

Thursday
28 January 2016

Volume 605
No. 106



**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Thursday 28 January 2016

House of Commons

Thursday 28 January 2016

The House met at half-past Nine o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Speaker's Statement

Mr Speaker: Robin Fell, the acting Deputy Serjeant at Arms, is retiring at the end of this month. Colleagues, he has worked at the House of Commons as a police officer and a Doorkeeper since 1969. Owen Sweeney, the deputy Deliverer of the Vote, is also retiring after 46 years as a House employee, having worked in the Serjeant at Arms Department before moving to the Vote Office. I am sure the whole House will join me in wishing these two very long-serving members of staff the very best for their retirement, and in thanking them, as I know I do extremely personally, for their quite outstanding contributions to this House and to the public service over nearly five decades. They have helped most magnificently in contributing to the smooth running of the House. Thank you both.

Hon. Members: Hear, hear.

Oral Answers to Questions

TRANSPORT

The Secretary of State was asked—

High Speed 2

1. **David Mowat** (Warrington South) (Con): What progress has been made on finalising the route for phase 2 of High Speed 2. [903309]

The Secretary of State for Transport (Mr Patrick McLoughlin): May I associate myself with your remarks, Mr Speaker, to both members of staff who are retiring and wish them well in their retirement? I am sure they would be welcome to come back and observe us in a different role, if they so wished.

In November last year I confirmed plans for accelerating the construction of phase 2 from the west midlands to Crewe so that it opens in 2027, six years earlier than planned. We are developing our plans for the rest of phase 2 and I intend to make decisions on the rest of the route by the autumn at the latest.

David Mowat: The Secretary of State will be aware that HS2 Ltd is currently evaluating a proposal to extend the line north of Manchester to Wigan. The cost of that is around £1 billion but as yet no incremental business or economic case has been produced. Will my right hon. Friend undertake that, before a decision is taken to extend the line north of Manchester, a business case will be laid before this House so that it can be reviewed?

Mr McLoughlin: When we come forward with proposals, they will receive the same scrutiny as those for the earlier part of the line. I believe that high-speed rail is essential for the long-term economic future of the United Kingdom. It gives us the increased capacity that we so desperately need on our railways, and that is a whole other scheme.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Can the Secretary of State tell us how planning the route for HS2 will be linked with planned improvements for east-west rail travel—for example, Liverpool to Hull?

Mr McLoughlin: The hon. Lady, as Chairman of the Select Committee, is absolutely right that that is part of what needs to be done. It is part of what is being addressed by David Higgins as chairman of HS2 in his designs for the routes. Also, we wait to see what the National Infrastructure Commission led by Lord Adonis comes out with on the east-west link on HS3.

Fiona Bruce (Congleton) (Con): Will the Secretary of State give close consideration to how Middlewich railway station can be reopened to passengers? That would facilitate much increased use of the rail line right into Manchester from Crewe and relieve considerable congestion on the M6, which has the support not only of local residents, but of a number of surrounding Members of Parliament.

Mr McLoughlin: I am not sure that comes into the HS2 line route development, but I am more than happy to discuss these matters with my hon. Friend, as is the rail Minister, the Under-Secretary of State for Transport, my hon. Friend the Member for Devizes (Claire Perry). One of the reasons for developing a high-speed rail link is that we need to find a lot more capacity on the existing rail network, and one of the ways we do that is by providing the extra capacity that HS2 will give.

Graham Jones (Hyndburn) (Lab): I share the concerns of the hon. Member for Warrington South (David Mowat). Is not it poor that there are no plans for any HS2 rail service north of Manchester, particularly to Wigan? The 530,000 people in east Lancashire will be completely disconnected from phase 2 of HS2. Will the Secretary of State look at that?

Mr McLoughlin: The simple fact is that from day one I see HS2 serving areas wider than just those in which it is built. When we start the service from Birmingham, it will be possible to link with conventional rail routes, rather as high-speed trains currently run from St Pancras to Ashford and then beyond. I hope that the northern parts of the United Kingdom will be served by HS2 straightaway.

Jeremy Lefroy (Stafford) (Con): When the plans were put forward in November, they included none of the proposals for mitigation in my constituency that I and my constituents had put forward. Will my right hon. Friend give me an assurance that those proposals will continue to be looked at throughout the passage of the Bill?

Mr McLoughlin: Indeed. When we bring forward the Bill, my hon. Friend and his constituents will have every opportunity to make their case, including throughout its consideration in Committee.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): This is one of the largest and most expensive Government projects on the table. Just before Christmas the Public Accounts Committee heard from the Secretary of State's permanent secretary about the evaluation of High Speed 1, which was two years late and was therefore not included in the evaluation for the early stages of High Speed 2. How can he convince us that he really has a grip on the costs of this project and that the House will have proper, full scrutiny of that challenge?

Mr McLoughlin: The hon. Lady represents a London constituency and will therefore get the benefit of Crossrail, which is a very expensive scheme—the expense is not dissimilar to that of the first part of phase 2 of HS2. We are evaluating the project very carefully indeed, and we look very closely at anything the Public Accounts Committee tells us—of course, it always tells us in hindsight; never in advance.

Mr David Nuttall (Bury North) (Con): If the Wigan spur proceeds, does that mean that when it comes to extending the HS2 line up to Scotland, it will go up the west coast, rather than the east coast, thereby missing out the north-east and Newcastle?

Mr McLoughlin: No, I very much want to see Newcastle served. Those decisions are yet to be taken in full, but there is no reason why Newcastle should not be served on the east side of the HS2 spur.

Lilian Greenwood (Nottingham South) (Lab): We welcome the decision to accelerate HS2's construction to Crewe. However, the whole of phase 2 is crucial for the midlands and the north. We were told that Ministers would confirm the route by the end of 2014, but that target has now slipped by at least two years, prolonging blight for residents, creating uncertainty and scaring off investment. Does the Secretary of State agree that there must be no doubt about the Government's commitment to phase 2? Does he further agree that were a Chancellor with a Cheshire constituency to terminate the route south of Manchester, that would be an abject betrayal of the northern powerhouse?

Mr McLoughlin: I agree with the first part of the hon. Lady's question, but I have had no stronger support in promoting this scheme from any member of the Government than I have had from the Chancellor of the Exchequer, even though it affects his constituency. He has been very clear about the benefits it will bring not only to the north, but to the whole of the United Kingdom. To intimate that he is somehow against the scheme is wholly wrong. I said that I hoped to have the full scheme announced by the end of this year, but I left a bit of leeway in order to make announcements sooner if I possibly can, to alleviate the blight of certain areas affected, which might not be affected under the proposals now being worked on.

Transport Fuels: Renewable Sources

3. **Graham Stuart** (Beverley and Holderness) (Con): What recent assessment has his Department made of when the UK will meet its target in the EU renewable energy directive of 10% of its transport fuels coming from renewable sources. [903311]

The Minister of State, Department for Transport (Mr Robert Goodwill): We are determined to achieve the target of 10% biofuel inclusion by 2020 and are working with industry and others to that end.

Graham Stuart: There has been a £400 million investment in the Vivergo Fuels plant in my constituency, supporting 4,000 jobs. Does the Minister agree that the most cost-effective way of meeting our transport emissions targets is to increase the share of bioethanol in our petrol?

Mr Goodwill: I suppose I should declare an interest, as 100 tonnes of my wheat went to that plant just before Christmas to produce bioethanol. It is important that we work with not only the plant in my hon. Friend's constituency, but the one on Teesside to ensure that the industry has a sustainable future. We must also look carefully at other knock-on effects that indirect land use change might have, as the decisions we make in Europe can affect habitats in south America or the far east, for example.

Mr Clive Betts (Sheffield South East) (Lab): Does the Minister agree that it is absolutely essential that we get on with developing alternative fuels of a variety of kinds to power our vehicles? Without that, the levels of nitrous dioxide are causing permanent health damage to many people in this country. At Tinsley, the local authority in Sheffield has decided to move a school away from the motorway because of the levels of NO₂, but residents are still living there. The city council is responsible for air quality to some degree, but in the end it is down to Government to deal with problems such as air pollution from the motorway. When are they going to act on this?

Mr Goodwill: In the wake of the Volkswagen scandal, the Government are acting to ensure that diesel-powered vehicles are meeting their obligations, but our push towards electric vehicles and other novel-fuel vehicles also has a part to play. The Government are determined to improve air quality.

Michael Fabricant (Lichfield) (Con): I am glad that my hon. Friend has mentioned electric vehicles, because Continental, which is a major player in research and development for electric car drivetrains, making them for many different manufacturers, is based in my constituency. What is the Department doing to encourage the use and development of electric cars?

Mr Goodwill: The plug-in car grants have been very successful, and we have seen an increase in the take-up of electric cars. Indeed, I was recently in Milton Keynes opening a facility there to test the drivetrains and motors in electric cars. The UK is taking a lead in this technology, which is being developed here. The Nissan Leaf is a major product produced in the UK to contribute to this market.

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): On behalf of SNP Members, I add my thanks and best wishes to the departing staff members and wish them a happy retirement.

Good work needs to be done on new fuels, but there is a glaring omission within the Government's work just now. Regardless of the current fuel position, there is a need to plan ahead. The Minister will know that Oslo

airport has become the world's first airport to offer sustainable jet biofuel to all airlines, and that Lufthansa Group, SAS and KLM have already signed agreements to buy it. Here, meanwhile, the aviation industry has raised concerns that the industry's sustainable aviation agenda is not being supported by Government. Will the Minister reconsider his position and include aviation in the renewable transport fuels obligation?

Mr Goodwill: In terms of the sustainability of aviation, this is an important year at the International Civil Aviation Organisation, where we should get, I hope, agreement on a market-based mechanism to combat the issue of carbon dioxide. Within the industry, both Virgin and British Airways are working on alternative fuels produced from waste products, which will help with the sustainability of aviation.

Drew Hendry: I do not think that anybody, especially in the aviation industry, is persuaded by the tortured explanations that we get on this. The aviation industry tells me that the UK Government are in policy paralysis—they are not dealing with biofuel development and they are not dealing with airport expansion. Will the Minister commit to action on a renewable transport fuels obligation for aviation?

Mr Goodwill: That is not the impression I get when I meet representatives of the aviation industry. Indeed, the improvement of sustainable aviation is an industry-led initiative. I repeat that this is a very important year for the world in terms of tackling CO₂ emissions from aviation. We all want to achieve a globally based mechanism, and I am determined to ensure that we play our part in negotiating it.

Richard Burden (Birmingham, Northfield) (Lab): I really do need to press the Minister a bit further on this. Recently, British Airways postponed its GreenSky project to establish a facility to produce advanced biofuels for aviation here in the UK. While the issues involved in that are no doubt complex, will the Minister listen to the increasingly widespread warnings from those involved in aviation that inaction and lack of clear policy direction from the Government are holding back the development and use of renewable fuels in aviation, thereby missing opportunities to boost jobs and skills in these technologies and making it more difficult to meet our obligations on carbon and harmful emissions?

Mr Goodwill: I can understand the hon. Gentleman's frustration in wanting to make more progress, but I have to say that there is more than one way of killing a cat. Yes, alternative fuels may have an important role to play, but more importantly—[*Interruption.*] More importantly, a market-based mechanism will allow other types of technology to be developed which can then be used to offset the emissions from aviation, which will always be dependent on liquid fuels. [*Interruption.*]

Mr Speaker: We are grateful to the Minister, who I fear is being accused of what might be called metaphorical inexactitude.

High-speed Rail Network

4. **Marion Fellows** (Motherwell and Wishaw) (SNP): What recent discussions he has had with Ministers in the Scottish Government on development of the high-speed rail network. [903312]

The Minister of State, Department for Transport (Mr Robert Goodwill): I shared the platform with the Scottish Minister, Keith Brown, at the HS2 supply chain conference on 5 November in Edinburgh. We discussed the benefits that Scotland will get from HS2. My right hon. Friend the Secretary of State has arranged to meet Keith next week.

Marion Fellows: The Minister will recall that he was previously asked by my hon. Friend the Member for Kilmarnock and Loudoun (Alan Brown) about the potential for increased journey times north of Crewe to Scotland under the current proposals for HS2. At the time, he suggested that upgrades on the line were already under way. Therefore, will he now commit to providing the Scottish Government with a definitive timetable for those upgrades?

Mr Goodwill: I can tell the hon. Lady that HS2 will deliver increased benefits to Scotland. From day one, journey times from Glasgow will be reduced from four hours 31 minutes to three hours 56 minutes. Indeed, the full Y network will benefit Scotland to the tune of £3 billion. Interestingly, she does not mention Nicola Sturgeon's own bullet train, the Glasgow-Edinburgh scheme, which she announced as infrastructure Minister in 2012. It appears that Scotland's First Minister has now given her bullet train the bullet.

Local Roads

5. **Daniel Kawczynski** (Shrewsbury and Atcham) (Con): What recent assessment he has made of the condition of local roads. [903313]

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): The Government fully understand how important it is to have a reliable quality road network, which is why we are providing a record £6 billion for local highways maintenance. We have also created the pothole action fund with a budget of £250 million dedicated to delivering better journeys.

Daniel Kawczynski: I am grateful to the Minister for his answer. I am pleased that he has agreed to come to Shrewsbury soon to look at some congestion problems in the town. May I draw his attention to the state of the roads in rural counties where there are huge numbers of potholes, a lack of pavements and significant problems? We really need more investment for those roads in rural counties.

Andrew Jones: I am looking forward to visiting my hon. Friend's constituency on 27 May. I agree that more money is required, which is why the Government have increased the budget. Within the two initiatives that I have just highlighted, may I include the fact that we are also incentivising part of the maintenance fund so that efficient and organised councils are rewarded? That will encourage local councils to improve the maintenance regime on their highways. I urge him to work with his council so that it can benefit from that scheme to the maximum.

Mrs Emma Lewell-Buck (South Shields) (Lab): From this year until 2021, both the A1 and the A19 will be undergoing extensive roadworks. Although that investment

is welcome, the current plans show that both roads will be upgraded at the same time, which will create total chaos on our region's road network and bring the north-east to a total standstill. I have already written to the Secretary of State about this, and he is clearly not interested. Will he show some interest from today?

Andrew Jones: We are investing significantly in our road network. We have the Government's first road investment strategy, with a significant overall pot of £15.2 billion. It is phased to deliver maximum benefit across our country. Of course Highways England plans such things effectively, and then works with local partners to ensure that there is minimum disruption. We should welcome the investment, as I certainly do.

19. [903330] **Michael Tomlinson** (Mid Dorset and North Poole) (Con): The Institute of Advanced Motorists has praised Dorset County Council for focusing on long-term road repairs. Will the Minister join me in praising the council for using its scarce resources wisely, and ensure that vital funding continues to enable Dorset to maintain the standards of its roads?

Andrew Jones: I will indeed join my hon. Friend in praising Dorset County Council. It is great to hear that its long-term approach is paying dividends. It is that approach that we want to see across the whole network. I will write to Dorset County Council to highlight the views of this House, to pass on our congratulations, and to confirm his main point that budgets will be increasing.

Jim Shannon (Strangford) (DUP): Last year, the Department of Agriculture and Rural Development paid £4.5 million in compensation for the damage done to vehicles by potholes. The Government allocated extra moneys to Northern Ireland to help with that problem. Will the Minister agree to allocate the same amount of money to Northern Ireland this year?

Andrew Jones: I will certainly look into that matter, and write to the hon. Gentleman with an answer.

Local Transport Projects

6. **Jack Lopresti** (Filton and Bradley Stoke) (Con): What steps he is taking to provide funding for large local transport projects. [903315]

The Minister of State, Department for Transport (Mr Robert Goodwill): For the avoidance of doubt, I want to put on the record that I have never actually skinned a cat. I have, however, skinned a large number of rabbits and I imagine the principles are the same.

In answer to the question, the Department is providing over £7 billion for the devolved local growth fund, which will fund over 500 local transport projects by 2020-21. This now also includes £475 million for transformational local transport schemes that are too large for the devolved allocations. We will provide further details in the spring.

Jack Lopresti: I thank the Secretary of State for meeting me and my hon. Friends the Members for Kingswood (Chris Skidmore), for Bath (Ben Howlett) and for Thornbury and Yate (Luke Hall) last week to discuss our campaign for a new junction 18A on the M4. What

assessment can the Minister make about the likelihood of the proposed junction? It would support job creation, as well as ensure that reducing traffic congestion in our constituencies actually happens.

Mr Goodwill: I have seen examples up and down the country of such road projects unlocking growth and creating jobs in particular areas. I know it was a very fruitful meeting with the Secretary of State, who has asked Highways England to take a close look at this matter.

Caroline Flint (Don Valley) (Lab): The National Infrastructure Commission has called for evidence on future road projects, and one such area is about connecting northern cities. Doncaster and Barnsley have put evidence in to the commission for the trans-Pennine tunnel link. Does the Minister know when the commission will report, and how soon after the report will he have a chance to make up his mind about which projects he will fund?

Mr Goodwill: Such decisions will certainly be made more quickly than they were under the previous Labour Government, who did not get round to investing in infrastructure in the way that we have committed to do. The National Infrastructure Commission is looking at big ticket items or major projects that will be transformational for areas, not least in the north of England, and we are determined to push forward with our northern powerhouse project.

Ben Howlett (Bath) (Con): Following on from his answer to my hon. Friend the Member for Filton and Bradley Stoke (Jack Lopresti), does the Minister agree that a new junction 18A on the M4 would unlock regional growth and jobs, and enable Bath University to open its new vehicle emission testing plant at Emersons Green, which will help to reduce congestion on the windy, narrow roads in Bath and Bristol?

Mr Goodwill: I know that my hon. Friend was at the meeting and made those points to the Secretary of State. It is absolutely vital that we look at how we can unlock growth and jobs through investment in infrastructure, as this Government understand all too well.

Tom Brake (Carshalton and Wallington) (LD): Is the Minister able to say whether funding will be available for a very important local transport project, which is to extend the overground line from West Croydon through to Sutton? That would enable passengers who currently have to rely on the shambolic services provided by Southern and Thameslink to use that line instead.

Mr Goodwill: We have record investment both in our conventional rail network and high-speed rail and in the strategic road network, and we are also working with local enterprise partnerships and local authorities on their own local schemes. That is just the sort of scheme that we need to look at closely.

Peter Aldous (Waveney) (Con): A compelling business case for the third crossing in Lowestoft was submitted to the Minister's Department just before Christmas. I would be grateful if he advised when a bid can be submitted to the local majors fund so that we can get on and build this bridge and ensure it is completed by 2020.

Mr Goodwill: I had the pleasure of visiting my hon. Friend's constituency to see that particular issue for myself. I will be in a position to make an announcement in due course.

Andrew Gwynne (Denton and Reddish) (Lab): At the last Transport questions, I asked the Secretary of State if he could look into the issue of excess noise coming from the M60 motorway, which has been made worse as a result of the Denton pinch point scheme. Since then, I have met officers of Highways England on site with the residents. Highways England officers have basically told me that they will not do anything, because the noise affects only eight properties. Will the Minister please meet me to discuss this matter, and will he knock some common sense into Highways England, which, quite frankly, has given me a jobsworth's answer?

Mr Goodwill: I know that particular communities around the country are affected by noise. Mitigation can often be put in place by using better road surfacing materials or noise barriers, and it may well be that something could be done in that area. I suggest that the hon. Gentleman gets in touch with the Under-Secretary of State for Transport, my hon. Friend the Member for Harrogate and Knaresborough (Andrew Jones)—he has responsibility for roads—who will no doubt be very happy to meet him.

Rail Lines: Flooding

7. **Jim McMahon** (Oldham West and Royton) (Lab): What assessment he has made of the effect of disruption to rail lines caused by the recent winter floods on the economy. [903316]

The Parliamentary Under-Secretary of State for Transport (Claire Perry): Just days after the hon. Gentleman's election, he will have seen for himself the impact of the transport disruption caused by this winter's unprecedented weather conditions. I am sure he will join me in paying tribute to Network Rail's orange army, who managed to get the west coast main line opened within four days of its being flooded with 8 feet of water. We remain absolutely committed to getting all such lines back up and able to run a full service safely as soon as possible. I am sure he would also like to join me in thanking passengers for their patience during this time.

Jim McMahon: I share the Minister's appreciation for the staff and for the patience of passengers, but I think the point is being missed. Because money has been taken away from routine maintenance and flood defences, there has been a massive effect on our local economy. If an assessment has been carried out, surely it should be made public.

