscious, having been to Lancashire, of the work that is done through mutual

[*Mike Penning*]

aid agreements. I saw help come across those borders—there were no borders and no lines on maps; firefighters just went across to help in the way that they should have. Firefighters from my constituency in Hertfordshire were also in the north-west, assisting with high-velocity pumps. A lot needs to be learnt from the type of flooding and rescue work that was done. The Prime Minister has already announced a review of not only how we protect the public better from flooding, but how we respond and where the facilities should be.

It is also important that we acknowledge the changes that have taken place in the structure of the fire service, certainly since I joined in '82, as well as what has happened over the past few years. I pay tribute to the Fire Brigades Union, which in my time, would never have agreed to some of the changes that have taken place, especially in the manning of stations. However, practicalities relating to the modernisation of the service meant that when I was in Lancashire only the other day, all the whole-time station staff I met were what I would call day-manning staff. Other crews come down at night and are on call. It seems to be working really well there. It was first piloted, I think, in Woodham Ferrers in Essex, back in the '80s. When I was there, we went to day-manning stations. It is about a different sort of facility, looking at what the requirements are and when staff can come in.

**Mr George Howarth** *rose*—

**Mike Penning:** I give way to the former Minister.

**Mr Howarth:** I am grateful to the Minister. I join him in paying tribute to the FBU for the concessions that it has been willing to make, but does he not recognise that, because it has already made those concessions, the scope for any further reductions is inevitably much smaller?

**Mike Penning:** In some respects, I agree with the right hon. Gentleman. We have come some way, but I do not think that anyone would say that we have fully come through. For instance, the figure I have for the number of retained firefighters in Merseyside is 25, which is very low. That may be because we are looking at day-manning stations among other things, but the use of retained firefighters is how it is done in many parts of the country. Sadly, that is not the case in London, where there are no retained firefighters, which I find strange. We need to continue to look at that.

I do not have the full figures for Manchester, because the debate is about Merseyside fire and rescue service, so I will have to write to the hon. Member for Heywood and Middleton (Liz McInnes). My officials were scurrying away behind me to ensure that I had some details, but it is probably better if I write to her. I will say again that I do not recognise some of the figures on the amount of losses. We can all throw figures around, but let us get down to the facts.

Colleagues have talked about the small but significant increase in deaths in Merseyside, and that needs to be addressed. The statistics are always difficult: one death is too many, and one of the first things I said when I took over this responsibility just over three weeks ago was, “Yes, we have reduced deaths nationally enormously, but hundreds of people still die in fires and we need to get that figure down even more.” With the

fire service in Merseyside and my specialist teams, I will personally look and ask for analysis as to why that figure has moved.

A couple of comments are very important. I am brand-new into the job. I was a firefighter, but that was a long time ago and the service has changed enormously since then. The one thing that has not changed is that, while we go in one direction, the fire service and other emergency services are going in the other direction, so it is right that we continue to pay tribute to fire services across the country and acknowledge the work that they do and that there have been many changes. In the debate, I was listening carefully about who is manning what and where.

Some colleagues said that their fire station may not open—I refer in particular to the hon. Member for St Helens North (Conor McGinn). It might well open if it were a fire and police station. It is difficult to convert a police station into a fire station because the big red trucks do not get into the foyer so well, but we can plan constructively in the community. I always use the analogy that a church is not about buildings; it is about people coming together, and that is what we are talking about with the emergency services.

The reforms we announced today based on the consultation are not top-down but an attempt to move further forward. As chief fire officer Paul Hancock said today, there is a general warmth towards them in the service. This is not about taking one force, putting it under another and undermining it—as a former firefighter, why would I do that? I am trying to ensure that those on the front line have the opportunities and finances there and that we do not waste money in silos with headquarters here and there when they could come together. Why is it that in any part of the country the fire and police headquarters are not in the same building? Why are human resources and procurement not done together?