Claire Perry: I am afraid that I have to disagree with the hon. Gentleman's facts, although I hate to do so at his first Transport questions. The Government have announced that overall flood spending in the next period will be £1.7 billion higher than it was in the previous period. Within the transport budget, about £900 million is dedicated to things like making sure that the banks and cuttings are safe—those things that are often the first to go when there is heavy flooding. Improving the resilience of the rail network and making sure that it is

fit for a 21st-century climate are at the heart of the record level of investment that this Government are putting into the railways.¹

Ms Margaret Ritchie (South Down) (SDLP): Pursuant to that answer, will the Minister clarify what discussions have taken place with colleagues at the Department for Environment, Food and Rural Affairs and the Department of Energy and Climate Change to prepare rail links for the flood damage that is likely in the weeks and months ahead as a result of climate change?

Claire Perry: I am sure that the hon. Lady will be relieved to know that all the Cobra discussions over Christmas on the immediate effects had strong transport representation. I went to Scotland and saw for myself with the SNP Minister for Transport the impact of scouring on the Lamington viaduct. That bridge has been there for over 100 years and has never been so damaged by a weather event. It is a tribute to the engineering work that is being done that the bridge will be secured and back open by 1 March. We treat such links with incredible importance.

Lilian Greenwood (Nottingham South) (Lab): Two years ago, the Prime Minister stood on the ruins of the Dawlish sea wall and said:

"If money needs to be spent, it will be spent; if resources are required we will provide them".

Now, we learn that Network Rail cannot even afford to fund a report on improving the south-west's rail lines, putting millions of pounds of investment at risk. Yesterday, the Prime Minister could not say where that money would come from. I want to give the rail Minister a chance. Will she honour her right hon. Friend's commitment and fund that study?

Claire Perry: I pay tribute to my hon. Friend the Member for Torbay (Kevin Foster), who raised this question with the Prime Minister. The hon. Lady really needs to sort out her facts. The Government spent £35 million on the Dawlish repair and opened the line in record time. We are spending over £400 million on transport investment in the south-west, unlike her party, which wanted to can two major roads. I am looking carefully—*[Interruption.]* Perhaps she would like to listen, rather than chunter. I am looking carefully at how we can fund this very small amount of money without in any way inhibiting the overall report that we are looking forward to seeing from this very important organisation in April.

Rail Franchising

8. **Suella Fernandes** (Fareham) (Con): What his policy is on rail franchising. [903317]

The Secretary of State for Transport (Mr Patrick McLoughlin): The Government believe that franchising is the best way of delivering benefits for both passengers and taxpayers. The proof of that is in the benefits we gain for passengers and taxpayers on the open market, such as new trains, new services, more frequent services and improved stations. As my hon. Friend is aware, we are currently consulting on the specifications for the next south western franchise. I hope that she and her constituents are fully engaged in the process.

1. *[Official Report, 29 January 2016, Vol. 605, c. 3MC.]*

Suella Fernandes: Southern rail allegedly serves Fareham, Swanwick and Portchester stations in my constituency, but commuters are fed up with the cancellations and severe delays. I am glad that the Secretary of State acknowledges that the service is not good enough, but will he reassure me that the mainline west and coastway west routes will be considered as part of the future improvement plans? Will the franchise be withdrawn if no improvement is shown?

Mr McLoughlin: We are seeing unprecedented growth in rail traffic and transport. Importantly, the Government have matched that by increasing the investment for Network Rail over the next control period. Some of the improvement that my hon. Friend talks about needs to take place. I say to my hon. Friends, however, that there will be disruption while some of this improvement is taking place. Sometimes that will be because of the train operating companies, but sometimes it will be because of the failure of previous Governments to invest properly in the railways and upgrade them.

Nic Dakin (Scunthorpe) (Lab): There is unlikely to be much UK steel used in the train contract that has just been awarded to the Spanish. What can the Government do to use franchising and other measures to ensure that their new procurement guidelines, which are a big step in the right direction, begin to have some purchase to ensure that steel content is included in such contracts?

Mr McLoughlin: First and foremost, I would point out to the hon. Gentleman the amount of money that is spent by Network Rail in purchasing steel from his constituency or thereabouts. That is an important movement in the right place. It would have been a bigger betrayal to the people of the north had we not said that we need new rolling stock to replace the Pacers. I am pleased that the Government will replace the Pacers. The very fact that our train builders in this country—Bombardier and Hitachi—are busy is because of the record investment the Government are putting into the railways.

Chris Green (Bolton West) (Con): For many years, commuters in Bolton West have found that the trains and carriages at rush hour are heavily overcrowded—we have about the third worst overcrowding in the country. Will the Secretary of State assure me that the new franchising will deal with that problem?

Mr McLoughlin: Yes, but the new franchising could lead to more passengers on that track and the problem might grow. I am very pleased with the investment taking place in and around my hon. Friend's constituency, not least the work on the Farnworth tunnel, which will increase the capacity and availability of electric trains to eventually serve his constituency.

Alan Brown (Kilmarnock and Loudoun) (SNP): Will the Secretary of State learn from the Scottish Government on franchising? As well as new trains and capacity, will he get commitments for the real living wage for all staff and subcontractors, new apprenticeships, no compulsory redundancies and, importantly, an end to toilets being emptied on to railway tracks?

Mr McLoughlin: I trust that the Scottish Government are learning from what the UK Government have managed to achieve in the franchises we have let. A lot of the policies that are being followed by the Scottish Government are based on policies that we have implemented.

Andy McDonald (Middlesbrough) (Lab): In 2011, FirstGroup, which runs Great Western, avoided paying contractual premium payments to the Treasury by choosing not to take up its option of a three-year extension, but in January 2013, the Secretary of State abandoned the competition for a new franchise and simply agreed a renewal with First until 2015, and subsequently announced a second direct award running till 2019, thereby avoiding the inconvenience of a competitive bidding process. Have not the Government made a mockery of free market franchising?

Mr McLoughlin: I welcome the hon. Gentleman to his post. As I said last week in a transport debate, I hope he lasts longer than his predecessor—[*Interruption.*] I think there was somebody in between. The contract to which he refers did have a break clause for First, but it was negotiated by the Labour Government. Therefore, they caused that break and it was part of their contract.

I am pleased to be able to remind the hon. Gentleman of the words of the right hon. Member for Tooting (Sadiq Khan), who I believe has an important role in the Labour party—I hope it is a very unsuccessful one in a few weeks' time. He said that:

“one reason we are able to invest record sums in our railway service is the revenues that the franchises bring in and the premiums that they pay”.—[*Official Report*, 1 July 2009; Vol. 495, c. 430.]

He said that when he was in a position of responsibility: that of Transport Minister.

Trans-Pennine Rail Line

9. **Mr Barry Sheerman (Huddersfield) (Lab/Co-op):** What recent discussions he has had with Network Rail on the proposed electrification of the trans-Pennine rail line. [903318]

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): The Secretary of State, Ministers and officials meet Network Rail regularly to progress the complex and transformative upgrades that we are undertaking on the trans-Pennine line. These upgrades will deliver faster journey times and significantly more capacity by improving the track and signalling as well as electrifying the line.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Mr Speaker, may I quickly associate myself with the generous tribute you paid to those great servants of the House, but point out that you seemed to omit the time and date of the lavish retirement party you are putting on for them?

May I say to the rail Ministers that they have challenged us to speak to the facts? According to the BBC, the facts are that the trans-Pennine electrification is in severe doubt because of what is happening in the south, where electrification is four years late. New trains are arriving before the rails are ready and they are parking them up in sidings.

Mr Speaker: I am not sure the hon. Gentleman will be on the party invitation list with a question that length.

Andrew Jones: The hon. Gentleman is wrong. Let me briefly remind him that under this Government there has been more electrification than in the entire 13 years of the previous Labour Government.

16. [903326] **Bill Esterson** (Sefton Central) (Lab): The north of England rail electrification taskforce, which the Minister chaired, recommends as its second priority Liverpool to Manchester via Warrington, with Southport and Kirkby to Salford Crescent as its third. Can he tell us when the work on those projects will take place?

Andrew Jones: The taskforce informed the next control period and the control periods after that. The detail of the content of CP6 is not yet complete.

Mr Speaker: I call Jake Berry.

Jake Berry (Rossendale and Darwen) (Con): Number 11, Mr Speaker.

Mr Speaker: Number 10. A modest difference, but an important one.

Lancashire Transport Links: Flooding

10. **Jake Berry** (Rossendale and Darwen) (Con): What progress has been made on repairing transport links damaged by flooding in Lancashire. [903319]

The Minister of State, Department for Transport (Mr Robert Goodwill): This Government are determined to help families and businesses in Lancashire, including those in Rossendale and Darwen. The Department for Transport announced on 27 December 2015 that we will be providing £5 million to Lancashire County Council to help it to prioritise what local highway infrastructure must be repaired following the storms.

Jake Berry: I congratulate the Minister and the Department on their response to the floods. Specifically, will he go away and look at the issue of private vehicular bridges crossing rivers in Rossendale and Darwen? I understand that the householders and businesses are liable for them, but in a couple of places they collapsed causing flooding upstream that has caused millions of pounds of damage. It may be that if we can find some money to help them to repair them, it will be a case of a stitch in time saves nine.

Mr Goodwill: I will certainly look at that, but the basic principle is that we are not in a position to provide assistance for private infrastructure that is not a public right of way.

Robert Ffello (Stoke-on-Trent South) (Lab): I draw the attention of the House to my declarations of interest.

The UK freight sector is absolutely dependent on areas such as Lancashire having good infrastructure. Given that Ministers have come to the House three times in recent memory to say that the storms are unprecedented, they are clearly not unprecedented. What will the Government do to ensure that our national infrastructure, which the freight sector and all of us rely on, has proper resilience and that there are proper plans for rapid repairs where necessary?

Mr Goodwill: Certainly the strategic road network has been particularly resilient despite the storms, and Network Rail has been absolutely valiant in fixing problems, particularly as over the Christmas period it

was engaged in a massive investment programme to upgrade the service. We must certainly learn lessons. Network Rail is on standby this week in areas where it suspects there may be problems.

Mr Speaker: I call Stephen Phillips.

Stephen Phillips (Sleaford and North Hykeham) (Con): Since I have the ability to count, I think I will ask for question 11.

The Parliamentary Under-Secretary of State for Transport (Claire Perry): Clearly a man who has had a double espresso this morning, Mr Speaker.

Great Northern Great Eastern Upgrade

11. **Stephen Phillips** (Sleaford and North Hykeham) (Con): What discussions he has had with Network Rail on compensation for residents affected by the upgrade of the great northern great eastern line. [903320]

The Parliamentary Under-Secretary of State for Transport (Claire Perry): I have regular discussions with Network Rail on a range of issues and this issue has not yet been raised. I am interested to hear more, because I was really proud to open the £280 million line upgrade. It has massively improved freight capacity and, potentially, passenger capacity. As part of the scope, Network Rail reduced track noise and vibration through the use of continuously welded rail.

Stephen Phillips: I am grateful to my hon. Friend for that answer, although I have to say I am astonished that she is unaware of this issue. I have been contacted by very large numbers of constituents who are suffering greatly increased noise and vibration following the upgrade of the line. I met Network Rail, which is adamant that it will neither mitigate those effects nor compensate residents. Will she put pressure on Network Rail and fire a rocket up it, so it actually does something to help?

Claire Perry: I am disappointed to hear this. There was a huge amount of consultation on the scheme, including with local schoolchildren to let them know the dangers of high-speed trains running through areas. If my hon. and learned Friend would perhaps set out his concerns in more detail, I will of course raise this at my next meeting.

Emissions Tests

12. **Dr Lisa Cameron** (East Kilbride, Strathaven and Lesmahagow) (SNP): What recent discussions he has had with the Secretary of State for Environment, Food and Rural Affairs on new emissions tests for cars. [903321]

The Secretary of State for Transport (Mr Patrick McLoughlin): I have held regular discussions with my ministerial colleagues on the new European emissions tests for cars. The Government strongly support the real driving emissions agreement, which is expected to significantly reduce real-world oxides of nitrogen emissions from diesel cars.

Dr Cameron: The Secretary of State will be aware that the European Commission has proposed new rules to test car emissions following the scandal involving Volkswagen vehicles. What discussions have the UK Government had with their EU counterparts on the proposals?

Mr McLoughlin: There have been several sets of negotiations. This came up at the last Transport Council I attended and I reported back to the House on its conclusions. The hon. Lady is absolutely right. This is a very important subject that needs to be addressed right across the car manufacturing industry.

Road Investment Strategy

13. **Paul Maynard** (Blackpool North and Cleveleys) (Con): What steps his Department is taking to implement the Government's road investment strategy. [903322]

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): Highways England's delivery plan sets out how it will deliver the Government's £15 billion road investment strategy. Work on site is already under way on 19 major schemes, five of which Highways England has started this financial year, as planned. I meet it on a monthly basis to monitor progress.

Paul Maynard: Residents, including myself, remain grateful for the Government's commitment to upgrading the new A585 in my constituency, but they are keen to get a progress report on identifying the precise route and securing the landownership required to commence work in 2019. Can the Minister give us that update please?

Andrew Jones: I can indeed. Highways England is making good progress. It has been doing initial work on options and anticipates beginning engagement with stakeholders and the wider public later this year. The scheme is on track to start construction in the 2019-20 financial year, as planned, but I will ask Highways England to keep my hon. Friend informed of progress.

Mims Davies (Eastleigh) (Con): Will the Minister give me an assurance that the long-needed and very complicated Chickenhall link road in my constituency will be properly considered? It would deliver new jobs, less congestion and pollution, increased productivity, and access to Southampton airport, but has been decades in the waiting.

Andrew Jones: I congratulate my hon. Friend on her work on this issue. I know she has put an enormous effort into it. The congestion in the Eastleigh area is a significant local problem, and I am aware of the work that Hampshire County Council is doing, but perhaps it would be helpful if we met outside here to discuss what we can do to move this project forward.

Engineering Projects: Christmas and New Year

14. **Iain Stewart** (Milton Keynes South) (Con): What assessment he has made of the performance of Network Rail in delivering engineering projects during Christmas and new year 2015-16. [903323]

The Secretary of State for Transport (Mr Patrick McLoughlin): I pay tribute to Network Rail and its hard-working orange army of more than 20,000 staff who successfully delivered £150 million of essential improvements to the network over the holiday period, as part of our record programme of investment in the railways. Planning for Easter is well advanced, and the good practice demonstrated over Christmas is being embedded in the planning process for Easter and beyond.

Iain Stewart: Network Rail is rightly criticised when it fails to deliver, but given its unsung success in delivering many complex projects on time and on budget, will my right hon. Friend join me in congratulating the orange army on a job well done?

Mr McLoughlin: I am more than happy to do that. It is difficult to do these works. We tend to do them over bank holidays, when there is not so much usage on the network. I realise it inconveniences people who want to travel by train, but it is all part of a major and vital upgrade of our rail network.

Rail Infrastructure: South-west

15. **Mr Ben Bradshaw** (Exeter) (Lab): What additional investment the Government plan to make in rail infrastructure in the south-west during this Parliament; and if he will make a statement. [903324]

The Parliamentary Under-Secretary of State for Transport (Claire Perry): I am sure that the right hon. Gentleman, as a fellow south-western MP, will be pleased that the Government have committed to investing about £400 million in rail infrastructure in the south-west. This includes re-signalling the main line from Totnes to Penzance; developing a strategic freight network; electrifying the Great Western main line; refurbishing the Cornwall sleeper; £35 million for the necessary repairs at Dawlish; a brand-new station at Newcourt, just outside his constituency; another station planned in his constituency at Marsh Barton; plus 29 new AT300 trains. The Government get the importance of rail investment in the south-west.

Mr Bradshaw: Of course, that electrification is into south Wales, not the south-west.

The people of the west country well remember the repeated promises from the Transport Secretary, the Prime Minister and the Chancellor of billions of pounds of investment in rail in the south-west, but the Minister has just failed, once again, to confirm that the Government will commit a paltry half a million pounds for the feasibility study that Devon and Cornwall needs after the Dawlish disaster into improved resilience and rail transport times. Do not the people of the south-west rightly feel completely betrayed by the Government?

Claire Perry: Month after month, the right hon. Gentleman comes here and seems to be in complete denial about the fact that his Government did nothing for the people of the south-west and that his party wanted to cancel the vital A358 road scheme that helps people directly in his constituency. I have already set out—but I am happy to discuss it further—that I am considering ways to find the very small amount of money required to do this one technical feasibility study, which is a tiny

part of the south-west peninsula taskforce study. We expect that report to come out in April and deliver the strategic uplift the region requires.

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): To help my hon. Friend, would she be willing to meet me and fellow colleagues in the south-west to ensure that Network Rail and the taskforce have enough funding for the two studies into the electrification of the line through the peninsula and the reduction in journey times?

Claire Perry: I am always happy to meet my hon. Friend, but let me gently remind him that Network Rail has already spent almost £3.5 million supporting the analysis of the resilience groups and the vital geological survey of the sea cliffs along the area. This work will be done, the Government will listen and this Government, unlike that lot on the Opposition Benches, will invest in the south-west.

Topical Questions

T1. [903299] **Graham Jones** (Hyndburn) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Transport (Mr Patrick McLoughlin): This has been a very difficult time for the communities of the north of England. I have enormous sympathy for those flooded out of their homes. I am determined that we will continue to stand shoulder to shoulder with local communities as they strive to return to business as usual. That is why I have commissioned the highways agencies and Network Rail to work particularly closely with the local authorities directly affected by flooding.

Graham Jones: Unsustainable cuts by the Department for Communities and Local Government have left Lancashire County Council able to provide only statutory services across the county. This has led to an end to fare box subsidies. Some 2,400 bus routes have been cut or downgraded by this Government nationally. Why is it that this Government are leaving bus users without services?

Mr McLoughlin: The hon. Gentleman needs to question Labour-controlled Lancashire County Council about how it provides its services, along with those local authorities that have managed to enhance their bus services. My Department has secured funding through the bus service operators grant and will continue to do so, and will continue to support bus services across the country.

T2. [903300] **Sir David Amess** (Southend West) (Con): Given the adverse impact that c2c timetable changes are having on the quality of commuters' lives in Southend, and that the franchise has been renewed and the impact is now being blamed on the Government, will my right hon. Friend leave the train operators in no doubt at all that the Member of Parliament for Southend West believes that these timetable changes are simply untenable?

Mr McLoughlin: I well remember my hon. Friend campaigning for c2c to keep the franchise for that particular line. Obviously any changes early on in a franchise sometimes lead to difficulties, but I am concerned to work with him. c2c is improving the service. It has one of the highest reliabilities among train operators across the country and I know it is going to bring in additional rolling stock in late spring.

Daniel Zeichner (Cambridge) (Lab): In last week's Opposition day debate on the cost of public transport, Government Members seemed reluctant to say anything about buses and particularly fares, which is no great surprise, because the Department keeps hardly any information on the issue. Others tell us that fares have risen by 26% since 2010—three times as fast as wages. What does the Secretary of State think about that and when is he going to start collecting and publishing the data—or would he rather the public did not know?

Mr McLoughlin: I think—I will check this, and if I misinform the House, I will come back to it—we publish the same data and a lot more than the last Government ever published.

Daniel Zeichner: Oil prices are now low, but we have not seen bus operators passing on the savings to passengers. It was very different when oil prices were going up: fares quickly went up too. What has the Secretary of State been doing to put pressure on the operators to cut fares? When is he going to start standing up for hard-pressed bus passengers?

Mr McLoughlin: I hope that bus fares come down as a result of falling fuel prices, but I would also point out to the hon. Gentleman that fuel prices are only one part of the industry's costs—I think they represent about 40% of the costs. Another part is investment in new buses, which I very much welcome—I have seen many examples of that. Quite often the oil is bought in advance, but I agree with him that the bus companies should look to see whether there is room to reduce the cost of using buses.

T3. [903301] **Oliver Dowden** (Hertsmere) (Con): Thousands of hard-working people from Radlett, Elstree and Borehamwood rely, like me, on Thameslink to get into London every day. We are utterly despairing at the ever declining service under the new franchisee. What reassurance can the Minister give us that Govia Thameslink will be held to account for those failures and what hope can he provide for future improvements to the service?

The Parliamentary Under-Secretary of State for Transport (Claire Perry): My hon. Friend knows that I think it is inexcusable that some customers on that part of the network are not receiving the service they deserve. Interestingly, the national rail passenger survey this week said that three out of four passengers on the franchise were in fact satisfied with the service they were receiving. There are problems, which are being fixed, such as driver shortages and old trains, but Network Rail has to do better when it comes to fixing faults and communicating with passengers. It is a fact that these lines are very old and successive Governments failed to

invest in them. We are all completely committed to getting all parts of the franchise back to high performance by 2018.

T6. [903305] **Kelvin Hopkins** (Luton North) (Lab): In the light of the recent proposal to build a railway line from China to Europe with capacity for freight as well as passenger traffic, will Ministers consider what further rail investment is required to ensure that the regions and nations of Britain are effectively linked to the continent?

Claire Perry: I recently had one of the most interesting and informative meetings with the hon. Gentleman, who has been a long-standing campaigner for lorries on freight trains. As he knows, I think the idea is appealing in concept, but it needs to be examined in a lot more detail, and a stronger economic case made. I would welcome his and others' involvement in putting a more substantive business case before me.

T4. [903303] **Richard Graham** (Gloucester) (Con): As a result of changes shockingly agreed by the Labour Government of 2006, the rail Minister knows that only three out of 63 trains a day operated by CrossCountry on the so-called inter-city service actually stop at the city of Gloucester. Does she agree that a significant increase in the number of trains stopping at Gloucester is a vital part of any settlement to extend the CrossCountry franchise?

Claire Perry: There is a reason why Gloucester has elected my hon. Friend twice now, because unlike the last lot, he stands up for rail links to his constituency. He knows very well and has made the case many times that the rail link is important. The CrossCountry direct award consultation process is currently in operation. I am sure he will continue, along with the council, to make these very good representations.

T7. [903306] **Marion Fellows** (Motherwell and Wishaw) (SNP): What discussions has the Secretary of State or the Vehicle Certification Agency had with Volkswagen to ensure that the UK taxpayer is not out of pocket for the re-testing of Volkswagen vehicles following the recent scandal?

Mr McLoughlin: I refer the hon. Lady to the response I gave to the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron). Discussions on this particular matter are ongoing. I have taken the issue up in meetings with Volkswagen, which I believe appeared before the Transport Select Committee earlier this week.

T5. [903304] **David Rutley** (Macclesfield) (Con): Will my right hon. Friend tell us how, with Arriva having secured the new 10-year Northern rail franchise, this will help to improve and support the Government's northern powerhouse strategy, and, more importantly, how it will help to improve rail services in Disley in the Macclesfield constituency?

Mr McLoughlin: My hon. Friend should know that this franchise was last let in 2004 on a nil-growth exercise—quite the reverse of what we have done. What will happen with the new franchise is that we will see the complete removal of the outdated and unpopular Pacers

by 2019; £400 million of investment in 281 brand-new air-conditioned carriages; more than 2,000 extra services provided each week, including around 400 on Sundays; space for an extra 31,000 passengers; and £45 million invested in stations. Yes, my hon. Friend's constituents will see a major improvement.

John Pugh (Southport) (LD): I invite the Minister to comment on my question 18 on Government support for hydrogen fuel cell technology.

The Parliamentary Under-Secretary of State for Transport (Andrew Jones): Hydrogen fuel cell electric vehicles, alongside battery electric vehicles, have the potential to play an important role in decarbonising road transport. The Government began working with the industry in 2012 through the UK H₂Mobility programme, developing a road map for hydrogen-based transport. It has a big role in the future.

T8. [903307] **Sir Henry Bellingham** (North West Norfolk) (Con): Is the Secretary of State aware that, back in the 17th century, the port of King's Lynn was the fourth largest in the country and has been thriving ever since? Now, however, it is under severe threat from a pernicious and job-destroying European port services regulation. What are the Secretary of State and his Ministers going to do to make the EU see sense and withdraw this unwanted regulation?

The Minister of State, Department for Transport (Mr Robert Goodwill): I have always made it clear that this regulation is not required to fix a problem in the UK because we already have a competitive port sector with competition between ports. The general approach adopted by Council addressed many of our concerns, particularly the competitive market exemption. What is interesting is that this week, while a number of amendments were passed in the European Parliament's transport committee, the mandate to go forward into trialogues was not given. At the moment, the regulation has run into the deep sand, and I hope it will remain there.

Conor McGinn (St Helens North) (Lab): St Helens North is in the Mersey travel area, but thousands of my constituents commute outside it to work in Wigan, Warrington and Manchester, which means that they are effectively paying a levy on their journeys. What progress has been made towards a smart ticketing system for the north of England, which would put an end to these increasingly arbitrary travel boundaries?

Andrew Jones: Transport for the North is developing its plans for smart ticketing across the north, and the Government have provided £150 million to assist it with the project. I am a great supporter of smart ticketing, and I will be helping Transport for the North all the way.

T9. [903308] **Robert Jenrick** (Newark) (Con): We in Nottinghamshire thank Gordon Brown for dualling the A46, but unfortunately, as was so often the way, the money ran out. The dualling ends outside Newark, and the gridlock begins. Will the Minister confirm that the dualling of the A46 from Farndon to Winthorpe is part of the Government's plan, and that it could be brought forward in the event of slippage elsewhere?

Andrew Jones: My hon. Friend is a diligent campaigner on this issue. In October we met Councillor Blaney, a representative of his local authority.

The scheme is highly complex. The Government are committed to beginning construction in our next roads period, which means that we can start the assessment and development work now, but I am afraid I cannot tell my hon. Friend that the scheme is being brought forward.

Diana Johnson (Kingston upon Hull North) (Lab): We are approaching the second anniversary of the private finance initiative to electrify the line from Hull to Selby. Can the Minister update us on that no-brainer, which will benefit both the travelling public and the Government because it is privately financed?

Claire Perry: As the hon. Lady knows, this is a ground-breaking way of ensuring that infrastructure is delivered, and of course we want to deliver that particular infrastructure, given Hull's importance in the next 12 to 18 months. I shall be happy to obtain an update on the exact timing and write to her.

Huw Merriman (Bexhill and Battle) (Con): This morning my train to London Bridge got me in on time. Does the Minister agree that, as well as being negative when things do not work, we should adopt a positive attitude to our rail franchises when they get it right, as they do on most days?

Mr McLoughlin: My hon. Friend is absolutely right. Trains to London Bridge, and other Thameslink trains, are benefiting from a massive upgrade costing some £6.5 billion. Obviously there will be difficulties at certain stages of the line's reconstruction, but once it is finished it will be a far superior line, and it will benefit from the new trains that will come into service in the spring.

Stewart Malcolm McDonald (Glasgow South) (SNP): The proposals on emissions standards that were published yesterday by the European Commission give us a real opportunity to turn a corner and get to grips with an industry that has been circumventing environmental regulations for too long. Will the Secretary of State assure us that those proposals will not become a bargaining chip in the Prime Minister's renegotiation, resulting in watered-down outcomes?

Mr McLoughlin: We want to consider the Commission's proposals very carefully, and that is what we will do.

Sir Gerald Howarth (Aldershot) (Con): Ten days ago a group of us visited Cairo, where everyone from the Prime Minister downwards impressed on us the devastating impact of the suspension of flights to Sharm el-Sheikh on the Egyptian economy. Has my right hon. Friend any plans to reinstate those flights so that the 1 million British visitors to Sharm el-Sheikh can resume their holidays there?

Mr McLoughlin: I cannot yet say when the resumption of flights might be possible, but the agreement that was

reached with the Egyptian authorities in December on a joint action plan was a significant and welcome step forward. Since then we have had an ongoing presence in Sharm el-Sheikh, working with the Egyptians on the implementation of that plan, and I think that good progress is being made. I fully understand the importance to Egypt of the resumption of flights to destinations in the country.

Greg Mulholland (Leeds North West) (LD): Leeds City Council is currently consulting on road options for leaving Bradford airport, but it is ignoring the obvious solution of a rail link to the railway line, which is 1.1 miles away. Why is the council considering those options, given that they are based on flawed assumptions in a flawed report from the Department for Transport?

Andrew Jones: The importance of connectivity to our airports has long been underestimated in transport policy, and that certainly applies to the Leeds-Bradford connection. I think that we should be positive about the fact that work is being done to establish how we can improve connectivity, but I suggest that the hon. Gentleman join the campaign that is being run by my hon. Friend the Member for Pudsey (Stuart Andrew).

Sir Alan Haselhurst (Saffron Walden) (Con): I warmly welcome the prospectus offering new rail passenger services in London and the south-east. It states, on page 26, that

"Crossrail 2 would move inner suburban services onto new tracks", thus improving those services. However, there is no plan to try to run this enhanced metro on the current rickety two-track system, which means further delays in train services from outer suburban stations. Can my right hon. Friend reassure me about that?

Mr McLoughlin: The document I issued last week with the Mayor of London was a consultation document. I will take my right hon. Friend's question as part of that consultation exercise, and we will not leave alone the points he has made.

Paula Sherriff (Dewsbury) (Lab): The main platform at Mirfield railway station in my constituency is only accessible via very steep steps, which can make it very difficult, and sometimes impossible, for the disabled and the elderly or infirm to access the station. Will the Minister agree to meet me or perhaps visit Mirfield to see how we can facilitate much needed improvements to the station?

Claire Perry: I am always happy to discuss these issues with the hon. Lady. She will know that more than 400 stations have significantly benefited from the investment of the Access for All scheme. Clearly there is more to do and I am very happy to have a conversation with her about that.

Several hon. Members *rose*—

Mr Speaker: Order. Demand exceeds supply, as so often, but I am afraid we must now move on.

Under-occupancy Penalty

10.35 am

Owen Smith (Pontypridd) (Lab): (*Urgent Question*): To ask the Secretary of State for Work and Pensions if he will make a statement on the Court of Appeal ruling that the bedroom tax has caused discrimination, contrary to article 14 of the European convention on human rights.

The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson): We know there are people who need extra support. That is why we are providing local authorities with discretionary housing payment funding. Local authorities are best placed to assess people's needs in their area and identify where extra support is needed.

We have increased the amount of discretionary housing payment available. On top of the £560 million since 2011, we are providing an extra £870 million over the next five years. The people involved in these cases are receiving discretionary housing payments. That is precisely why we have discretionary housing payments, and shows that these are working.

We welcome the fact that the High Court and the Court of Appeal both ruled that the public sector equality duty had been met in respect to women. Furthermore, we have won a Court of Appeal ruling where the court ruled in our favour on the policy of the spare room subsidy. In that judgment, the court found that the discretionary housing payments were an appropriate means of support for those who are vulnerable. So this is a complex area and in terms of these two latest cases, it is a very narrow ruling.

On these cases, the High Court found in our favour and we fundamentally disagree with yesterday's Court of Appeal ruling on the ECHR. This is not a case of people losing money, for in these cases they are in receipt of discretionary housing payments. This is about whether it is possible to define such exemptions or whether direct housing payments through local authorities give the right flexibility to help a wide range of those in need. The Court of Appeal itself has already granted us permission to appeal, and we will be appealing to the Supreme Court.

Owen Smith: May I start by saying that I am flabbergasted by that response and I am flabbergasted that the Secretary of State, to whom I asked the question, is once more ducking his responsibilities?

We knew the bedroom tax was cruel, but we now know it is illegal, and this decisive ruling from the Court of Appeal should mark the end of this pernicious policy. The ruling could not be any clearer: the bedroom tax is unlawful and discriminatory.

The Court of Appeal considered two cases against the Secretary of State, who once again is not prepared to defend his policy: one from a victim of rape who had had a panic room installed by the police; and one from the Rutherford family, whom I know personally, and to whom I pay tribute here today both for the care they provide for their severely disabled grandson, Warren, and for the bravery they have shown in taking on the Secretary of State.

In both instances, the court ruled that the bedroom tax had caused "discrimination". It found, moreover, that the

"admitted discrimination...has not been justified by the Secretary of State".

So the question for the Minister—in place of the missing Secretary of State—is what does this ruling mean for the 450,000 families currently affected by the bedroom tax? If the Government are appealing to the Supreme Court, as, extraordinarily, it seems they are, can the Minister tell us on what specific grounds they are appealing? Crucially, as a matter of urgency, will the Government immediately exempt the two groups that have found to have been discriminated against from paying the bedroom tax: victims of domestic violence and the families of severely disabled children?

Can the Minister confirm there are 280 victims of domestic abuse who have had a panic room installed under the sanctuary scheme and who are affected by this policy? Can he further confirm that exempting victims of domestic abuse would only cost the Government £200,000 a year? By comparison, can he tell us how many hundreds of thousands of pounds he has already spent on legal fees defending this vile policy, and how much more he is prepared to defend? Does he have a blank cheque to defend this to the end?

Can the Minister also tell us how many families with severely disabled children are currently paying the bedroom tax? Will he inform the House what proportion of domestic violence victims and families with disabled children are in receipt of discretionary housing payments? This ruling was on two specific grounds, but will the Minister confirm that the bedroom tax is failing in every regard? He talks of discretionary housing payments, but his own Government's report, which was dumped before Christmas, admitted that 75% of victims did not receive DHP, that three quarters of those hit by the bedroom tax were cutting back on food, that only 5% had been able to move and that 80% regularly ran out of money.

Politics is about choices, and the choice that faced the Secretary of State today was very clear. He could have come to the House and admitted that this was a rotten policy that was punishing poor people across the country, and he could have scrapped it. Instead, he is sitting on the Front Bench before going back to Caxton House to consult his lawyers in order to defend this policy against the victims of domestic violence and the parents of disabled children. We know the choice he took.

Justin Tomlinson: To be absolutely clear, this is about whether it is possible to find such exemptions or whether direct housing payments through local authorities give the right flexibility to help a wide range of those in need, and we will be appealing this to the Supreme Court. If we try to set strict categories, people—especially those with unique circumstances and issues—could fall just below an artificial line, meaning that they would miss out. Is it realistic to expect that here in London we could set such an exhaustive list? Direct housing payments, for which we are providing £870 million over the next five years, give flexibility that allows us to work with organisations such as the police, social services and medical professionals to provide a co-ordinated level of support underwritten by the public sector equality duty.

It is right to say that politicians face choices. When the local housing allowance was introduced into the private sector under the last Labour Government, no additional support was provided to those in the private sector who faced exactly the same challenges as those we are discussing here. Why have things changed so much now? We keep making references to taxes. What about the 1.7 million people on the social housing waiting list? What about the 241,000 people in overcrowded accommodation? The Opposition have scant regard for them, but they are the people we are speaking for, and it is right to provide flexibility and a co-ordinated approach. This is the right thing to do.

Nusrat Ghani (Wealden) (Con): Does the Minister agree that this is an issue of fairness, and that it is about giving help to people who are stuck in overcrowded accommodation and waiting on social housing lists?

Justin Tomlinson: I thank my hon. Friend for her question. In our casework, we all talk to families who are on housing waiting lists. There are 1.7 million people on waiting lists across England and 241,000 people living in overcrowded accommodation. It is absolutely right that we are trying to match the right accommodation to people's individual needs.

Ian Blackford (Ross, Skye and Lochaber) (SNP): I cannot believe that we have just heard someone from the Tory Back Benches saying that this is about fairness, because that is exactly what this is about. Is it not a disgrace, given that this is the policy of the Secretary of State, that he should be sitting there whispering into the ear of his Minister? He is quite clearly out of his depth on this, as he is on so many other things. The decision in the courts follows a series of embarrassments for the Secretary of State, and there is also the matter of a United Nations investigation into the UK Government's welfare policies. The SNP Scottish Government have committed £90 million to mitigating the effects of the bedroom tax in Scotland to stop, among other things, the threat of eviction being imposed on many through this Dickensian Tory policy. We will end the bedroom tax when we have the powers to do so. If the Secretary of State will not heed the warnings of the SNP, will he at least listen to the rulings of some of the highest courts, scrap this unfair and discriminatory tax and think again about the pursuance of these most damaging cuts to vital support for some of the most disadvantaged in society? Parliament in London did not stop this disastrous policy. Thank heavens the courts are intervening. It is little wonder that the Tories are so unpopular in Scotland. They have returned to being the nasty party that they were under Thatcher. This time under Cameron, Osborne and—

Mr Speaker: Order. I fear that the hon. Gentleman is rather exceeding his time. A short sentence now.

Ian Blackford: In conclusion, I echo the words of the Court of Appeal. This policy is discriminatory and unlawful. Will he commit to scrapping this draconian policy?

Justin Tomlinson: In fairness, I am the Minister who responds on housing issues in Parliament. In terms of fairness, we all talk to families on the housing waiting

list. Try explaining to them why we should not make more of the accommodation available to them. We have already provided greater flexibility in Scotland through devolution to do what you wish to do with discretionary housing payments.

Richard Graham (Gloucester) (Con): Clearly, we shall all wait for the Supreme Court judgment that will be delivered in due course, but two points must be clear today. Does the Minister agree that the incredible indignation expressed by the shadow Minister is blown apart by the fact that the family in question are receiving exactly the same amount of benefits as they were before the introduction of the spare bedroom subsidy? The Opposition's opportunism is shown clearly by the fact that they took away the spare room subsidy from the much larger number of people in the private rented sector.

Justin Tomlinson: That is right. The people in these cases are in receipt of payment, which shows that discretionary housing payments work. It shows that, through flexibility, a co-ordinated approach is possible with the police, social services, medical professionals and other agencies.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Will the Minister wake up? This is a miserable, vindictive little policy and one that, with the ability of housing associations to sell off homes, ducks the real question, which is that we are not building appropriate housing for the people in this country. This is a diversion; get on with the real job.

Justin Tomlinson: That is why our £8 billion programme will deliver a further 400,000 affordable housing starts during this Parliament—a stark contrast to the loss of 400,000 homes under the last Labour Government.

Mrs Anne-Marie Trevelyan (Berwick-upon-Tweed) (Con): I agree with my hon. Friend the Member for Wealden (Nusrat Ghani) that the question of fairness is vital. So many in north Northumberland struggle to find a home. The key question is balance. We have a real issue with smaller communities. If families are to stay within their community, we cannot find a match. Will my hon. Friend the Minister consider ways to help the local authority find new systems for matching families to the right homes?

Justin Tomlinson: I thank my hon. Friend for that. That is why it is so important that we are increasing housing starts. Landlords are already changing the way in which they bring new housing stock on, which is welcome news.

Mr Clive Betts (Sheffield South East) (Lab): Have the Government effectively abandoned the principle of a benefits system that properly assesses people according to their needs and circumstances and pays them a benefit while those circumstances last? The answer to everything seems to be discretionary housing payments. They are discretionary, they are paid on a case-by-case basis, 75% of people paying the bedroom tax do not get them and they are time-limited. Does the Minister recognise the enormous uncertainty that that creates, and the hardship for people in very real housing need?

Justin Tomlinson: I thank the hon. Gentleman. I have a huge amount of respect for his knowledge of local authorities. Like him, I have served on a local authority and I trust their ability to work with other agencies, which I have already mentioned. Hon. Members should remember that this is underwritten by the public sector equality duty, which ensures that all issues are considered.

Bob Blackman (Harrow East) (Con): Can my hon. Friend set out the exceptions to the spare room subsidy and the help that is available to people?

Justin Tomlinson: Well, we have pensioners, those with disabled children who cannot share a room, foster carers, and those serving in the armed forces who are currently on deployment. Discretionary housing payments allow flexibility to take into account individual circumstances and adopt a co-ordinated approach. If we tried to come up with an exhaustive list, there would always be people who fell just below the line, and they would miss out on any support. That is unacceptable.

Barbara Keeley (Worsley and Eccles South) (Lab): Unpaid family carers are not included in the list. From what I have seen, the Rutherfords look like wonderful carers for their grandson. Why should such people live in fear of losing their home—an adapted bungalow in this case? Sixty thousand carers are hit by the bedroom tax. It has always been illogical to hit people who save the state billions. Can the Minister not see that the Secretary of State should abandon this shabby little policy and recognise that carers should not be hit by this unfair charge?

Justin Tomlinson: Everyone in the House recognises the valuable role that carers play in society. There is an opportunity to provide discretionary housing payments when that is appropriate, but where was the hon. Lady when such a system was introduced in the private sector? Why did we not hear the argument that there should be exemptions for carers in the private sector? It is one rule then and one rule now.

Kevin Foster (Torbay) (Con): Does the Minister agree that a list of strict criteria would undermine the whole point of having discretionary housing payments in the system? Does he also agree that it is interesting to hear the false anger of Labour Members, given that their party introduced this system for tenants on housing benefit in the private sector?

Justin Tomlinson: I thank my hon. Friend, who addresses the point that such payments allow for discretion and mean that there can be a multi-agency approach to help individuals according to their needs. People do not neatly fall into a convenient box whereby society provides support. Discretion and flexibility are needed to do the right thing.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): After this embarrassment, and if the next ill-advised legal steps go against the Government, will those affected get an apology for the bedroom tax from the Government Dispatch Box?