Since I took over responsibility for the fire service, I have published information on the 43 police authorities in which I listed about 20 average products that they buy for front-line operational use, so that the public can see how much each PCC and chief constable is spending on that equipment. The variation is enormous. For instance, on a type of approved body armour, there was a £300 difference between one piece of kit and another. On batons, the figure was about £80. I intend to do similarly for the fire service. I am not telling anyone that they should go to a specific organisation to buy their equipment, but I think the public should know what is being spent and how it is being spent. In vehicle procurement, the fire service should be part of the e-auctions process to ensure that taxpayers' money is spent correctly.

**Mrs Ellman:** Will the Minister give way?

**Mike Penning:** I will give way in a second, but I want to make a tiny bit of progress.

The equipment has changed dramatically from when I was in the fire service. We need to look carefully at the equipment we have for the 21st century. For instance, when I was in Lancashire, six fire appliances were sadly damaged due to the flood. Their crews watched the Army vehicles go through. Squaddies will drive through anything, but their vehicles are adapted to go through it, whereas six of the fire appliances got trapped in the

water, went off the road straight away and were quite seriously damaged. The engines were damaged as well. We need to look at the manufacturers to make sure we have the right equipment.

**Steve Rotheram:** In case there is any confusion, Merseyside fire and rescue service submitted a response to the consultation on behalf of and jointly with other metropolitan authorities; I want to clarify that point. My hon. Friend the Member for Bootle (Peter Dowd) may well be mistaken and myopic in his choice of football team, but he was absolutely right on the statistics we used, which were provided by Merseyside fire and rescue service itself. He was there, along with a number of other Merseyside MPs, when the Leader of the Opposition visited the joint control centre that the Government are pushing in Bootle. The chair of Merseyside fire and rescue service, Councillor Dave Hanratty, has asked me to extend the same invitation to the Minister. The chief gave out that information, and he is very careful about being absolutely non-political and impartial, so the Minister can come along and get the briefing for himself.

**Mike Penning:** I will come. I have been to Merseyside many times in my ministerial role, not least when I announced the decision to open the cruise terminal in Liverpool, which was opposed by many areas in the south of England. I know Merseyside very well, and I will come as soon as my diary allows.

I would never say that anybody has intentionally used a figure that is not correct. Of course, everybody thinks that the figures they use are correct. All I have said is that the information I have is slightly different. It may be a question of semantics—who knows? Let us get the facts right, and then we will know.

The biggest thing I want to make sure I get across to the House is that I am new and I have an open mind. The Prime Minister has put me here for a reason, and it is obviously a logical reason. The role of Fire Minister is back in the Home Office where it was when I was a firefighter in the '80s, interestingly, and it is logical that the emergency services are together. I will look carefully at why Merseyside has seen this slight but significant increase in deaths. It is very important we look at that and find out what has been going on.

5.57 pm

**Margaret Greenwood:** I thank the Minister for his response and his proposition to look carefully into the increase in deaths; that is welcome. However, I have to say that I find his response on the business of figures somewhat baffling, because all the figures I have presented to him have come from Merseyside fire and rescue

service. I wonder why he has not challenged the figures I have come up with of £26 million in cuts during the coalition and a further £11 million cuts to come. It does not matter whether we talk in percentages; those are huge cuts and that is a vast amount of money. Talking about merging HR functions and so forth is all well and good, but it does not really go to the nub of the issue. This is all about saving money, and that is the issue we are so concerned about.

**Peter Dowd:** In 2010-11, Merseyside received 63% of its funding from Government grants, so any cut in Government grant has a disproportionate effect. Does my hon. Friend agree that the Minister would do well to look at that particular element in his assessments?

**Margaret Greenwood:** My hon. Friend makes an excellent point. Of course, not all areas of the country receive that level of grant, but to us it is massively important. These cuts are real, and they are being felt already. We have already lost 300 firefighters. I am losing all the fire stations in my constituency. These cuts have not been magicked out of a small percentage; they are real cuts we are seeing.