Justin Tomlinson: We think that this is a good policy that helps the 1.7 million people on the waiting list. It provides for discretion and does not create artificial lines that people can just fall beneath.

Michael Fabricant (Lichfield) (Con): If it were not out of order, would my hon. Friend agree that given that Labour Members introduced this very principle for the private sector, their outrage now is hypocritical?

Justin Tomlinson: I thank my hon. Friend. I hope that that is not out of order, because I fully agree.

Chris Bryant (Rhondda) (Lab): But it is out of order.

Mr Speaker: Order. If it were, I would have ruled thus, and it was not, so I did not—we will leave it at that. I am always grateful to the hon. Gentleman for his advice, even if it is proffered from a sedentary position but, in this instance, it suffers from the material disadvantage of being wrong.

Liz McInnes (Heywood and Middleton) (Lab): I just want to put a simple question asked by Mr Paul Rutherford himself: why are the Government spending taxpayers' money on an appeal?

Justin Tomlinson: Because we want to ensure that those who are vulnerable get the right support.

Mr Steve Baker (Wycombe) (Con): Now that my hon. Friend has reminded Labour Members what they did in government, will he also remind them that it is not a tax when people are being treated equally?

Justin Tomlinson: I thank my hon. Friend for putting that point so eloquently.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Gwynedd Council should be praised for adding extra money over and above the insufficient, arbitrary and tokenistic discretionary housing payments. Will the Government increase discretionary payments until we get the Supreme Court ruling?

Justin Tomlinson: We have committed the considerable amount of £870 million over this Parliament. At the halfway point of the year, most local authorities had not spent even 50% of that money. I hope that they will continue to examine ways to support those who are vulnerable, and I give credit to the hon. Lady's local authority if it is taking extra steps.

Nigel Mills (Amber Valley) (Con): Can the Government do more to encourage and enable councils to give longer discretionary housing awards, so that those claiming them will have more certainty that they can afford their rent?

Justin Tomlinson: My hon. Friend makes an important point. We are looking to encourage that and to allow more common sense to be applied.

Mike Kane (Wythenshawe and Sale East) (Lab): The Financial Conduct Authority told me this week that 40% of adults in my constituency face severe debt problems, but that is because Wythenshawe and Sale East has more than 3,000 families suffering the bedroom tax, which is the highest rate in the land. Some Nehemiah-esque debt bondage is going on here. Will the Minister visit my constituency to meet people suffering the bedroom tax, and especially women in the safe spot scheme who have suffered domestic violence but are being punished by the Government's rulings?

Justin Tomlinson: I meet residents all the time because as well as being a Minister I am, like the hon. Gentleman, a constituency MP. We have trebled our funding to support victims of domestic abuse to £40 million a year, and arrears in housing have actually fallen for the past four years.

Mr David Nuttall (Bury North) (Con): Given the earlier and contradictory ruling in the case of MA and others v. The Secretary of State for Work and Pensions, does my hon. Friend agree that no change should be considered until the Supreme Court has made a final ruling on this matter?

Justin Tomlinson: That is absolutely the case.

Jim Shannon (Strangford) (DUP): In Northern Ireland 66% of Housing Executive tenants and 62% of all working-age housing benefit recipients are under-occupiers. Under the Fresh Start agreement accepted by all parties in Northern Ireland last year, it has been agreed that the moneys to offset the bedroom tax for Northern Ireland will come out of the Northern Ireland block grant. Has the Minister had any discussions with the other devolved Administrations to enable them legally to make similar decisions?

Justin Tomlinson: I have not, but that is something I will look at.

Oliver Dowden (Hertsmere) (Con): As the Minister has said on several occasions, in both recent cases the appellants were in receipt of discretionary payments. Does he therefore agree that this demonstrates that the fund is working and helping those most in need?

Justin Tomlinson: That is exactly why we are getting the money to the people who need it, and rightly so.

Justin Madders (Ellesmere Port and Neston) (Lab): One of the main drivers of the policy was to force people to find alternative accommodation, but the majority have stayed put despite the many difficulties they face. Does this not show that not only is the policy inhumane, cruel and discriminatory, but it is a failure?

Justin Tomlinson: I disagree. In August 2014 16% had registered to look to move. Remember, those 1.7 million people—247,000 families—in overcrowded accommodation need people to move in order to give them the same chance as those people had. It is the right thing to do.

Matt Warman (Boston and Skegness) (Con): Some of my most moving meetings with constituents have been with those whose circumstances are unique and who are in great need of help. Does the Minister agree that it is precisely because there is discretion in the system that the Government are able to help those people?

Justin Tomlinson: I thank my hon. Friend for that. It is just one example of how we are supporting people. There is a 79% increase in the disability facilities grant next year, taking funding from £220 million to £394 million, which will significantly increase the 40,000 properties per year that we are helping to adapt.

Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): The bedroom tax is the most unpopular tax since another Tory invention, the poll tax. Given the recent judgment, surely this is an opportunity for the Government to review their position. Why will they not take that opportunity and scrap the tax once and for all?

Justin Tomlinson: First, I gently remind the hon. Gentleman that this is not a tax. Secondly, if it was so desperately unpopular, why are we in government?

Jake Berry (Rossendale and Darwen) (Con): On fairness, taxpayers will think it is fair that they subsidise social housing rent so that people living in social housing pay about 30% of market rent, in some cases. They do not think it is fair that they subsidise at 30% of market rent people having spare rooms that they do not use or do not need. If, as I suspect, the Minister is unable to give a definitive list of all the cases where people may need a spare room, surely that shows that our discretionary system is the best system and one that we must continue with.

Justin Tomlinson: That is exactly the point. It seems that the Opposition want to create an artificial bar which will see some people who should be getting support miss out. That is not acceptable.

Andy Slaughter (Hammersmith) (Lab): It is extraordinarily cynical for the Minister to talk about housing waiting lists when the Government are forcing the sale of council houses to subsidise the sale of housing association homes. How does he explain the fact that only 5% of people who have been affected by the bedroom tax have been able to move, but more than 10 times that number are in rent arrears?

Justin Tomlinson: The hon. Gentleman seems to object to allowing people the opportunity to buy their own home. We are not all from gifted backgrounds and people should have an opportunity to do that. That, in turn, will raise the funds to create new housing.

Robert Jenrick (Newark) (Con): The amount we spend on housing benefits rose by 50% in the last years of the Labour Government. We now spend more on housing benefit than we spend on secondary education, and that sum is equivalent to 50% of the Ministry of Defence budget, yet there is a chronic shortage of social housing. Does the Minister agree that no reasonable, competent Government would not be trying to find fair and just solutions to both those problems?

Justin Tomlinson: The money spent on housing benefit was £24.4 billion. Without our reforms it would have been £26 billion per year. The Opposition are calling on us to scrap the whole of the spare room subsidy policy. That would be an extra £2.5 billion in their ever-growing black hole.

Kirsten Oswald (East Renfrewshire) (SNP): Some 71,500 people in Scotland would be affected by the bedroom tax if not for the actions of the SNP Scottish Government in mitigating that. This UK Government's policy clearly has a devastating and discriminatory impact on some of the most vulnerable people in our society, so in the week when we have seen an astonishing tax deal with Google hailed by the Chancellor, is it not time this

[Kirsten Oswald]

Government stopped prioritising sweetheart tax deals and started representing the needs of the ordinary people?

Justin Tomlinson: No. I wonder how the Scottish National party would explain to the people on the waiting lists why efforts are not being made to create more appropriate housing.

Chris Davies (Brecon and Radnorshire) (Con): Will my hon. Friend confirm that before this reform, 820,000 spare rooms were being paid for by the taxpayer, not only wasting taxpayers' money, but denying so many other people a roof over their head?

Justin Tomlinson: Absolutely, and that was of no help at all to the 241,000 families in overcrowded accommodation.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): The Minister says that this is complex. Does he not accept that this is about straightforward suffering by people who are already struggling with hardship and have literally nowhere else to go?

Justin Tomlinson: Not at all, because these people have been given the money that shows that discretionary housing payment works.

David Mowat (Warrington South) (Con): When the Labour party introduced the spare room subsidy for the private sector, there was no discretionary housing payment to go with it. Have we made an assessment of whether we could extend discretionary housing payment to the spare room subsidy introduced by Labour?

Justin Tomlinson: Why was no additional support provided to vulnerable people when Labour introduced it for the private sector? That was not fair.

Huw Irranca-Davies (Ogmore) (Lab): Will the Minister —[*Interruption.*] Mr Speaker, I apologise, but I have lost my voice and cannot shout.

Mr Speaker: Order. The hon. Gentleman says that he has lost his voice, which saddens me. The least that we owe the hon. Gentleman is a degree of quietude so that we might detect what he has to say.

Huw Irranca-Davies: Thank you, Mr Speaker. On a point of fact, will the Minister and his officials by the end of today be able to supply me and all other Welsh MPs with a list of how many people who are in households where there are victims of domestic violence or disabled children will be affected if this decision is upheld? On a point of common decency, if he and his Ministers are unable to issue an apology today, if the decision is upheld, will he then apologise?

Justin Tomlinson: I am not sure whether we can get all that information by the end of today, but I am happy to see how quickly we can get as much of it as possible to the hon. Gentleman.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): Irrespective of the fact that the Minister is ignoring the court ruling, why is the cost of housing benefit expected to go above £25 billion next year?

Justin Tomlinson: We are not ignoring the ruling; we are appealing it. We are doing that because we feel that discretionary housing payment is the correct way to do it. Reforms take time to come in, as I said earlier. Housing benefit cost £24.4 billion this year. Had we not brought in reforms, every single one of which was opposed by the Labour party, it would have cost £26 billion this year.

Ms Margaret Ritchie (South Down) (SDLP): Given yesterday's landmark ruling, given the report by the UN's special rapporteur on housing, which said that the bedroom tax damaged the lives of vulnerable citizens, and given that there is scarce housing to meet those particular needs, will the Minister indicate today, in a compassionate way, that the Government will abandon the bedroom tax?

Justin Tomlinson: No.

Neil Coyle (Bermondsey and Old Southwark) (Lab): When the Government consulted on the bedroom tax in the run-up to the introduction of the Welfare Reform Act 2012, how many disability and carers' organisations and others warned the Department categorically of the discriminatory nature of the measure, and why was their advice ignored at such substantial cost to the taxpayer?

Justin Tomlinson: In the development of this policy there was full and wide consultation.

Alan Brown (Kilmarnock and Loudoun) (SNP): Let me first say to the Minister that the SNP is building record numbers of council houses in Scotland. In contrast, since the new right to buy was introduced in 2013, there have been 33,000 house sales in England and Wales and fewer than 3,000 new starts, so he cannot dare say that new house building will solve the problem. The High Court ruling stated quite clearly that, because DHP cannot be guaranteed, this policy is discriminatory. While we are against the bedroom tax altogether, is it not time the Government thought again? They cannot hide behind the fact that they cannot give an exhaustive list; they can and must think again.

Justin Tomlinson: With all due respect, I have met families who are on those waiting lists and want to see those properties become available.

Suella Fernandes (Fareham) (Con): In Fareham we have over 1,000 people on the housing waiting lists, including young families with children. Will the Minister provide a breakdown per constituency of how many people are on housing waiting lists, so that we can better understand the extent of this problem?

Justin Tomlinson: I thank my hon. Friend. I hope she will excuse me if I cannot provide that breakdown instantly for every constituency. We are making efforts, through our combined package of £20 billion-worth of measures, to increase housing supply and help to get those people out of those overcrowded properties and off those waiting lists into appropriate accommodation.

Diana Johnson (Kingston upon Hull North) (Lab): How much public money has been wasted so far in legal fees on defending this cruel policy?

Justin Tomlinson: It is not cruel to provide support to the most vulnerable in society. It is also sensible, as there would be a £2.5 billion extra cost if Labour were to abandon this policy.

Steve Double (St Austell and Newquay) (Con): Does the Minister agree that not only is the discretionary housing payment the right way to address this issue, but the fact that so many local authorities are not spending their full allocation is evidence that the Government are fully resourcing this matter?

Justin Tomlinson: I thank my hon. Friend. Not only is £870 million proving to be the right amount of money for local authorities, but awareness continues to increase year on year.

Greg Mulholland (Leeds North West) (LD): It is simply astonishing that the Government are still not listening and not facing up to the reality of the flaws in this policy, in the same way as they blocked the Affordable Homes Bill, the private Member's Bill in the name of the former MP for St Ives. Instead of wasting yet more public money on a court case, can they not dust off that Bill and make the changes that clearly need to be made to this policy?

Justin Tomlinson: We are determined to protect the most vulnerable in society. As we have shown, these people were getting the funding that they should have got and were entitled to.

Andrew Gwynne (Denton and Reddish) (Lab): We have now had over half an hour of non-answers from this hapless Minister, when actually we wanted his boss, the Secretary of State, to come to the Dispatch Box to defend this disgusting and pernicious policy. Will he now answer the question asked by my hon. Friend the Member for Kingston upon Hull North (Diana Johnson)—how much public money are this Government wasting to defend the indefensible?

Justin Tomlinson: That level of anger pretty much matches that of some of the families I met waiting on the waiting list to whom the hon. Gentleman wishes to turn a blind eye.

Arms Sales to Saudi Arabia

11.7 am

Hilary Benn (Leeds Central) (Lab) (*Urgent Question*): To ask the Secretary of State to make a statement on arms sales to Saudi Arabia in the light of the report of potential breaches of international humanitarian law in Yemen.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood): As the Prime Minister said yesterday, the Government take their arms export responsibilities very seriously and operate one of the most robust arms export control regimes in the world. All export licence applications are assessed on a case-by-case basis against the consolidated EU and national arms export licensing criteria, taking into account all relevant factors at the time of the application. A licence will not be issued for any country if to do so would be inconsistent with any provision of the mandatory criteria, including where we assess there is a clear risk that it might be used in the commission of a serious violation of international humanitarian law. All our arms exports to Saudi Arabia are scrutinised in detail through established processes and against the EU and national consolidated criteria.

The Government are aware that UK-supplied defence equipment has been used in Yemen. We take very seriously any allegations of IHL violations and regularly raise the importance of compliance with the Saudi Government and other members of the military coalition, as I did when I visited Saudi Arabia on Monday. We have said that all allegations of IHL violations should be investigated.

The Ministry of Defence monitors incidents of alleged IHL violations using the available information, which in turn informs our overall assessment of IHL compliance in Yemen. The Government are satisfied that extant licences for Saudi Arabia are compliant with the UK's export licensing criteria.

As the House knows, the situation in Yemen is complex and difficult. The UK supports politically the Saudi-led coalition intervention, which came at the request of the legitimate President Hadi, to deter aggression by the Houthis and forces loyal to the former President Saleh and allow for the return of the legitimate Yemeni Government.

We have been clear with all parties that military action should be taken in accordance with IHL. The coalition has played a crucial role in reversing the military advance of the Houthis and forces loyal to the former President, which is now helping create the conditions for the return of the legitimate Yemeni Government.

The military gains of the coalition and the Yemeni Government must now be used to drive forward the political process. The UN-facilitated political talks are the UK's top priority, and they are likely to recommence in February.

Hilary Benn: I thank the Minister for his reply. As the House knows, there is a humanitarian catastrophe in Yemen as a result of the civil war, in which more than 7,000 people have been killed, 2.5 million displaced, and millions more left without food. We all want to see the return of a legitimate Government to Yemen, but non-governmental organisations, including Médecins sans Frontières, Amnesty International and Human Rights

[Hilary Benn]

Watch, have reported serious potential breaches of international humanitarian law by all sides, and the UN has spoken out about what is happening.

Yesterday, it came to light that the final report of the UN panel of experts has

“documented that the coalition had conducted airstrikes targeting civilians and civilian objects, in violation of international humanitarian law.”

It refers to weddings, civilian vehicles, residential areas, schools, mosques, markets and factories. I understand that the Government received the report on Monday. Will the Minister set out what specific action, if any, has been taken since receiving it?

The panel documented 119 coalition sorties relating to violations of international humanitarian law, and we know that UK armaments and planes sold to Saudi Arabia are legitimately being used in this conflict. However, our arms export licensing criteria state clearly that

“the Government will...not grant a licence if there is a clear risk that the items might be used in the commission of a serious violation of international humanitarian law.”

Will the Minister explain how many of these incidents have been examined, and why he is satisfied that IHL has not been breached? How many of the 119 Saudi-led coalition sorties have the British personnel on the ground provided a “quick check” on given that the Foreign Secretary told the House that

“our people on the ground have reported that there is no evidence of deliberate breaches of international humanitarian law”?—[*Official Report*, 12 January 2016; Vol. 604, c. 697.]

Can the Minister explain how he squares that statement with the conclusion of the UN panel of experts? Will the Minister assure the House that he has not received reports from our personnel of any breaches of international humanitarian law and not just “deliberate” breaches?

Given all the reports, particularly the findings of the new UN panel, will the Minister explain on what grounds he thinks that there should not be a proper investigation into whether there is a clear risk that British items might be used in the commission of a serious violation of international humanitarian law? Given the detail of the UN panel’s report and the extreme seriousness of its findings, will the Government now suspend arms sales to Saudi Arabia until that investigation concludes? This is about whether the Government are implementing their own arms control rules. Appearing to be reluctant to do so does them no credit nor does it help those who are affected by this conflict, which urgently needs to come to an end.

Mr Ellwood: First, I thank the right hon. Gentleman for the tone and manner in which he has raised these very important issues. He was absolutely right to start by outlining the humanitarian catastrophe that we face, with so many people failing to get the food and water necessary to survive.

Unfortunately, NGOs are prevented by the conflict from getting to the very areas they need to reach. Sadly, however, we have also seen the Houthis using food—denying it to people—as a weapon of war. Not only have they taken away trucks from NGOs and UN organisations, but they have taken away the trucks that Saudi Arabia has provided. The kit, trucks, food and water have all been stolen by the Houthis and distributed by them to favour their supporters in a country that—we should

understand this—is extremely complex. Even the concept of the nation state is very modern in a country that, for thousands of years, has been conducted as a tribal society, where loyalty is to the family, the community and the tribe.

The right hon. Gentleman mentioned potential breaches. I am pleased that he used the words “alleged” and “potential”, because it is important that this is evidence-based: we need to see the evidence and the details to make firm judgments, rather than rely on hearsay or, indeed, photographs. That is what we should do to understand such a dynamic situation, in which asymmetric warfare is being used.

We are aware that the Houthis, who are very media-savvy in such a situation, are using their own artillery pieces deliberately, targeting individual areas where the people are not loyal to them, to give the impression that there have been air attacks. That is not to exonerate Saudi Arabia from any of the mistakes it might have made, but it is why it is so important to have a thorough process to investigate absolutely every single incident. During my visit this week, I made it very clear that while we now have a process to be followed in Saudi Arabia—as in Kunduz, and in countries such as Afghanistan—it must be improved: every time an alleged incident is put forward by an NGO or another country, Saudi Arabia must conduct the necessary process to confirm exactly what happened and whether its aircraft were involved. If the Saudi Arabians were involved, they must put up their hands and follow the due processes of international law.

The right hon. Gentleman referred to the report by the UN panel of experts. He has a copy of it, and so do I. However, it is the leaked report. It was received by the UN on Monday, but not given to us. We have not officially received the report. [*Interruption.*] Yes, of course I have got it, but I have not received it or had time—[*Interruption.*] The hon. Member for Rhondda (Chris Bryant) should hang on for a moment. I have not received it officially, and it is important to have a chance to digest it.

From what I have read of the report, I can say that I take it extremely seriously, as we absolutely must. I commit myself to inviting the Saudi Arabians to sit down with us at a very senior level. There are two opportunities to do so next week: first, in Rome, where the counter-Daesh coalition will meet; and secondly, in London, where, as the right hon. Gentleman will be aware, we are hosting the Syria conference. We will sit down and discuss with them the allegations and all the information in this important report.

We should however recognise, as I know from having been able to glance at the report, that the people who wrote it did not visit Yemen. They did not actually go there, but based the report on satellite technology. That does not mean that we should dismiss it; we are taking it very seriously, and I commit myself to sitting down with the Saudi Arabians to go through it with a fine-toothed comb. I just make it very clear, however, that we must do so in a methodical way, on the basis of the evidence and following the process itself.

The right hon. Gentleman spoke about the number of sorties that have taken place. Yes, there are questions about many of the sorties, but we must understand that thousands of sorties are taking place and we must put the questions about those sorties in that context.

As the Prime Minister and the Foreign Secretary have said, it is clear that we are not part of this coalition—we are not in the targeting cell—but it is important, because of the equipment we are selling to Saudi Arabia, that we make sure due process is followed absolutely.

Crispin Blunt (Reigate) (Con): The difficult truth is, is it not, that the charge sheet laid out in the report and repeated by the shadow Foreign Secretary could have been laid against us and other countries when conducting military operations in the past? The lesson that must be learned is that operating outside the rule of law is ultimately self-defeating. What is the Minister's assessment of the Saudis' determination to acknowledge such lessons and to keep their and their coalition partners' operations within the rule of law?

Mr Ellwood: The Chairman of the Select Committee on Foreign Affairs raises the very important point that whatever theatre of operations we are operating in, there must be the same processes when collateral damage takes place. That applies to us and it must apply to Saudi Arabia. It is fair to say that Saudi Arabia has not been fast enough to respond to the details of the report. We must make sure that that happens.

One purpose of my visit was to ensure that there is transparency, so that people are aware exactly when there has been collateral damage for which Saudi Arabia is responsible, but also when it is not involved. If I may give an example of that, Mr Speaker, the Iranian embassy was allegedly hit. That message did a couple of laps around the world on the Twittersphere. I asked some of the local staff at our embassy to wander down and look at the Iranian embassy. Actually, there was no real damage at all. That is an indication of how we need to get to the truth and make sure that everything is evidence-based.

Brendan O'Hara (Argyll and Bute) (SNP): I am sure that everyone in this House would agree that the report that arrived at the UN is deeply, deeply worrying. It raises serious questions not only about the UK's arms exports to Saudi Arabia, but about what the British military advisers are currently doing in Saudi Arabia, particularly given that the report states that Yemeni civilians have been deliberately starved as a tactic of war by the Saudi coalition.

It is worth remembering that the UK Government gave just £75 million in aid to Yemen last year, while at the same time raking in £5.5 billion in profits from arms sales over the past five years. It is time for an immediate ban on arms sales between the United Kingdom and Saudi Arabia, and it is time for the Government to make good on the promise that they signed up to in the arms trade treaty. Can the Minister tell me when the Committees on Arms Export Controls will next meet? They should have investigated this case, but have not met in this Parliament. Will he make a firm commitment to work with the United Nations and support an international commission of inquiry?

Mr Ellwood: I am sorry to hear that the position of the Scottish nationalists is that they are willing to take what they hear in the media and turn it into British foreign policy. That is incorrect. We need to work on evidence. I am pleased to see my hon. Friend the Minister for Defence Procurement in his place. As he has confirmed, there are many cases in which the Ministry of Defence

and I choose to refuse the continuation or start of a licence because we believe that the situation has changed. We do that based on evidence when we know the facts. We do not have a knee-jerk reaction and only later realise whether we were wrong or right.

Kevin Hollinrake (Thirsk and Malton) (Con): Will the Minister confirm the presence and strength of militant organisations such as al-Qaeda and Daesh in Yemen?

Mr Ellwood: My hon. Friend raises an important point that shows the complexity of this situation. Very sadly, the governor of Aden was killed, not by the Houthis, but by Daesh, which is developing a presence in Yemen. As we know, extremists take advantage of a vacuum of governance. The port of Mukalla, which is further down the east coast, is entirely run by al-Qaeda. That shows that the extremists are based there. Al-Qaeda in Yemen are the ones who were allegedly responsible for the Charlie Hebdo attack, the print bombing attack and the underpants bombing attack. They are exactly who we are trying to defeat, but they are embedding themselves in a country where governance is missing.

Ann Clwyd (Cynon Valley) (Lab): I am sure that the Minister would agree that under the chairmanship of Sir John Stanley, the Committees on Arms Export Controls, of which I was a member for 15 years, played a very useful role in checking some of the exports that the Government had agreed to. In fact, we had 100 of them revoked. The Committee has a very useful role to play. Why has it not met for the last eight months?

Mr Ellwood: I do not know why the Committee has not met and I want it to meet. The right hon. Lady makes a powerful point but it is not in the gift of the Government. It is an important Committee—a critical Committee—not least in respect of subject we are discussing. It is the one Committee that can provide the details and the scrutiny, in the way that the great Sir John Stanley did. That is exactly what is missing. It is in the gift of the three international-facing Committees, because they make up the membership. I encourage the Committee to form as soon as possible so that it can scrutinise the Executive.

Stephen Phillips (Sleaford and North Hykeham) (Con): As the right hon. Member for Leeds Central (Hilary Benn) said, and as the Minister accepted, a humanitarian crisis of unprecedented magnitude has unfolded in Yemen. As we learned from the United Nations last August, Yemen in five months is like Syria after five years. It is critical that humanitarian aid gets into the country and that, for those purposes, the Red sea ports are opened up. Will the Minister say when he expects that to happen and what we and others are doing to ensure that it happens?

Mr Ellwood: ¹My hon. and learned Friend makes a powerful point and I acknowledge his expertise and interest in the area. The logistics of getting humanitarian aid across the country are severely limited, because aid has to go through the main port of Aden in the south. It is therefore critical that the port of Hudaydah on the Red sea coast is opened up as soon as possible. That cannot happen first of all because it is in Houthi hands, and secondly because the cranes have been damaged,

1. [Official Report, 22 February 2016, Vol. 606, c. 1-2MC.]

[Mr Ellwood]

which is perhaps a smaller issue. It is a priority for the UN envoy, Ismail Ahmed, who will be discussing opening that port as soon as possible to allow aid to get in swiftly to the rest of the country.

Paul Flynn (Newport West) (Lab): Are we not being trapped into involvement in a conflict that is ancient, deep, complex and none of our business, which is exactly the trap that ISIL and al-Qaeda are laying in order to provoke the west by terrorism and other actions to foment a world war between Christians and Muslims? Will the Minister explain why the Saudis are our allies in the Yemen and our deadly enemies in Syria and Iraq?

Mr Ellwood: I could not disagree with the hon. Gentleman more on the idea that this is none of our business. I just gave a list of terrorist groups that are operating and growing in that country. Strategically, this subject is important not just for Yemen but for the wider region, and there are knock-on effects not least to do with the relationship between Iran and Saudi Arabia. We chair the friends of Yemen in the United Nations and work closely with Yemen. It is part of our heritage and history. There is an expectation that we show some leadership, which has manifested itself not just in the humanitarian support, but in the work we are doing politically to support the UN envoy.

Sir Gerald Howarth (Aldershot) (Con): I commend my hon. Friend for a measured and well-informed response on these matters. Does he agree that the Kingdom of Saudi Arabia is a very important ally to the United Kingdom, upon which we depend for vital intelligence for the security of our people; that thousands of highly skilled jobs in the United Kingdom are directly dependent upon our defence exports to the Kingdom of Saudi Arabia; that we do not withhold defence equipment exports to the United States, and it makes mistakes in its targeting; and that we can help Saudi Arabia to avoid future mistakes?

Mr Ellwood: Saudi Arabia is an important ally in the region, not least for the reasons I articulated in my previous response, and also from a regional and historical perspective. Because of that strong relationship, this Government and previous ones are able to have frank conversations that are able to effect change. We want change to happen at a pace, but it has to happen at a pace that will work. The frank conversations I was able to have when I was there covered a range of issues, not least human rights, and not least Ali al-Nimr, the juveniles and even women's right to drive. Those are the issues that we are able to discuss and try to move forward on.

Mr Kevan Jones (North Durham) (Lab): Tens of thousands of workers' livelihoods in this country rely on exports of defence equipment around the world. I am proud that a Labour Government introduced the arms Export Control Act 2002, which regulates our defence exports. Will the Minister use his good offices to take up the suggestion made by my right hon. Friend the Member for Cynon Valley (Ann Clwyd) that the quadripartite Committee should take up those investigations? Will he resist any attempt to boycott arms sales to Saudi Arabia before the evidence is looked at? All that would happen is that the gap would be filled by other countries exporting those arms when they do not have our robust regulation.

Mr Ellwood: I pay tribute to the hon. Gentleman's interest and expertise in Defence matters, which he has studied for many, many years. Indeed, Labour is to be congratulated on the introduction of that very important Act. As I said to the right hon. Member for Cynon Valley (Ann Clwyd), who also has expertise in this region, the Committees are critical. They are missing from the Chamber. All sides need to work together to get the Committees on Arms Export Controls up and running as soon as possible.

Nusrat Ghani (Wealden) (Con): Will my hon. Friend detail the contribution the United Kingdom is making to alleviate suffering in Yemen?

Mr Ellwood: The short answer is to take a look at the report of yesterday's International Development Committee hearing, where the Minister of State, Department for International Development, my right hon. Friend the Member for New Forest West (Mr Swayne) and I spelled out in detail our commitment. We have provided almost £100 million and I hope that figure will increase. The difficulty is in getting the aid into the country itself. We are providing funds to support the UN envoy, so he can push forward the political process, too.

Mark Durkan (Foyle) (SDLP): The Minister has told us he has the report but has not received it. He has told us that he is going to take it seriously, and will read it and judge on the evidence. He has also told us, however, that he will sit down with the Saudis and go through it with a fine-tooth comb. Does he not understand that he sounds as though he is readier to offer observations on international public relations than he is to ensure there is full observation of international humanitarian law?

Mr Ellwood: As I said, I will sit down and invite the Saudi Arabians. We have two opportunities in the immediate future to go through this with a fine-toothed comb. Concerns have certainly been raised here, but we need to look at the evidence, compare it with what is going on and make sure proper processes are then followed.

Wendy Morton (Aldridge-Brownhills) (Con): The conflict in Yemen has been described as the forgotten war. Will my hon. Friend confirm whether the unrest in north Yemen is confined only to Yemen, or whether it is spilling over into Saudi territory?

Mr Ellwood: My hon. Friend raises a very important point. On the first point that this is seen as the forgotten war, this came up in the International Development Committee hearing yesterday. That almost does seem to be the case. It is perhaps a very sad reflection of the challenges we face, not just in the middle east but in Ukraine too. It is important that the international community does not turn its back on what is going on there. The scale of the humanitarian catastrophe that could be unveiled would be much bigger than what we see in Syria, Iraq or anywhere else. We need to focus on that.

On the second part of my hon. Friend's question, she is absolutely right that the war is not contained in the country itself. Every single day, there are missile attacks from the Houthi-operated northern area of Yemen into southern Saudi Arabia. Over 300 Saudi Arabians have been killed because of what is going on there. That should not be ignored.

Tom Brake (Carshalton and Wallington) (LD): The Minister will recall that I wrote to him on 18 November on this matter. In his reply, he said:

“We regularly raise our concerns with the Coalition through Ministerial, diplomatic and military channels”.

He went on:

“The Saudi Arabian authorities have given us assurances that they are complying with IHL”.

On the subject of cluster munitions, the Government apparently

“encouraged Saudi Arabia as a non-party to the Convention”—the convention against cluster munitions—to accede to it. Does the Minister understand why some Members are concerned that the Government are not adopting a particularly challenging attitude towards the Saudis, when combined with the Minister’s statement about being “disappointed” at the execution of 47 people in Saudi Arabia? Will the Minister do something concrete and ask the Ministry of Defence, which is responsible for investigating IHL breaches, to look at this and, if necessary, go over the ground of previous claims about IHL breaches?

Mr Ellwood: The right hon. Gentleman is absolutely right to say that Saudi Arabia is not a signatory to the convention. We are encouraging that to happen. As I said in my opening remarks, on the exempt licences we have provided and the allegations we put forward, we matched them up with the information we have. We requested more information and where we are unsatisfied we have further discussions. Those are ongoing. We are calling for Saudi Arabia to make sure that, just as it launched an investigation into the attack on Médecins sans Frontières in Taiz, further investigations are opened as soon as possible.

Chris Green (Bolton West) (Con): Does my hon. Friend agree that the problems caused by international terrorist organisations simply build upon the incredibly complicated tribal structures within Yemen, and that this is not just about the conflict between President Hadi and the Houthis?

Mr Ellwood: My hon. Friend is absolutely right. Yemen is a relatively new country by any stretch of the imagination. In Ottoman times, we controlled one part of it as a protectorate. The glue that holds it together is not strong. It is very tribal based—there are about four or five major tribes—and underneath these super tribes there are sub-communities of loyalties. Each is not necessarily committed to one side or another, but is waiting to see which way the wind blows.

George Kerevan (East Lothian) (SNP): If the evidence in the UN report is upheld in due course—evidence that the Saudis have been using cluster weapons dropped by British aircraft on civilian populations, which can only exacerbate the political crisis in Yemen—will the Minister undertake to ban weapons sales to Saudi Arabia, or will he just give it a limp slap on the wrist?

Mr Ellwood: As I am sure the hon. Gentleman can imagine, I will not go into hypotheticals. I have committed to taking the report and speaking with the Saudi Arabians to see what we can do to move forward and to confirm what the recommendations in the report actually say.

Bob Blackman (Harrow East) (Con): Will my hon. Friend outline the extent of humanitarian aid Saudi Arabia gives to Yemen? I believe it is extensive. If so, is that the action of an irresponsible country?

Mr Ellwood: The full coalition is doing a wide variety of things, in addition to the military campaign, which we read so much about in the papers. It is not just Saudi Arabia; it is Jordan, the United Arab Emirates, and so forth. As areas are liberated, so the coalition follows on with stabilisation capability to provide security and support and to allow a transition from war to peace. All the Arab countries are very much involved in that.

Andy Slaughter (Hammersmith) (Lab): Is this not a bit “Yes Minister”? The Minister has the report, but he has not received it, so he cannot do anything about it. Is that not a recipe for inaction? During the last invasion of Gaza, he said he would consider suspending arms sales to Israel, but by the time he had considered it, the damage had been done and several thousand civilians had been killed. Is that not what will happen here? Will he suspend arms sales? There is evidence of a breach of international humanitarian law. Will he do that now, look at the evidence and then make a decision?

Mr Ellwood: I am being asked to comment on a leaked report. It is important that I have time to digest the full report, but I have said, even at this stage, before having had an opportunity to do that, that from what I understand of the report it is serious enough to deserve detailed scrutiny, not just here by us, but with the Saudi Arabians. I have already made that commitment to the House.

Kevin Foster (Torbay) (Con): As the Minister will know, since the opening of the Suez canal in the 19th century, the waters around Yemen have been among the most key international trade routes, and therefore their security is of direct concern to us. Given that maintaining stability in Yemen is important to keeping those routes safe, what assessment has he made of the strength and ability of the Yemini armed forces to do that?

Mr Ellwood: I can give a twofold answer. First, the Yemini armed forces are receiving training, and the Yemini army is improving and able to hold ground, as well, not least around the port of Aden, which, as my hon. Friend says, is critical for safe passage in the area. Secondly, there is also the UN maritime capability. UN convoys need to be able to enter, but at the moment they are being denied by the Houthis.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): The Under-Secretary of State responsible for the middle east is reportedly lobbying Saudi Arabia to promote its so-called human rights successes. Will the Minister please clarify whether that is the case and respond to criticism that it is little more than a PR exercise from a Government determined to maintain a multibillion pound arms trade with the Saudi regime?

Mr Ellwood: I am sorry about the last comments. The hon. Lady and I have discussed these issues in the House, in Westminster Hall and, indeed, privately. I hope she will recognise that the words that have been written—I think by *The Independent*, which used a Google translator

[Mr Ellwood]

system to take some Arabic words and turn them into English—were not what I said at all. Let me make it very clear: we have now issued a press release confirming exactly what I said—an overview of what I raised at some of the meetings. I can assure her that at every single meeting I had, at every level, I raised human rights issues across a spectrum of matters that this House debates on a regular basis.

Jim Shannon (Strangford) (DUP): The unrelenting blanket bombing of Yemen, the murder of innocents and the destruction of property cause great concern. What also causes great concern is the abuse of human rights, as the Minister knows—I know he is responsive to that—but also the orchestrated persecution of Christians, who are arrested in their homes, put in prison and deported. Christians are second-class citizens in Saudi Arabia. I believe that underlines the need to make all arms sales to Saudi Arabia conditional on improving human rights and stopping the persecution of Christians. What discussions has the Minister had with Saudi Arabia about that?

Mr Ellwood: May I first pay tribute to the work that the hon. Gentleman does in this area? He raises these important issues of human rights—not least for Christians, but for others as well—on a regular basis. He is absolutely right to say that Christians are not receiving the same level of support or, indeed, rights in parts of the middle east. These are things we raise on a regular basis. If I may, I will speak to the hon. Gentleman offline to talk in more detail about this, because that would be more appropriate.

Dr Philippa Whitford (Central Ayrshire) (SNP): Both in Prime Minister's questions and when we had the statement on the executions, I raised the issue of the Médecins sans Frontières hospital in Saada in Yemen that was hit by missiles. We are providing those very weapons, so can the Minister confirm that that specific incident has been investigated?

Mr Ellwood: May I pay tribute to the work the hon. Lady does? I know she comes to this House with a huge amount of experience from the medical side, and I think the House is all the wiser for it. She raises an important issue. I think I gave confirmation earlier that that investigation is already going ahead.

Kirsten Oswald (East Renfrewshire) (SNP): The UK Government have licensed billions of pounds of weapons to Saudi Arabia. It is now recorded that UK forces have been present at Saudi weapons control centres during operations in Yemen. The UN report says that Saudi air strikes have been systematically targeting civilians, and the Minister today has acknowledged concerns and a need for improvement, so what exactly will it take for him to acknowledge, knowing all this, that we have a clear responsibility to stop selling arms to Saudi Arabia?

Mr Ellwood: I do ask, with huge respect, that this narrative that somehow British soldiers are involved in the targeting cell is stopped. The Prime Minister made that absolutely clear yesterday—indeed, I think in response to the Scottish nationalists—saying that we are not part of the coalition. We are not in the targeting cell, and therefore we are not privy to that information. What we are calling for is absolutely the robust process that must be followed if an incident is reported.

Stewart Malcolm McDonald (Glasgow South) (SNP): The United Kingdom has practically built the modern Saudi state. It was UK workers who extracted the oil and built the roads and UK doctors and nurses who provided modern medicine—plenty evidence of the British carrot. However, I think the Minister is in a stronger position than he perhaps appreciates, so when will we see a bit of the British stick, beyond the usual platitudes that we hear from the Dispatch Box?

Mr Ellwood: Again, I have spoken to the hon. Gentleman offline. He is aware of what we try to do overtly, but also quietly, to advance change in Saudi Arabia. It is difficult: it is a very new state. We should also reflect on the fact that the royal family—the leadership there—is on the liberal wing of a very conservative country. There is a pace of change that works, and if the hon. Gentleman wants to see it move any faster, he should bear in mind that a possible consequence could be to see Daesh spreading—it has made it clear that it wants to take over custodianship of the two holy cities, and that is exactly what we could get. Therefore, I absolutely stand with him on wanting to effect change, but it needs to happen at a pace that is workable.

Alan Brown (Kilmarnock and Loudoun) (SNP): A transparent Government would welcome the setting up of the Committees on Arms Export controls. Instead of saying that it is not within the gift of the Government, will the Minister advise us what the Government are doing to facilitate the setting up of the Committee and, if there are any problems, what those problems are?

Mr Ellwood: I am calling for it; I want it; I think it is very important. It is not, however, in my gift. I understand that it is the responsibility of the three Committee Chairmen, one of whom is smiling, whose brief is internationally facing. It is for them. [Interruption.] I stand corrected; the Leader of the House is in his place. It is vital that the Committee is up and running as soon as possible. If there is one positive outcome from today, it is, I hope, that this Committee will emerge as soon as possible.

ROYAL ASSENT

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

Cities and Local Government Devolution Act 2016
Psychoactive Substances Act 2016.

Business of the House

11.45 am

Chris Bryant (Rhondda) (Lab): Will the Leader of the House give us the future business?

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

MONDAY 1 FEBRUARY—Second Reading of the Bank of England and Financial Services Bill [*Lords*], followed by debate on a motion on the future of the Financial Conduct Authority. The subject for this debate was determined by the Backbench Business Committee.

TUESDAY 2 FEBRUARY—Second Reading of the Enterprise Bill [*Lords*], followed by motion relating to the House of Commons Commission.

WEDNESDAY 3 FEBRUARY—Opposition day (18th allotted day). There will be a debate on tax avoidance and multinational companies, followed by a debate on public finances in Scotland. Both debates will arise on an Opposition motion.