I commend the Minister for paying tribute to the way in which the FBU has responded to modernisation, but I wonder what more he wants. The FBU has gone a long way to meet the cuts dealt to it already. As my right hon. Friend the Member for Knowsley (Mr Howarth) said, with the fire services having made those concessions and responded so valiantly to the scale of the cuts last time, there is nothing left to cut without detriment to services.

Finally, I would like to welcome the Minister to come to Merseyside and urge him to look at the figures very closely indeed.

**Mike Penning:** I will look at them before I come.

**Margaret Greenwood:** I therefore urge the Minister to consider the possibility of dropping the cuts. If the cuts are of the scale that we have presented today, which I believe they are, there is a strong case for cutting them. Merseyside deserves a fire service that it can rely on and that is well funded, well resourced and does not put its firefighters at risk.

*Question put and agreed to.*

*Resolved,*

That this House has considered the funding of Merseyside Fire and Rescue Service.

6 pm

*Sitting adjourned.*



# Written Statements

Tuesday 26 January 2016

## BUSINESS, INNOVATION AND SKILLS

### Small Companies Audit Exemption Thresholds

**The Minister for Small Business, Industry and Enterprise (Anna Soubry):** My noble Friend the Parliamentary Under-Secretary of State for Business, Innovation and Skills (Baroness Neville-Rolfe) has today made the following statement.

The Government have carefully considered responses to questions posed on the audit exemption threshold in the Government's discussion paper on the implementation of the Audit Directive (2014/56/EU) and the Audit Regulation (Regulation 537/2014). Some stakeholders argued that amending the audit exemption threshold increases the risk of poor financial reporting and that the thresholds should be maintained at the previous level or raised to some intermediate level lower than the thresholds now used to determine a "small company" for financial reporting purposes. Others argued for the thresholds rising to the maximum permitted, quoting the erosion of the value of the audit exemption thresholds due to inflationary effects and the need to avoid imposing avoidable regulation on small companies. Moreover removing the link between the thresholds for eligibility for the small company regime and those for the audit exemption would introduce unnecessary complexity into company law and cause confusion for users.

The Government have concluded that, as now, all companies should continue to be able to have an audit. Companies will not however be required to have an audit for the financial years commencing on or after 1 January 2016 if at their balance sheet date they satisfy at least two of the three following criteria, in general for two consecutive financial years:

- Turnover  $\leq$  £10.2 million
- Balance sheet total  $\leq$  £ 5.1 million
- Number of employees  $\leq$  50

and they are not otherwise excluded from accessing the audit exemption, for example due to the nature of their business.

Audit and auditors will continue to have an important role in supporting small businesses to achieve their ambitions and grow; and in providing assurance to owners and lenders about a company's performance. Although it is estimated that raising the audit exemption thresholds will bring a further 7,400 companies within scope of the exemption, on current practice the Government anticipate that 4,400 will choose to continue to have an external audit. Of the 3,000 companies expected additionally to take up the exemption, some will seek alternative routes to ensure that the company's systems are robust; for example, through assurance reviews or increased oversight of accounts preparation.

In view of the news expressed by stakeholders the Government will keep the changes in the audit exemption thresholds under review. We will respond quickly should evidence emerge that further action is required to ensure that the UK continues to have a world-class financial reporting and assurance framework which meets the needs of users and regulators.

[HCWS491]

## Control of UK Companies: Transparency

**The Minister for Universities and Science (Joseph Johnson):** My noble Friend the Parliamentary Under-Secretary of State for Business, Innovation and Skills has today made the following statement.

On Monday the 25 January, I laid before Parliament draft regulations in connection with Part 21A Companies Act 2006. These establish the public register of information about people with significant control (PSC) over UK companies and limited liability partnerships (LLPs). This is an important step in providing much greater transparency about who owns UK companies and LLPs. This will boost trust in UK businesses, and reduce the risk of UK companies and LLPs being used for corrupt purposes.

The Government appreciate that transparency is usually in the public interest, as it is useful to know with whom one is doing business and helps deter and identify where corporate entities are being used for criminal activities.

The Government recognise that in certain rare circumstances publication of PSC information could put individuals at serious risk of violence or intimidation.

The draft regulations therefore provide for applications to be made to withhold the personal information of PSCs from public disclosure. In such cases the information must still be provided, and the fact that the information exists but is protected, will be made public. This is set out in more detail in Section 790ZG and regulations 33-45 of the draft Companies (Register of People with Significant Control) Regulations 2016.

Section 790J also enables the Secretary of State to make general exemptions to the new requirements. The Secretary of State has not granted any such exemptions, and would only be prepared to grant exemptions in very limited circumstances. These circumstances would be that the exemption is in the interests of national security; the economic wellbeing of the UK, or in the support of the prevention or detection of serious crime.

An exemption would also only be granted if the Secretary of State received satisfactory assurances on other matters like the company or LLP was not being run for personal benefit of any individual and that the exemption was necessary for the person seeking it to achieve their lawful objectives. I do not propose to comment further on whether I have received any such requests or whether I have granted them.

[HCWS488]

## TREASURY

### Financial Services

**The Economic Secretary to the Treasury (Harriett Baldwin):** The Chancellor has this morning announced that Andrew Bailey has been appointed as the next chief executive of the Financial Conduct Authority.

Andrew will succeed Tracey McDermott, interim CEO, and bring his extensive skills and experience of regulation to ensure that the UK financial services sector is the best regulated in the world.

The Chancellor has also announced the appointments of Bradley Fried, Baroness Hogg, Ruth Kelly and Tom Wright as non-executive directors.

These appointments are being made by HM Treasury under, and in accordance with, the Financial Services and Markets Act 2000 as amended.

[HCWS490]

## COMMUNITIES AND LOCAL GOVERNMENT

### Fire and Rescue Authorities: Funding for Pension Redress Payments

**The Secretary of State for Communities and Local Government (Greg Clark):** In May 2015, the pensions ombudsman issued his final determination in a case brought by a retired Scottish firefighter against the Government Actuary's Department. This found that the Government Actuary's Department failed to review the factors used in the calculation of the firefighter's lump sum pension payment at the appropriate time, and that this amounted to maladministration. The Government determined that the principles of this ruling should be applied to other affected individuals across the UK, including around 6,000 retired firefighters in England.

Ministerial responsibility for fire and rescue policy transferred to the Home Office on 5 January 2016. The Permanent Secretary at the Department for Communities and Local Government remains the accounting officer for fire budgets until 31 March 2016, and budgets remain with the Department for Communities and Local Government until then. From 1 April 2016 remaining responsibilities for fire budgets and administrative responsibilities will transfer to the Home Office.

Parliamentary approval for additional capital of £94 million will be sought in a supplementary estimate for the Department for Communities and Local Government. Pending that approval, urgent expenditure estimated at £94 million will be met by repayable cash advances from the Contingencies Fund.

[HCWS493]

## HOME DEPARTMENT

### Emergency Services: Closer Working

**The Secretary of State for the Home Department (Mrs Theresa May):** Efficient and effective emergency services are essential to keeping our communities safe. Closer working between the police, fire and rescue and NHS ambulance services can improve the way they serve communities, protect the public and provide value for money for taxpayers.

The Government are committed to supporting collaborative and innovative blue light working, and have invested over £80 million in such projects. While there are good examples of joint working in some local areas, there is much more to be done before collaborative working becomes the norm. For example, there could be savings to be made from greater sharing of premises, back offices, IT and procurement systems, which can release valuable resources to the frontline.