THURSDAY 4 FEBRUARY—Statement on the publication of the fourth report from the Public Administration and Constitutional Affairs Committee, The collapse of Kids Company: lessons for charity trustees, professional firms, the Charity Commission, and Whitehall, HC 433, followed by debate on a motion on parliamentary sovereignty and EU renegotiations, followed by general debate on the conflict in Yemen. The statement and subjects for debate were determined by the Backbench Business Committee.

FRIDAY 5 FEBRUARY—Private Members' Bills.

The provisional business for the week commencing 8 February will include:

MONDAY 8 FEBRUARY—Motions relating to the Social Security Benefits Up-rating Order 2016 and the State Pension (Amendment) Regulations 2016, followed by business to be nominated by the Backbench Business Committee.

I should also like to inform the House that the business in Westminster Hall for Thursday 4 February and Thursday 11 February will be:

THURSDAY 4 FEBRUARY—Debate on the role of men in preventing violence against women.

THURSDAY 11 FEBRUARY—Debate on a motion on Equitable Life.

Chris Bryant: I know you have already referred to this, Mr Speaker, but I would like to pay enormous thanks to Robin Fell, the Principal Doorkeeper, who is leaving tomorrow. He first arrived here in October 1969 and I believe he has been the Principal Doorkeeper since 2011. He and his mutton chops were the stars of the television programme last year. Far more importantly, Robin not only provides the snuff for hon. Members, but does so out of his own pocket—he does not keep it in his pocket, but pays for it himself. I gather he has a large supply, which might be handed over to his successor. We wish him and his wife Deidre well in his retirement.

Let me start by apologising. A couple of colleagues have said that I have been a little too cruel to the Leader of the House over the last few weeks so I thought I would try something completely different this week, and merely ask him some very straightforward questions. I warn him, however, that I want answers to them and

not some little lecture about something completely and utterly irrelevant that he dreamt up last week or was written by his special adviser. I want straightforward answers to straightforward questions. To help him, we have produced a little aide-memoire in case he forgets any of the questions.

Here is question No. 1. There are claims that the IRA operative who planned the 1993 Shankill Road bombing was an informant who passed on details that could have allowed the security forces to prevent the atrocity in which 10 people were killed and more than 50 wounded. Will the Leader of the House ensure that the Secretary of State for Northern Ireland gives a statement on Monday on the investigation by the Police Ombudsman for Northern Ireland?

Number two concerns the Government saying they want to stop councils making ethical pensions and procurement decisions. They want to amend the Local Government Pension Scheme (Management and Investment of Funds Regulations) 2009 and publish a revised Cabinet Office procurement policy note. I believe that this constitutes a major curtailment of local authorities' power to act. Can the Leader of the House guarantee that the changes will be subjected to proper scrutiny? That means a debate and vote on the Floor of the House on any changes in the pensions regulations, and a separate debate and vote on the procurement policy note.

Number three: more floods are predicted for the weekend, and the time limit for applying to the European Union solidarity fund for vital additional resources for communities that were hit by the recent floods is running out. Will the Leader of the House ensure that the Secretary of State for Environment, Food and Rural Affairs makes a statement before the deadline is reached—that is, before next Wednesday?

Number four: for two years the European Scrutiny Committee has been calling for debates on the Floor of the House about European Union Document No. 16930/13 on free movement, and about the port authorities regulations, which the Government pulled from the Committee a couple of weeks ago. How can the Leader of the House possibly complain about legislation being foisted on us by Europe when he will not allow debates on EU regulation? Will he give us a date for debates on both those subjects?

Number five: why did the Chancellor announce the sweetheart deal with Google on Twitter rather than in the House? If he was so proud of it, why did he not come to the House to defend it on Monday? Even Rupert Murdoch—of whom I am no fan—has said that “posh boys in Downing Street”

have been too easily awed. Will the Public Accounts Committee, which is to publish a report on the matter, be sent the full details of how Google's tax bill was arrived at, or has the Chancellor already thrown away the fag packet?

Number six: the Government have said that they want to change the Human Rights Act by the summer. We oppose that, but when will the Government publish the draft Bill of Rights? Will it be subject to pre-legislative scrutiny, and will it be published before, during or after the EU referendum campaign? Will the Leader of the House guarantee that it will not be published when the Welsh and Northern Ireland Assemblies and the Scottish Parliament are dissolved for elections?

[Chris Bryant]

My final question relates to yesterday's session of Prime Minister's Question Time. The first building on this site was built by King Cnut, a Danish migrant. Westminster Hall was built by William Rufus, son of William the Conqueror: the clue is in the name. The Royal Family has blood from Aragon, Holland, Hanover and Greece. The Rhondda was built with the sweat of Irish and Italian migrants. Our Speaker is descended from Romanian Jews, and the Lord Speaker's family hails from Portugal. The families of the Business Secretary and my right hon. Friend the Member for Tooting (Sadiq Khan) are from Pakistan. The father of the hon. Member for Richmond Park (Zac Goldsmith) represented France in the European Parliament. The Corbys were Norman French, the Graylings were probably French Huguenots, and God knows where the Bryants came from. So will the Leader of the House confirm that we are all a bunch of migrants?

Chris Grayling: Let me begin by echoing your words, Mr Speaker, and those of the shadow Leader of the House about Robin Fell, who has served the House with great distinction for many years. For those of us who have been here for a few years, it will be very strange not having him around any more, but it is a tribute to the way in which he has served the House that his retirement is being greeted with such dismay and such warmth simultaneously. I am sure that we all send him our best wishes for the years ahead, and we hope that he will come back and visit us sometimes.

Let me also touch briefly on the issue of Members' security. Most Members will by now have received the details of the security package from the Independent Parliamentary Standards Authority. Obviously we cannot discuss it in detail, but I think it is a good package, and I hope that Members feel reassured by it. May I ask any Members who still have concerns to talk to me, to the shadow Leader or to you, Mr Speaker, so that we can address them?

There have been a number of items in the news this week about the restoration and renewal Committee. Members may have seen the press coverage. It is inevitable that there will be some chat about it at a time when we are discussing with Members of both Houses the point that we have reached and the options that may be available to us, but I emphasise that no decisions have been made, and that the Joint Committee will not report until the spring.

The shadow Leader asked me a number of questions. It is noticeable whenever he asks me questions that he never uses the Opposition days that I provide to debate the subjects that he has raised. I therefore hope that he will forgive me if I do not take his approach entirely seriously. I have announced another Opposition day for next week, but, again, the Opposition have not chosen to debate the matters that the hon. Gentleman has raised today. However, the Northern Ireland Secretary will respond when she is ready to do so; on the local government changes, the Secretary of State will be here on Monday week; the Secretary of State for Environment, Food and Rural Affairs will be here next week; the announcement by HMRC, which is an independent body when it comes to these matters, was certainly made free of Government involvement; and the Human Rights Act details will be published when the Government are ready.

The truth is that what we have not heard this week, yet again, is the things that the Labour party is doing: no request for a debate on the fact that this week the party called for shared sovereignty over the Falkland Islands, and no request for a debate on Labour's plans to turn our border controls into a floodgate. What we have now is the reasonable people in the hon. Gentleman's party being threatened with deselection, and Neil Kinnock says his leader—the man he works for—is not up to the job and is unelectable. The man in front of us, the shadow Leader of the House, is the man who knifed Tony Blair. He will not even now risk his Front-Bench position to stand up for what he believes in. He asked me about the word “bunch”. I am very happy to use that word today: he and his colleagues are a bunch of spineless individuals who have not even got the courage to stand up for what they believe in.

Mr Andrew Turner (Isle of Wight) (Con): One and a half million Armenians were murdered in 1915. Will the Leader of the House ensure that the holocaust memorial covers the Armenians?

Chris Grayling: As my hon. Friend knows, there has been a long debate about the terminology attaching to the tragedy that took place a century ago. What I think we should say today is that, while we are commemorating with great sadness and a determination always to remember what happened in the terrible years of the Nazi regime in Germany, we should also remember on Holocaust Memorial Day that many other tragedies on an epic scale have taken place in other parts of the world, and we should not forget the people who suffered in those and lost their lives in them.

Pete Wishart (Perth and North Perthshire) (SNP): I thank the Leader of the House for announcing the business for next week, and may I also add tributes from the Scottish National party to Robin Fell, who has been such a distinguished senior Doorkeeper? I think this is what we should do in commemoration of Robin Fell, even though he is still very much with us: the new chief Doorkeeper should inherit the whiskers, which are the finest whiskers in—[*Interruption.*] On seeing them standing beside each other, I think we might review that: perhaps you should not consider that request, Mr Speaker. But all the best to Robin Fell.

May I start by cautioning the Leader of the House in his role as the putative leader of the Out campaign, because he is going to be up against some powerful and remarkable forces? In this referendum it is not going to be just “project fear” he will be up again; it is also going to be “project fud”. To reassure my hon. Friends, may I say that “fud” means “fear, uncertainty and doubt”, and thankfully not the common vernacular Scottish meaning that probably more of them are familiar with? I say to the Leader of the House that we will not be taking part in this fear campaign. We have gone through and experienced that in the Scottish referendum campaign. We will have a positive campaign. The SNP campaign to stay in Europe will be fud-free.

I am surprised there was no statement on the Government's intention on refugee children given that there has been some sort of announcement this morning. We need to secure a real debate about this so that we can ascertain from the Government a figure for how many children they intend to accept and ask why, once again, it seems that the Government are turning their

back on children who are in Europe. This is not the “bunch of migrants” or the swarms, or whatever the Prime Minister’s term will be next week; this is children in need of help, so let us have a full debate to see what we can do to assist them.

The row about Google’s tax arrangements just is not going away and maybe a debate about that might help to clear some matters up. I am sure the Leader of the House will welcome the European Commission’s words this morning, following an approach from the SNP, that it is now prepared to investigate Google’s tax settlement to see whether it meets European standards. Hopefully we might get some transparency on this issue.

We will soon be coming to the time in the parliamentary calendar when we debate the estimates process. I want a reassurance from the Leader of the House that it will not be done in the usual haphazard and casual way, as in previous years. You will know, Mr Speaker, that you are invited to ignore the minor consequential issues when certifying Bills as English only, and the Leader of the House repeatedly told us during the votes on English votes for English laws that all issues to do with Barnett consequentials are to be considered in the consolidated departmental spending in the estimates process. The Procedure Committee has already announced that it will be conducting an inquiry into the estimates process following the introduction of EVEL. Can the Leader of the House assure us that there will be no debates on the estimates until that inquiry has been concluded and we have had an opportunity to examine all the departmental spending of the spending Departments?

Lastly, I am not going to ask for a debate, and I do not want a further statement—I just want this Government to do the right thing on the appeal on the bedroom tax. I want them to accept the High Court’s decision and to do the right thing by vulnerable families, disabled children and women who are in need of shelter. I want them to accept the ruling from the High Court this week.

Chris Grayling: First, the hon. Gentleman raised the issue of Europe, and I suspect that there will be many lively debates in which the SNP will be involved over the coming months. I think the biggest difference between us is that the SNP appears to believe that our relationship with the European Union can remain unchanged. I have been clear in my view that I think it would be absolutely wrong for this country to have an unchanged relationship with the European Union. That is why the renegotiation process is so important and why the referendum is so important. I think it betrays the people of this United Kingdom when people argue for no change to that relationship. That is the position of Scottish National party Members, and I profoundly disagree with them.

On the issue of refugee children, we have said that we will work with United Nations agencies to identify the nature of the problem and look to take children who find themselves in a position of being unaccompanied in refugee camps. We have also made it very clear that our support is going to those in the refugee camps. We believe that that is the right thing to do, and it is actually bringing more people to this country than are being relocated through the European scheme. We think it is better to help the very large numbers of people who are stranded in those camps, because they are the most vulnerable, and not the ones who have had the money and the ability to get to continental Europe.

The hon. Gentleman raised the issue of Google taxes. I can understand his frustration, but he is pointing in the wrong direction. The reason that we have an issue is that the Labour party was in power for 13 years and it did nothing to collect taxes from multinational companies. We are seeking to pick up the pieces of its failure. On that, I have no doubt that the hon. Gentleman and I would agree.

The hon. Gentleman also asked about the estimates process. This is being looked at by the Procedure Committee. To date, under this Government, the coalition Government and previous Governments, we have followed all the processes that are customary. If he believes that the process should change, the Procedure Committee is producing a report and he will undoubtedly have an input into that and will be able to bring his ideas to the House. Of course, time is also made available for his party if it chooses to table debates on this matter.

On the question of the court case, the Department for Work and Pensions will certainly talk to the House more about its intentions in due course.

Pauline Latham (Mid Derbyshire) (Con): May we have a statement from the Department for Transport on the possibility of establishing a register of taxi drivers? Currently, when they go before the committee of a council and are asked whether they have had previous convictions or been refused a licence, they can say yes or no but there is no method for the council to check up on their answers. May we have a statement on this, please?

Chris Grayling: I am grateful to my hon. Friend for giving me a bit of warning about this question. She has identified a very real problem. When somebody wishes to deceive, it is perhaps wishful thinking to ask them to give a truthful answer. However, I will ensure that my right hon. Friend the Secretary of State for Transport is properly briefed about the concerns she has raised before he appears before the House again on Monday week. I also ask her to raise this serious matter with him again at that time.

Ian Mearns (Gateshead) (Lab): I thank the Leader of the House for the business statement and for giving me advance notice of the Back-Bench business debates. However, it is not beyond the realms of possibility that the conclusion of business on a Monday might be later than anticipated by the Government. May I ask him once again that, when we schedule a debate that we anticipate will last for three hours, it will be given protected time just in case the Government business takes longer than anticipated? Will he also confirm that we will be allocated some time on 11 February, the last day before the February recess?

Chris Grayling: I have listened carefully to the hon. Gentleman’s request on Back-Bench business, and I am looking into the matter. The situation can vary according to Government business and also according to what decisions you take, Mr Speaker, about urgent questions. I do not want to take an instant decision on this, but I will look at what happens over a period of time. I will look at the question of overrunning debates being curtailed, and we will see whether any change needs to be considered. The hon. Gentleman will forgive me if I do not give him an instant response on that one, but I am listening carefully to what he has said. However, I do have to answer quickly his question about the last day before

[Chris Grayling]

the February recess. It will obviously depend on the availability of Government business, but I hope that he does not feel short-changed for time. I am also aware of the pressure from Members around the House for a traditional Adjournment-style debate just before recesses. I hope to inform him shortly on that.

Mr David Nuttall (Bury North) (Con): May we have a statement on what the Government plan to do to change the system that allows a convicted double murderer to walk free with a new identity? Families of the victims must be left wondering what on earth is happening to our system of justice. It cannot be right that my constituents may face the prospect of a double killer moving in next door without their knowledge.

Chris Grayling: My hon. Friend makes a serious point, and I will make sure that my right hon. Friend the Justice Secretary is aware of his concerns. My view has always been that victims and their families must come first.

On a different note, I congratulate my hon. Friend on taking an unexpected lead in the battle of the black puddings, rather, I suspect, to the distress of the hon. Member for Na h-Eileanan an Iar (Mr MacNeil). Bury black puddings were featured last night on “Bake-Off” in a scallop and black pudding manapé. I suspect that in the race for the best black pudding, Bury has a slight nose ahead.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): The new and excellent gifted SNP Members often talk about the great help and kindness that the staff of the House have shown since their election, Mr Speaker. Tonight, you are holding a reception for the retirement of Robin Fell, who has served the House for 46 years and knew a predecessor of mine, Donald Stewart of Stornoway. I am sure that we all wish Mr Fell a happy retirement, but we also want it to be a healthy retirement. With that in mind, and given that Mr Fell has holidayed in Stornoway with his wife, where I shared a glass of lemonade with him, I wonder whether the Leader of the House agrees that an appropriate gift for his retirement would be a Stornoway black pudding, the health details of which are listed in early-day motion 936, in my name.

[That this House welcomes the recognition of black pudding, *Marag Dhubh in Gaelic, as a superfood; notes that its calcium, iron, magnesium, potassium and protein-rich nature make the black pudding an excellent addition to a healthy, balanced diet; expresses pleasure at the economic benefits to Stornoway butchers of its EU Protected Geographical Indication, one of the many great benefits of EU membership; and encourages everyone to discover the great taste of Scottish food.*]

Chris Grayling: I can see this battle running and running, Mr Speaker, but on this occasion when we are marking the retirement of a distinguished servant of the House, putting him in the invidious position of having to judge between Bury and Stornoway black puddings would be an unfair way of sending him on his way to what we believe will be a happy retirement.

Byron Davies (Gower) (Con): This week the Welsh Assembly Public Accounts Committee issued a damning report on the extreme loss of revenue as a result of a land sale by the Welsh Labour Government on a property

once owned by the Welsh Development Agency. This follows an equally damning report by the Wales Audit Office last year of the Welsh Labour Government. Will the Leader of the House agree to a debate on the sale of public assets by public authorities in the UK?

Chris Grayling: This has been a shocking chain of events. I know just how strongly my hon. Friend and others feel about the criticism that has rightly been levelled at the Welsh Government. The First Minister has had to apologise for what has happened. This situation should never have arisen, and lessons need to be learned. My hon. Friend makes his point well and he might well consider bringing it to the Floor of the House through the different channels available so that he can make his well-made points to Ministers.

Kelvin Hopkins (Luton North) (Lab): Bedfordshire police have just 169 police officers per 100,000 population, well below West Midlands, which has 256 officers per 100,000 and a similar level of burglary, and even further below Manchester, which has 274 officers and a similar level of knife crime. The police funding formula is broken and needs urgent revision, but the Home Office appears to be getting cold feet about introducing a new formula. May we have an urgent debate on this serious matter so that the people of Bedfordshire can look forward to relief from the desperate underfunding of their police force?

Chris Grayling: As an MP representing an area with a smaller force, I understand the hon. Gentleman’s point. The big city forces face some enormous challenges so it is not surprising that they have more resources than the smaller forces to deal with issues such as terrorist threats. I take his point, and I will make sure that the Home Secretary is aware of his concerns. It may be an issue that he will find is shared by other hon. Members, and he may want to use the slots that we have made available to Back Benchers to bring these matters to Ministers.

Chris Davies (Brecon and Radnorshire) (Con): My constituency faces many bank closures, with the HSBC branches in Builth Wells and Rhayader, the Barclays in Llanwrtyd Wells and the NatWest in Crickhowell all vanishing from our high streets. We now have market towns with no banking facilities whatsoever. May we have a debate on what more we can do to save our high street banks so that businesses and local people have provision for their banking needs long into the future?

Chris Grayling: Several colleagues have raised their concerns about this problem as the banks’ commitment to retain at least one branch in individual areas seems to be running a little ragged. MPs should promote and talk up the work of post offices to provide an alternative to banking services in rural areas, but my hon. Friend makes an important point that we should continue to raise in the House. As several hon. Members have raised the matter, the Backbench Business Committee might want to add it to its list for debate.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I made a point of order about business questions earlier in the week, as you will remember, Mr Speaker. I was not suggesting that there is anything wrong with the tone and humour of proceedings; I was really talking about the amount of time taken by Front Benchers.

I put that on the record, as well as the fact that anyone who is interested in public health believes that black pudding and any processed meat is really bad for people's health.

May we have a debate about the hidden treasure that is locked in Icelandic bank accounts? Hundreds of millions of pounds of British taxpayers' money is still held there, being leeches into the coffers of Grant Thornton, the liquidator. May we have a debate on the scandal of what has happened to taxpayers' money?

Chris Grayling: I congratulate the hon. Gentleman on making his point so succinctly. That sounds like an ideal topic for an Adjournment debate.

Bob Blackman (Harrow East) (Con): Tuesday marked Indian Republic Day, and not a week goes by without a Government Minister visiting India, or an Indian Minister visiting the UK. May we have a debate in Government time about Britain's relationship with India and the tremendous contribution that the Indian diaspora makes to this country?

Chris Grayling: We were proud to host the Indian Prime Minister in the House a few months ago as part of the successful visit to the United Kingdom by him and other members of the Indian Government. My hon. Friend makes an important point about the need to preserve the relationship, and the Government are committed to deepening our historical ties and friendship with India.

Wes Streeting (Ilford North) (Lab): Last autumn, in a consensus resolution, the United Nations Human Rights Council set out the importance of involving judges, defence lawyers, and authorised prosecutors and investigators from Commonwealth and other foreign countries in the necessary process of prosecuting human rights abuses in Sri Lanka. President Sirisena has since ruled out international involvement, yet such involvement would be an important confidence-building measure for all Sri Lankans, including the Tamil community. Given that, as well as the recent Foreign Office delegation to Sri Lanka, will the Leader of the House ask a Foreign Office Minister to make a statement in the Chamber so that we can hear what action our Government propose to take to ensure that the Sri Lankan Government fulfil their obligations under the UNHRC resolution?