I have worked closely with the Secretary of State for Communities and Local Government and the Secretary of State for Health to develop a range of proposals to enable closer working between the emergency services and to provide for stronger local accountability. On 11 September 2015, we published a joint consultation paper setting out our proposals and seeking views on

how best to implement them. The consultation ended on 23 October 2015. Over 300 responses were received from national, local and regional organisations, police forces, police and crime commissioners, fire and rescue authorities, local councils, ambulance trusts, front-line practitioners, associations and other interested groups and individuals. We would like to thank all those who gave their time to respond and contribute to the consultation process.

Today, we have published the Government's response to the consultation, which summarises the comments we received and sets out how we intend to proceed.

Having carefully considered all the consultation responses, we intend to legislate to:

- introduce a high-level duty to collaborate on all three emergency services, to improve efficiency or effectiveness;

- enable police and crime commissioners to take on the functions and duties of fire and rescue authorities, where a local case is made;

- further enable police and crime commissioners to create a single employer for police and fire staff where they take on the responsibilities of their local fire and rescue service, and where a local case is made;

- in areas where a police and crime commissioner has not become responsible for fire and rescue, enabling them to have representation on their local fire and rescue authority with voting rights, where the fire and rescue authority agrees; and

- abolish the London Fire and Emergency Planning Authority and give the Mayor of London direct responsibility for the fire and rescue service in London.

The intention is that these measures will ensure collaboration is widespread and ambitious across the country.

Bringing police and fire together locally under the leadership of a PCC will provide greater direct accountability for the public and will accelerate local collaboration. This does not mean a takeover of the fire service by the police. The important distinction between operational policing and firefighting will be maintained, with the current law that prevents a full-time police officer from being a firefighter remaining in place, and with no intention to give firefighters the power of arrest.

Alongside this, the Prime Minister's recent announcement that responsibility for fire policy has transferred from the Department for Communities and Local Government to the Home Office shows the Government's commitment to closer collaboration between police and fire and rescue services. Bringing together responsibility for fire and police in the same Department provides the same clear leadership in central Government that our proposals on emergency services collaboration seek to deliver locally. It provides an excellent opportunity for sharing good practice to drive reform and to deliver better outcomes for the public.

These measures will apply to England only. Further details on the measures and how the consultation has informed them, are set out within the Government's published response.

Copies of the Government's response to the consultation will be placed in the Library of the House.

[HCWS489]

## JUSTICE

### Youth Justice

**The Lord Chancellor and Secretary of State for Justice (Michael Gove):** As I assured the House on 11 January, *Official Report*, column 573, the safety and welfare of all those in custody is vital. We treat the allegations of abuse directed towards young people at the Medway Secure Training Centre, run by G4S, with the utmost seriousness. Kent police and Medway Council's child protection team have launched an investigation which will determine whether there is any evidence to justify criminal proceedings. The Ministry of Justice and Youth Justice Board will fully support and co-operate with their enquiries.

Following the allegations, our immediate priority has been to ensure that young people at the centre are safe. HMIP and Ofsted visited Medway STC on 11 January and their findings are published today. The Youth Justice Board, which is responsible for commissioning and oversight of the secure youth estate, has increased both its own monitoring at Medway STC and the presence of Barnardo's, who provide an independent advocacy service at the centre. The YJB immediately stopped all placements of young people into the centre and suspended the certification of staff named in the allegations.

I believe, however, that we need to do more in order to have confidence that the STC is being run safely and that the right lessons have been learned. Today's report by HMIP and Ofsted recommends the appointment of a commissioner to provide additional external oversight of the governance of the centre. I agree that additional external oversight is necessary and am also concerned that it draws on the broadest possible expertise.

I am therefore today appointing an independent improvement board, comprised of four members with substantial expertise in education, running secure establishments and looking after children with behavioural difficulties. This board will fulfil the same function, with the same remit, as HMIP and Ofsted's recommendation for a commissioner. We have tasked G4S with putting an improvement plan in place, which this board will oversee.

I have appointed Dr Gary Holden as the chair of the improvement board. Dr Holden is the chief executive officer and executive principal of The Williamson Trust,

a successful academy chain in Kent. This includes the outstanding Sir Joseph Williamson's Mathematical School, located less than a mile from Medway STC. He is also a national leader of education and chair of the Teaching Schools Council. His experience as a headteacher and leader of a high-performing organisation make him ideally suited to identify the steps that should be taken to raise standards at Medway STC.

Dr Holden will be joined by: Bernard Allen, an expert in behaviour management and the use of restraint; Emily Thomas, interim governor of HM Prison Holloway and former governor of HM young offender institution Cookham Wood; and Sharon Gray OBE, an education consultant and former headteacher with experience of working with children with behavioural difficulties, including in residential settings.

The board will provide increased oversight, scrutiny and challenge of managerial arrangements, in particular in relation to the safeguarding of young people. Board members will have authority to visit any part of the site at any time, access records at Medway and interview children during their investigations. The board will report any concerns about the provision of services at Medway to me. The board's work will assist me in determining the necessary improvements that G4S must make to restore confidence that young people are properly safeguarded at the STC.

The terms of reference for the independent improvement board are to:

- investigate the safeguarding arrangements at Medway in order to inform the development and approval of the improvement plan to be produced by G4S and any steps to be taken by the Youth Justice Board (YJB) and other organisations;

- oversee, challenge and support G4S in implementing their improvement plan;

- report to the Secretary of State on the Board's confidence in the capability of G4S, YJB and other organisations to meet appropriate safeguarding standards at Medway STC in the future, and the performance and monitoring arrangements required to provide assurance; and

- submit any recommendations on the safeguarding of young people in custody, including the role of the YJB and other organisations, to inform practice in the wider youth custodial estate and Charlie Taylor's review of the youth justice system.

The board will complete its work by the end of March 2016.

[HCWS492]



# Petitions

Tuesday 26 January 2016

## OBSERVATIONS

### HEALTH

#### Bishop Auckland hospitals

*The petition of residents of Bishop Auckland, Shildon and surrounding areas,*

Declares that Bishop Auckland General Hospital should have a midwife led maternity unit, breast screening services and an urgent care centre.

The petitioners therefore request that the House of Commons urges the County Durham & Darlington Foundation Trust to guarantee a midwife-led maternity unit, breast screening services and an urgent care centre for the next 10 years.

And the petitioners remain, etc.—[Presented by Helen Goodman, *Official Report*, 25 November 2015; Vol. 602, c. 1457.]

[P001570]

*Observations from the Parliamentary Under-Secretary of State for Health (Ben Gummer):*

The commissioning and provision of local health services is a matter for the local NHS. This Government are committed to devolving decision-making about local NHS services to local clinicians and communities. GPs, clinicians, patients and local authorities are best placed to determine the nature of their NHS services.

The NHS must however be able to respond flexibly to changes in clinical care and patient populations by providing services that meet current needs. The safety of services must always be a priority.

#### Richardson hospital

*The petition of the people of Teesdale and surrounding areas,*

Declares that Richardson hospital is a vital and much used resource for the people of Teesdale, an area with very limited public transport, and it should not have its services reduced either by the closure of wards, the removal of equipment or the reduction of its staff team.

The petitioners therefore urge the House of Commons to ask County Durham & Darlington Foundation Trust to guarantee these services for the next 10 years.

And the petitioners remain, etc.—[Presented by Helen Goodman, *Official Report*, 25 November 2015; Vol. 602, c. 1457.]

[P001571]

*Observations from the Parliamentary Under-Secretary of State for Health (Ben Gummer):*

The commissioning and provision of local health services is a matter for the local NHS. This Government are committed to devolving decision-making about local NHS services to local clinicians and communities. GPs, clinicians, patients and local authorities are best placed to determine the nature of their NHS services.

The NHS must however be able to respond flexibly to changes in clinical care and patient populations by providing services that meet current needs. The safety of services must always be a priority.



# ORAL ANSWERS

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# PETITIONS

Tuesday 26 January 2016

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