Chris Grayling: We all want a long-term solution to the dreadful events that have taken place in Sri Lanka. It is enormously important that there is a settlement that provides a stable and lasting solution for both communities. I will ensure that Foreign Office Ministers are aware of the points that the hon. Gentleman raises and ask them to update the House at an appropriate early opportunity.

Steve Double (St Austell and Newquay) (Con): From tomorrow, for 10 days, Network Rail will close the A390 in the village of St Blazey, which I am proud to say is the place where I was born, so that it can carry out scheduled maintenance on a level crossing. Local businesses will face significant disruption and a loss of revenue, and local traffic will have to take a 23-mile detour. The community received notice of the closure only on 18 December, so businesses have had insufficient time to make arrangements to mitigate its impact. Network

Rail's behaviour has been unacceptable. Will a Transport Minister make a statement to confirm Network Rail's responsibilities to consult local communities before closing roads, during which we could consider whether compensation should be paid for the loss of business?

Chris Grayling: My hon. Friend has been pushing hard on this issue and I understand his concern. It is clearly not acceptable for Network Rail to provide inadequate notice of, and not to make adequate arrangements for, such a closure. However, I know from my constituency experience that if level crossings become antiquated and fail, the disruption can be equally bad. My hon. Friend makes his point succinctly, and while the work clearly needs to be done, it should be managed properly, and Network Rail should give due notice when it does the right thing by local people.

Barbara Keeley (Worsley and Eccles South) (Lab): Will the Leader of the House arrange to help the Prime Minister and Ministers with responsibility for pensions with a briefing on EU directives and the equalisation of the state pension age? The Prime Minister and the Under-Secretary of State for Justice, the hon. Member for North West Cambridgeshire (Mr Vara), who covers pensions, have insisted that their policy of equalising the state pension age was necessary to meet the UK's obligations under EU law, but that is not true. A 1997 directive laid down only the principle of equal treatment; the determination of state pension age is the sovereign right of member states. Some EU states maintain a difference, while others are not equalising until 2044, and long transitional arrangements are allowed. Will the Leader of the House convey that information to his colleagues, who do not seem to understand the situation?

Chris Grayling: My colleagues have simply pointed out the obligation to pursue a strategy of equality. It is absolutely logical to have the same retirement age for men and women in a nation that believes in equality.

Richard Graham (Gloucester) (Con): When he held his previous role, the Leader of the House was supportive of my project to regenerate unused Ministry of Justice land beside Gloucester railway station. The project was approved in principle 10 months ago, with all the details subsequently agreed, except for the acceptance by the main board of the Courts and Tribunals Service of an independent valuation of the site. Will my right hon. Friend urge Justice Ministers to remind the board that the site has been empty and unused for more than eight years and that the Government's policy is to use such assets for regeneration projects as soon as possible?

Chris Grayling: My hon. Friend and I have discussed his concern about this matter extensively. I will ensure that I give the Ministry of Justice a nudge on the project, which I know he feels is crucial to the development of Gloucester.

Christian Matheson (City of Chester) (Lab): May I add my voice to that of other hon. Members who have called for a debate on the UK's membership of the European Union? Of course, such a debate would give the Leader of the House an opportunity to explain why he clearly has no confidence whatsoever in the ability of his boss, the Prime Minister, to negotiate a better deal for the UK.

Chris Grayling: I have no doubt that we will be debating our relationship with the European Union extensively. I look forward to holding that debate with a group of people who believe that there should be no change in that relationship, which, to my mind, would let this country down in the worst possible way.

Paul Flynn (Newport West) (Lab): May we debate early-day motion 1019 about the new delay involving Hinkley Point C?

[That this House believes that the new delay on the plan for Hinkley Point C proves that the unaffordable, technologically-failed project is doomed; recognises that immediate cancellation would avoid the massive waste of multi-billions in cost over-runs and years of delays suffered by all other EPR projects; and urges new investments in the proven green technologies of renewable power sources.]

Such a debate would allow us to discuss why the Chancellor of the Exchequer cancelled at short notice a meeting that had been arranged in London last week with the head of Tata Steel to discuss redundancies and the future of the industry. Why is it that the Chancellor can go off to Beijing to gift the Chinese our nuclear power station jobs in perpetuity, yet show indifference to the fate of British steel jobs?

Chris Grayling: None of us is indifferent to the fate of British steel jobs. Ministers have spent a huge amount of time in recent months trying to find ways to ease the pressures on that industry, which faces a global crisis. This is an enormous challenge for all of us, but we will do everything that we can, within the powers that we have available, to ease those pressures.

Mrs Emma Lewell-Buck (South Shields) (Lab): Answers to written questions show that in almost every Government Department, disabled members of staff are twice as likely as others to report bullying and harassment, and are consistently likely to believe that they are not fairly treated. Will the Leader of the House ask the Minister for the Cabinet Office to make a statement explaining why the Government have allowed disability discrimination to take hold in the civil service, and what they are going to do about it?

Chris Grayling: Let us be clear that disability discrimination, in whatever form, is not acceptable—I agree with the hon. Lady on that point. I will ensure that the Minister for the Cabinet Office reads her comments and the parliamentary questions. I would not condone in any way, shape or form discrimination against, or the bullying of, disabled people.

Liz McInnes (Heywood and Middleton) (Lab): I reiterate the request from the shadow Leader of the House for an urgent statement on the UK's application to the EU solidarity fund following the catastrophic flooding in the north of England and in Scotland in December 2015. Given that we are rapidly approaching the deadline from the date of the first damage caused by the disaster, are we in danger of running out of time?

Chris Grayling: We took the view early on that the best thing to do was to provide financial support as quickly as possible to those areas affected, and we have done that. The hon. Lady will be able to question the

Secretary of State for Environment, Food and Rural Affairs next week, but the priority for us has been to get money and support into the areas affected and we have been doing that for weeks.

Justin Madders (Ellesmere Port and Neston) (Lab): I was hugely impressed to hear about the work of the Ambitious College in London, which caters for young people with autism between the ages of 16 and 25. In my constituency, Hinderton School has had four outstanding reports from Ofsted on its educational provision up to the age of 11, but it is a sad fact that three out of four young people with autism do not access any kind of education after school age. May we have a debate, please, on widening opportunities in education for young people with autism?

Chris Grayling: That is a good point and some very good work is being done. I am not aware of the college that the hon. Gentleman refers to, but it clearly plays an important role. We want to see people, when they leave school, have the opportunity to move into work or move into apprenticeships—that should be a priority for us as well. The Minister for Skills will be here on Tuesday and I will make sure that he is aware of the concerns that have been raised.

Chris Law (Dundee West) (SNP): Last week, in reply to my question regarding post-study work visas, the Leader of the House stated:

“This is an area that was not in the Smith commission report.”—*[Official Report, 21 January 2016; Vol. 604, c. 1566.]*

The right hon. Gentleman is entirely wrong. Page 20 of the report, which I have here, states that,

“the Scottish and UK governments should work together to explore the possibility of introducing formal schemes to allow international higher education students graduating from Scottish further and higher education institutions to remain in Scotland and contribute to economic activity for a . . . period of time.”

Will the Leader of the House apologise for his misleading reply and offer to correct the record by offering a commitment that the UK Government will now seriously consider the issue of post-study work visas, as recommended by the cross-party Smith commission?

Chris Grayling: The only person who should resign is someone who works for the current leader of the Labour party and does not agree with him. Let us be clear. The hon. Gentleman has clearly misunderstood the point that I was making last week. There is not a recommendation in the Smith commission report that this should happen. We have implemented the recommendations of the Smith commission report about what should happen. The two Administrations should carry on talking about this area and a whole variety of areas, and we do and we will, but the Smith commission did not recommend that we implement a change on this and we have not done so.

Andrew Gwynne (Denton and Reddish) (Lab): Public health and the air we breathe was greatly improved as a result of the Clean Air Act 1956, but much of the progress since then has gone backwards. In large parts of England, including in my own constituency, air quality falls dramatically below European safe standards, so may we have a statement from the Environment Secretary about the need for a new clean air Act fit for the 21st century?

Chris Grayling: That matter is attracting increased concern both in the House and in Government. The Secretary of State will be here next Thursday. I know she takes the issue very seriously and I encourage the hon. Gentleman to ask her at that point what she is doing about it.

Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP): May we have an urgent statement from the Home Office regarding tier 4 student visa holders who have applied for leave to remain? As an example, one such student, Paul Hamilton, was arrested on 17 January without notice to him or his lawyer and held until yesterday. This sends shivers down the spine of all those seeking to attract foreign students to study in the UK.

Chris Grayling: Such students are only ever going to be arrested if they are in the United Kingdom without a visa. We have rules. We may agree or disagree about them, but there is no excuse for anybody to break them.

Paula Sherriff (Dewsbury) (Lab): The Government have announced planned cuts to pharmacy funding, which could result in up to a quarter of community pharmacies in England closing. Pharmacy teams currently provide minor ailments advice to patients—who would otherwise visit over-burdened GPs or A&E departments—alongside many other essential services, including methadone dispensing. May we have a debate in Government time to establish how that would affect our vulnerable patients?

Chris Grayling: By curious coincidence, the hon. Lady has been able to make her point directly not just to the Leader of the House, but to the Minister responsible, my right hon. Friend the Minister for Community and Social Care, who is sitting next to me on the Bench. The Government's negotiations on that have just started. There is plenty of time for representations. We need to get the process right and the Minister has heard the point she made.

Andy Slaughter (Hammersmith) (Lab): At business questions last week and at Justice questions on Tuesday I asked, without success, for confirmation of the much flagged U-turn on criminal legal aid contracts. That is vital not only to hundreds of individuals and small solicitors' firms, which risk losing their livelihoods, but to arrested persons getting competent and timely legal advice. I now see that a written ministerial statement on criminal justice is to be published later this afternoon, presumably to spare the Government embarrassment. This is very important. Can the Leader of the House make the Justice Secretary come and give an oral statement on this subject tomorrow or Monday?

Chris Grayling: If the Justice Secretary wants to make an oral statement or has a written statement to make, he will do so in good time. I am afraid the hon. Gentleman will just have to wait and see what the Justice Department has to say.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): Yesterday at Prime Minister's questions I raised the matter of the Chancellor failing to close the monumental financial black hole in his books. It is clear that Government austerity policy is not delivering the results it is supposed to deliver. Will the Leader of the House arrange a debate, mindful that the Conservatives do not have a

mandate from the people of Scotland, for the Government to consider reasoned and sensible alternatives to the current austerity agenda from the SNP Benches?

Chris Grayling: I do admire the chutzpah of the SNP. If it had won its referendum, if Scotland were going to become independent in six weeks' time, it would be going through the most monumental financial crisis, the most monumental financial black hole, as oil revenues collapse—the revenues on which the SNP was going to depend for its plans for Scotland. So I will not take any lessons about black holes or lack of financial planning, because the SNP stood for and argued for something that would have been disastrous for Scotland.

Diana Johnson (Kingston upon Hull North) (Lab): May we please have a debate on the Government's support for British business? For example, whereas the Chancellor clobbered Hull's home-grown caravan industry by introducing the caravan tax in the omnishambles Budget in 2012 without speaking to the industry, he manages to have multiple meetings with Google, a multinational company, and allows it to set its own tax rate.

Chris Grayling: All of us in government have meetings with business, charities, external representative groups, trade unions and other groups across our society, so that we can try to do the best for this country in government. That is what all Governments do and it is certainly what this one does.

Jim Shannon (Strangford) (DUP): May I associate myself and my party with the very kind comments on the long service of Robin Fell and wish him all the best for the future, good health and long life? In the aftermath of the Paris atrocities, what can only be described as hostile proposals are coming from Europe on the EU weapons directive that could impact on legal and legitimate firearms certificate holders across the whole United Kingdom of Great Britain and Northern Ireland. The Leader of the House—I know the matter is close to his heart—will know that the most law-abiding section of the community are those who hold firearms, so will he agree to a statement or a debate in this House?

Chris Grayling: Although this country has experienced the dreadful consequences of terrorism, and the hon. Gentleman knows and understands the dreadful consequences of terrorism, we have in this country firearms laws that maintain the right balance and are appropriate for the needs of a modern society. The best way that the rest of Europe could deal with the matter would be to adopt the same approach as the United Kingdom has taken.

Louise Haigh (Sheffield, Heeley) (Lab): You will have noted, Mr Speaker, if you can remember back to the beginning of this session, that the Leader of the House spectacularly failed to answer even one of the questions asked by my hon. Friend the Member for Rhondda (Chris Bryant), but particularly on council procurement policy. The question was not when the Department for Communities and Local Government would be coming back to the House to answer questions, but whether he will give time for us to debate and vote on whether this Government will strip local authorities of the ability to procure ethically.

Chris Grayling: I indicated that the Secretary of State will be back here in a few days for the Opposition to put that question. They have an Opposition day on Tuesday. If they feel strongly about the issue, they can make that time available to debate it.

Greg Mulholland (Leeds North West) (LD): May we have a debate on the ongoing injustice in the system of pensions for widows and widowers of serving personnel? In 1971 Private James Lee was killed in service in Northern Ireland by a terrorist bomb. That was before his first daughter was born, yet when Mrs Susan Rimmer, as she now is, married another soldier in 1979 she lost her pension. She has been told now that the only way to get it back is to get divorced. That is absurd and needs to be changed.

Chris Grayling: We have made changes in that area, but I take on board the hon. Gentleman's comments and will speak with the Secretary of State for Defence about the matter.

Mike Kane (Wythenshawe and Sale East) (Lab): Last Thursday I visited the camp at Calais as part of a cross-party delegation of UK parliamentarians and deputies from the Assemblée Nationale. It was the first such joint delegation to discuss the problems. Will the Leader of the House set out concrete proposals on how we can best improve the channels of communication between our Parliaments on this issue?

Chris Grayling: The French and UK Governments are in regular contact on this issue. I am absolutely in favour of continued dialogue, which we ought to encourage, because we will have to work very closely with the French on this problem. It is a very distressing and difficult problem, but I remain of the view that our focus should be on providing support to the very vulnerable who cannot find their way to mainland Europe, and who certainly do not have the ability to travel across mainland Europe in search of a place in the United Kingdom. We cannot accept everybody who wants to come here, so we need to focus our efforts on the most vulnerable in the camps in and around Syria.

Kirsten Oswald (East Renfrewshire) (SNP): Twenty-five years after the beginning of the first Gulf war, as many as 33,000 Gulf war veterans could be living with illnesses connected to their service. Does the Leader of the House agree that those veterans deserve our support, in terms of research, rehabilitation and quality of life, and does he agree that we should have a debate in Government time on our obligations to those veterans under the armed forces covenant?

Chris Grayling: I do not think that anybody in this House would disagree that we need to look after our veterans. The Government have a good record in doing so, but we should also look at areas such as this one when problems become apparent. The Secretary of State is already considering these matters, but I will ensure that the hon. Lady's concerns are passed on to him today.

Alan Brown (Kilmarnock and Loudoun) (SNP): Yesterday I used an online search engine to look up "sweetheart tax deals". I was reminded that Vodafone once paid £1.25 billion in tax, rather than the £6 billion that it should have paid, and it still does not pay corporation tax. Goldman Sachs was let off with £20 million on interest payments, which is against Her Majesty's Revenue and Customs rules. Following the deal with Google, a French MEP has said that the UK is preparing to become a tax haven. Therefore, may we have a debate about tax collection and transparency on this Government's watch?

Chris Grayling: I simply say to the hon. Gentleman that we are making more changes than any previous Government. We are increasing the taxes paid by multinational companies and we are involved in international discussions and negotiations to change international rules to make that easier. I understand his frustration, but he should bear in mind that we inherited a situation in which many things had been allowed to accumulate over 13 years and we are still picking up the pieces.

Backbench Business

NHS and Social Care Commission

12.32 pm

Norman Lamb (North Norfolk) (LD): I beg to move,

That this House calls for the establishment of an independent, non-partisan Commission on the future of the NHS and social care which would engage with the public, the NHS and care workforces, experts and civic society, sitting for a defined period with the aim of establishing a long-term settlement for the NHS and social care.

May I take this opportunity to thank the Backbench Business Committee for granting this debate and Members on both sides of the House for expressing interest in, and support for, the motion? I tabled the motion alongside the hon. Member for Central Suffolk and North Ipswich (Dr Poulter), who sadly cannot be here because of a family illness, and the hon. Member for Leicester West (Liz Kendall). I want to be clear that I am making this case on a cross-party basis, because I believe that it absolutely transcends narrow party politics. I sought the support of, and have been working alongside, Steven Dorrell, the respected former Conservative Health Secretary, and Alan Milburn, the former Labour Health Secretary.

I have felt for a long time now that the NHS and the care system face a very real existential threat, and we have been drifting in that direction for many years. We have to get to grips with this before seriously unattractive things start happening to some of the most vulnerable people in our country. The motion obviously addresses the situation in England, but the position in Scotland, Wales and Northern Ireland is essentially the same; we are all facing the same demographic challenges and the same need to ensure that our health and care systems meet the needs of our communities today, rather than those of 1948.

There is an enormous belief in the NHS in this country, and it is a belief that I share very strongly. It engenders a sense of solidarity and the sense of the decency of this country that we all commit together to ensuring that people can access care when they need it, regardless of their ability to pay. That is a founding principle that has stood the test of time and should be sustained. That is what this debate is all about.

It was a great Liberal, William Beveridge, who put forward the proposition that there should be a national health service, and it was a great socialist, Nye Bevan, who then implemented it as Minister of State for Health. It is also fair to say that Conservative Governments since have sustained the NHS. We have always had our battles about funding levels, reorganisations, structural reforms and so forth, but the NHS has been sustained, with cross-party support, and it is very important that that continues.

As I have said, that principle has stood the test of time. The Commonwealth Fund concluded back in 2014 that, among the major economies it looked at, the NHS was essentially the best system globally, although it is worth noting that it did not score so well on outcomes or on premature mortality—those are, after all, quite important measures that we should not be complacent about. I have made the case that there is an existential challenge to the system, and I believe that it is time for what I call a new Beveridge report for the 21st century.

Mr Andrew Mitchell (Sutton Coldfield) (Con): Is not the key point that the right hon. Gentleman has made, and that the House should consider today, that all parties support the NHS and that, therefore, it simply will not work to have one party chart the future? It would be much better, therefore—this is why I support his motion—to have a cross-party commission, although not a royal commission that would kick it into touch for three years, to try to bring everyone together to face what he rightly describes as an existential challenge to health in this country for the future?

Norman Lamb: I am grateful to the right hon. Gentleman for that intervention; he absolutely makes the case. Incidentally, I think that it is massively in the Government's interests to respond positively, because any solution has to carry public support and support across the political spectrum.

Consider these points. Does it still make sense to maintain the divide that was originally put in place in 1948 between the NHS and the social care system? Is that serving patients effectively, particularly given that the big challenge of this century will be people living with long-term, chronic conditions, often multiple conditions, and often a mix of mental and physical health conditions? For those people, a divide between different organisations with different pools of money and different commissioning arrangements does not seem to make much sense. I think that that needs to be looked at.

Too often, the system gives the impression of being rather dysfunctional. For example, last October there were 160,000 bed days resulting from people whose discharges were delayed. These are predominantly older people, often with dementia, who remain stuck in hospital long after they are ready to go home or somewhere closer to home. This is not good care. We are letting people down by keeping them in hospital for longer than they need to be, which also makes it harder for them to become independent again. The figure went down a little in November, but it is still the second highest since the data on delayed discharges started to be recorded.

Helen Whately (Faversham and Mid Kent) (Con): The right hon. Gentleman mentions the relationship between the NHS and social care and the problem with their being separate. Does he acknowledge that the “Five Year Forward View” contains several approaches to bringing them together, and that parts of the country are already working on further integrating them? Is it not important to press on with those approaches so that we can see how they work and move as quickly as possible on this?

Norman Lamb: I totally agree with the hon. Lady. I have always been a strong supporter of the forward view. Simon Stevens is a good leader of the NHS. He has a vision, and he recognises that the solutions to this challenge often lie beyond the NHS. Some of the models that are being trialled across the country are very interesting. I do not want what I am saying to be seen in any way as undermining the very good work that is under way in the so-called vanguards around the country.

Geraint Davies (Swansea West) (Lab/Co-op): On bed blocking, when I was leader of Croydon Council it cost £300 a night to keep someone in Mayday hospital and £100 a night for us to provide a bed as a local authority.

[Geraint Davies]

We had no money, so I asked the health authority to pay for our beds and save £200, and it did. However, that was an ad hoc strategy, and surely we want a holistic, integrated approach, as the right hon. Gentleman is so eloquently explaining.

Norman Lamb: I totally agree with the hon. Gentleman's last point, but also his substantive point. The problem is that these are all ad hoc arrangements that are about good leaders doing something despite the system, not because of it. We have to mainstream this and align the incentives throughout the healthcare system so that everyone is focused on preventing ill health, preventing deterioration of health, and getting people better as quickly as possible.

Let me give an example of the pressure that the system is facing. It is fair to say, as a gentle challenge to the Government, that this year we are not seeing the data on accident and emergency pressures over the winter period, so the situation is slightly hidden from view. However, I heard that on Tuesday this week all the hospitals in Hertfordshire, north London, Bedfordshire, Northamptonshire and Leicestershire were on black alert, which occurs, in essence, when hospitals are completely full and under enormous pressure. One of the key system leaders in that area said that he had not seen anything like it for 20 years. This is happening at a time when there is no flu epidemic, and certainly no severe weather. This is one of the mildest winters on record, and yet we are seeing hospitals placed under impossible pressure.

Chris Davies (Brecon and Radnorshire) (Con): I commend you for trying to bring the parties together to have a commission to look into the matter of the NHS, but we are now living in a devolved Great Britain. It is great to get the parties together in England, but how do you propose to get Wales, Scotland and Northern Ireland together? I will give an example. My wife works for the NHS. She worked for the NHS for 18 years in Wales. She gets treated by the NHS in Wales because we live in Wales, but she works for NHS England. Given that there are so many cross-border issues, especially in Brecon and Radnorshire, how do you propose to get the whole of Great Britain to work with this plan?

Norman Lamb: I said at the start that I am primarily focused on England because health is a devolved responsibility, but I also said that the same pressures apply everywhere, and so the case for a process of this sort in Wales, in Scotland and in Northern Ireland is just as strong as it is England. I would encourage this debate to take place in Wales as well. We must overcome the clashes between the parties to recognise that something bigger is going on and we need to work together.

Dr Philippa Whitford (Central Ayrshire) (SNP): I want to return to the right hon. Gentleman's point about the data. Last June, we had a debate about moving from weekly to monthly data, and we were told that the NHS would still know what was going on. We now have a six-week delay in the publication of those monthly data, which results in a total of 10 weeks. Having asked about this at the most recent Health questions, I understand that people within the NHS can access the data, so why are they not being shared with this place? The last data we had was in November.

Norman Lamb: I thank the hon. Lady—that is a very good point. I fundamentally believe in openness. It is much better if everyone understands what is going on, and then there can be a much more informed debate.

One of my big concerns is that despite some of the very good policy positions that have been taken nationally, too often, across the country, crisis management prevails. Because areas are so focused on propping up acute hospitals that are under the intense pressure I described, more and more money ends up being pumped into those hospitals while the preventive parts of the system are losing out and being cut further. It becomes a vicious circle, because the more we cut back on preventive care within NHS community services, general practice and social care, the more pressure we end up putting on hospitals. We cannot escape from this, and that is why we need the long-term solution that I have talked about.

In health and social care, demand keeps rising. This is unusual in public service terms when compared with, say, police and schools. Demand has risen at 4% a year throughout the post-war period. We all know the causes: we are living longer, new medicines and new technologies come on stream, we face challenges like obesity, and so forth. The cost pressures just keep going up. It is a well-established position that by 2020 there will be a £30 billion gap in NHS funding. The Health Foundation has said that in social care the gap will be £6 billion. Those are enormous figures, and they take no account of the £1 billion additional cost from increasing the minimum wage. In responding, the Government have identified an extra £10 billion for the NHS, but that leaves a £20 billion shortfall. This is based on scenarios set out in the forward view. However, the scenario of a £20 billion shortfall involves efficiency savings that are completely unheard of in the whole history of the NHS. Virtually everyone one speaks to—not just people who refuse to accept the need for efficiencies—says that achieving efficiency savings of 2%, rising to 3%, is unachievable between now and 2020.

Mr Mitchell: Is it not the case—I think this is a cross-party point—that although the NHS is under very great financial pressure, and we are trying, in effect, to get a quart out of a pint pot and have been doing so for many years, the people who work in the service are also under very great pressure? Whatever one thinks about the junior doctors' situation, the information that has come out from across the service, and from across the junior doctors, is testament to the fact that they work under enormous pressure. This is not just a financial issue; it is also about the fact that the staff in the NHS are under unprecedented pressure that is not set to get any easier.

Norman Lamb: The right hon. Gentleman makes a very powerful point. Indeed, the staff are working under impossible pressure.

Incidentally, the assumptions about the funding gap by 2020 do not take into account the work that the right hon. Gentleman and I have done together to make the case for equality of access for people who suffer from mental ill health. This is about a historical injustice that has to be dealt with. Paul Farmer, who has led a taskforce for NHS England, has concluded that mental health will require an extra £1.2 billion a year by 2020 in

order to ensure equal rights of access with everyone else. It is very hard to deny the justice of that cause and the right of people to get access to social care in the same way as everyone else.

Geraint Davies *rose*—

Norman Lamb: I am conscious that you may start to get slightly irritated with me, Madam Deputy Speaker

Madam Deputy Speaker (Mrs Eleanor Laing): On a point of clarification, the right hon. Gentleman is doing just fine on timing. I appreciate that he has taken a lot of interventions, and people who intervene know that, later in the debate, their speeches will be shorter as a result of their interventions. He is doing nothing wrong, and he may proceed.

Norman Lamb: I am relieved. I sensed that I might be getting into trouble. I will give way to the hon. Gentleman.

Geraint Davies: Very briefly, in terms of aggregating the expenditure of health and social care, which, incidentally, is higher in Wales where there is an attempt to have a more integrated approach, the cutting of social care will increase the total amount, as undue pressure will be put on the NHS, which then cannot release beds, and it costs more per night to keep someone in a hospital.

Norman Lamb: The hon. Gentleman is absolutely right. Simon Stevens has made the point that if we cut social care, the £30 billion gap widens. There is no escaping from that. The brutal truth is that the whole system is under very substantial pressure. Analysis by the Office for Budget Responsibility, which is independent of Government, shows that between now and 2020, we are planning to spend a reducing percentage of our GDP on health. At a time when demand is increasing so dramatically, does that decision make any sense at all? Back in 2013, the OECD did an analysis of all OECD countries in the European Union. Only five were spending a lower proportion of their GDP on health than we do. The NHS is very good value for money, but it is under extraordinary pressure.

Anne Marie Morris (Newton Abbot) (Con): The right hon. Gentleman is being very generous with his time. The picture that he is painting is one of a very reactive approach to the growing problems. I entirely support his call for this review. As a responsible society, we need to have a holistic, forward-looking, proactive approach, particularly with regard to social care. The Barker commission made a number of good proposals, some of which I agreed with and some I did not. To what extent does he agree with me on that point?

Norman Lamb: I totally agree with the hon. Lady. In fact, I think that I have agreed with every intervention so far. We will probably all just agree with each other. She is absolutely right and it goes to my point about crisis management. We are at risk of lurching from crisis to crisis, as we prop up a system that is under unsustainable pressure. Of course we always end up spending money at the repair end of the spectrum, rather than on preventing ill health.

There are some great initiatives in the west country, where volunteers, working with GPs, try to address the problems of loneliness, and that is helping to keep people out of hospital. That sort of thinking needs to be much more widespread.

Tom Brake (Carshalton and Wallington) (LD): My right hon. Friend may be coming on to this point, but what I want to understand is how the commission, and the output of that commission, can help with some of the very difficult hospital reorganisations that we all face in our constituencies—mine being St Helier hospital—and how we can ensure that we strike the right balance between acute services and care in the community. How will the commission help with that?

Norman Lamb: My right hon. Friend comes to the central point. As someone once said, the NHS has the status of a national religion. In this partisan atmosphere in which we all work, there is a danger that anyone who proposes a change to the NHS will get condemned from on high, because of the political points that can be scored in so doing. If we are to think about what we need from a modern health and care system that focuses on prevention, and to make changes in a rational way, we must give Government the space to think afresh about how we can sustain the system and guarantee care for those who need it. We have a choice now: we continue to drift until, ultimately, the system crashes, or we grasp the nettle and come up with a long-term solution.

All parties should commit to the proposal. If we want a good example, we should look at the commission of Adair Turner, which was established by the Labour Government to look at the long-term sustainability of pensions in this country. He managed to secure cross-party buy-in. He came up with proposals that led to change and reform. It was a process that gave people the space to look at a very difficult challenge and to come up with solutions. That is one model we could follow. It should be strictly time-limited. Somebody made the point that we are talking about not a royal commission, which goes into the long grass for three or four years, but a time-limited commission of up to one year with the aim of coming up with solutions that are then implemented. It should engage with the public, with patient groups and, critically, with staff, who, as the right hon. Member for Sutton Coldfield (Mr Mitchell) said, often feel that they are under intense pressure and that they are not listened to by Governments of all political persuasions. They, together with unions and civic society, should be centrally engaged with this commission. At the end of the process, we should seek to come up with recommendations that can then be implemented and can give everyone in this country the assurance that there is a long-term settlement for the NHS and for care.

Finally, let me raise one or two things that the commission needs to consider. It needs to look at the divide between the NHS and social care and at the adequacy of funding. How much as a society are we prepared to pay to ensure that we have a good, well-functioning health and care system? At the moment, funding for our health and care system comes through three different channels: the NHS, local authorities and the benefit system. Does that make sense? Should we look again at that system?

We also need to look at how we, as a country, are spending money on our older people. Are we spending it effectively enough? Are we targeting it at those older people who most need Government help? We need to look at intergenerational fairness and at where the money comes from—a point very well made in a recent book by the respected former Cabinet Minister, David Willetts. We also need to consider how we can give power to

[Norman Lamb]

people to help them to self-care. David Wanless, when he reported for the Labour Government, made the point that his projections about how much extra money the system would need was based on people being engaged in their health—I am talking about self-caring more effectively. That has not happened in the way that he proposed.

We also need to consider the case for a dedicated health and care tax, which can be varied locally. Even protecting NHS spending results in disproportionate cuts in other areas of Government spending, distorting sensible, rational decisions. As this is an area on which spending inexorably rises, there is a case for carving out such a tax.

Helen Whately *rose*—

Norman Lamb: I am sorry, but I want to conclude my remarks now to give other Members a chance to speak.

This proposal has had very significant support. NHS Survival, which now encompasses 8,000 members—junior doctors, patient groups and so on—has strongly argued for such a tax. Forty chief executives of care organisations wrote to the Prime Minister to support the case. The chief executive of the King's Fund, Chris Ham, has written a very helpful blog, making the case. Royal colleges of surgeons, pathologists and anaesthetists have all supported the call. I urge the Government to respond positively. They should stop and think for a moment before rejecting our proposal, because it might be an enormous help to the Government in resolving an intractable problem. This is the time for a 21st-century Beveridge report to come up with a long-term settlement for the NHS and for social care.

12.59 pm

Dr Sarah Wollaston (Totnes) (Con): I thank the right hon. Member for North Norfolk (Norman Lamb) and pay tribute to him, particularly for his work as a Minister in the coalition Government and for his personal commitment to mental health services. I welcome his call for real focus and cross-party agreement on this long-standing problem. We need that if we are to solve the problem and create a health and social care service that is fit for purpose for the next century.

I would sound one note of caution. I am very relieved that the right hon. Gentleman is not calling for a royal commission, as there is no shortage of commissions in this place. We are just a year from the Barker commission, the highly respected independent commission set up by the King's Fund, which very clearly laid out the problems we face and suggested a number of options. Hard choices will have to be made if we are to raise the share of our GDP that we spend on health and social care to 11%, which I know many Members would support.

We know the options. The difficulty is a political one. I question whether we need a commission, and would ask whether we do not in fact need a commitment from the leaders of all political parties in England to come together to look at the proposals seriously, and get away from the endless bickering in this place about the choices before us and the pretence that this is somehow not going to happen. Unless we make such changes, we will have to start thinking rapidly about plan B as an alternative.

What will be the consequences for all our constituents if we fail to reach a political agreement about the challenges we face?

John Pugh (Southport) (LD): If I understand the hon. Lady correctly, she supports a commitment, but not a commission, but would a commission not be a sign of such a commitment?

Dr Wollaston: In this place, we sometimes push issues into commissions, which debate them endlessly and come to no agreement. I would say the urgency of this issue demands that the leaders of all political parties sit down together and agree.

Norman Lamb: I am very grateful to the hon. Lady for giving way, and I promise not to keep intervening. I feel that there needs to be a process to which everybody is committed. If there is just a desire for the party leaders to co-operate, the temptation to score political points when a crisis comes along will be too great and it just will not happen. We need to bind people into such a process, and they must be prepared to commit to it.

Dr Wollaston: I thank the right hon. Gentleman for his clarification. I agree that we are looking for a process to which everyone can commit. We are not looking for a commission that will go away and examine the problems. We know the issues, which have been set out in very stark terms. The King's Fund's excellent independent Barker commission set out the whole range of options. What we have always lacked is the political buy-in and determination to move forward. I would join in making a request for any process that will make that happen, but not for something that pushes it away for three years, because, as we all know, the closer we get to a general election, the more challenging it will be to have a genuine political agreement. It therefore needs to happen as rapidly as possible.

Mr Mitchell: I am not sure that there is that big a difference between my hon. Friend and the right hon. Member for North Norfolk (Norman Lamb). My point is that as well as getting all the political parties to focus on this issue now, we need an extremely long-term approach. The House of Commons used to accept that we had to have a long-term, all-party approach to pensions, because of the length of time involved in such important decisions. We also need that in relation to this issue: as well as getting everyone to focus on it, we need to get them to focus on the importance of reaching agreement because this is such a long-term issue.

Dr Wollaston: I agree with my right hon. Friend. However, in parallel with the process of looking at long-term funding arrangements and settlements, we must get on—here and now—with changes that are needed in the short term. I want to touch on a few such areas.

The first area is prevention. I absolutely agree with the right hon. Member for North Norfolk that it is bad practice to cut money from public health, simply because of the challenges we face. If we look at the NHS budget, we can see that 70% of it goes on helping those living with long-term conditions. We know that many future problems are brewing here and now.

Let us just take childhood obesity, which we discussed at length last week. A quarter of the most disadvantaged children now leave primary school not just overweight, but actually obese. Given the problems that that is saving up, in the personal cost to those children and the wider costs to the NHS—nearly 10% of the entire NHS budget already goes towards treating type 2 diabetes—how can we not be grasping that nettle as a matter of urgent prevention to save money for the whole system?

Geraint Davies: Does the hon. Lady agree that there is an inter-relationship between child poverty and obesity, and indeed between child poverty and other health problems that generate costs, and is not part of the solution to the dilemma of how to meet the costs of health and social care to look again at such demographic drivers?

Dr Wollaston: Indeed. The data from Public Health England are absolutely stark: from looking at the index of multiple deprivation and the incidence of childhood obesity, we can see that not only is there a large gap, but that that gap is widening. As part of the strategy, the Government must aim not only to lower overall levels of childhood obesity, but to narrow that gap, particularly by looking at measures that will help to do so. I thank the hon. Gentleman for making that point.

The right hon. Member for North Norfolk referred to the need for self-care, and we know that we need a much greater focus on how we can support people to improve their own health. If we are going to raise money for the whole health and care system, there are mechanisms to do so that will also help to prevent ill health in the future. One example is a sugary drinks tax, which could lever money into a very straitened public health budget to put in place measures that we know will help. We need the NHS to get on with prevention, and in my view we need more of the funding that is available to go into saving money for the future.

Chris Davies: May I say what respect around the House we have for you as Chair of the Health Committee? I would therefore be very interested to hear your view of the “Five Year Forward View”—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I let the hon. Gentleman get away with it earlier, because I appreciate that he has not been in the House for very long, but when he uses the word “you”, he is addressing not the hon. Lady, but the Chair. I know he means his compliments not for the Chair, but for the hon. Lady, so he must refer to her as such.

Chris Davies: I apologise profusely, Madam Deputy Speaker. We of course have great respect for you, too.

The “Five Year Forward View” plan is already under way, led by the former Labour adviser Simon Stevens. It is looking at reforming health and care services, and is backed by the funding that the NHS has already said it requires. Does my hon. Friend feel that setting up yet another body would benefit the NHS, or would it be a hindrance?

Dr Wollaston: I thank my hon. Friend for mentioning the “Five Year Forward View”, but I would respond by saying that Simon Stevens has referred to prevention

and social care as “unfinished business” from the spending review. If we are to deliver the plan, we need to listen to his views and be mindful of the fact that spending on social care actually saves the NHS money. We cannot separate social care from the NHS, and we should not ignore his wise words on the importance of prevention in delivering the “Five Year Forward View”.

Dr Philippa Whitford: Is it not the case that when Simon Stevens was before the Health Committee, he said that a quarter of the £22 billion of savings that were hoped for would have to come from prevention and public health, yet that is being cut?

Dr Wollaston: Indeed; I remember that too. I agree that unless we up our game and redouble our efforts on prevention, we will not achieve the savings that are required to close the gap in the “Five Year Forward View”. That is why I wanted to touch on prevention first.

There is another area that we need to do much more on here and now. We need to have a relentless focus on variation across the NHS. We hear examples of local systems that are making things work, but the NHS has a long history of failing to roll out best practice. The “Growing old together” report, which was published today by a commission set up by the NHS Confederation, gives examples of good practice across the NHS and social care in which integrated practice is not only delivering better care for individuals, but saving money. The only depressing aspect of that is that one has to ask why it is not happening everywhere. Rather than endlessly focusing on the negatives in the NHS, let us focus more on the positives and on facilitating their roll-out.

Helen Whately: My hon. Friend is talking about work that is being done on the problems in the health service and about approaches that can improve it. Does she share my concern that although there are big challenges, there is a risk that a commission such as the one proposed could prove a distraction from getting on with the many things that we know need to happen and the very good proposals in the “Five Year Forward View”? It could therefore be unhelpful, rather than helpful, despite its objective.

Dr Wollaston: If that were the case, it would be a problem. I think that the two things could happen in parallel. We could work towards a consensus about future funding at the same time as focusing relentlessly on what needs to be done in the here and now. However, I agree that if it were a distraction, it would be a problem.

As well as continuing to have a relentless focus on tackling variation, we need to follow the evidence in healthcare. When money is stretched, we must be sure not only that we spend it in a way that follows the evidence, but that we do not waste money in the system. I caution the Minister on the issue of seven-day services, which we have discussed at the Health Committee. If there is evidence that GP surgeries are empty on a Sunday afternoon because there is no demand, and in parallel with that we are being told that out-of-hours services are in danger of collapse because, in a financially stretched system, there are not the resources or manpower to offer both, we must be led by the evidence and be prepared to change what we are doing.

[Dr Wollaston]

When money is tight, we owe it to our patients to focus on the things that really will improve their care. There must be no delay in making changes when we know that something that has been put in place with the best possible intentions may be having unintended consequences. We must be clear that we will follow the evidence on best practice and value for money, so that patients get the best outcomes in a financially stretched system.

Geraint Davies: The Government have decided to make Saturday a working day in a regime where a couple who are both doctors can be sent, without a choice, to different parts of the country to practise in hospitals and only have family time together at weekends. Now that Saturday will be a working day, their situation will be virtually impossible. Does the hon. Lady agree that that needs to be considered in case it causes a further leakage of doctors and, therefore, less efficiency in the system?

Dr Wollaston: I have to declare a personal interest here, because one reason why my daughter, who is a junior doctor, has spent a year in Australia is that there are sometimes difficulties with married couples—or, indeed, people in any relationship—being able to work in the same part of the country. There is far more that could be done to help junior doctors, in addition to the contract negotiation about money. However, as I have a personal interest, it is probably best if I do not comment further on that.

I want to draw attention to the role of the voluntary sector, which the right hon. Member for North Norfolk referred to. I pay tribute to the voluntary sector partners in my constituency—bodies such as Dartmouth Caring and Brixham Does Care. Across the constituency, a number of organisations are making a real difference to people's lives, yet very many voluntary sector organisations are coming under extreme pressure. I could give examples of voluntary sector partners that have had to close, sometimes for the want of very small amounts of money, even though they have delivered enormous value. These are locally-facing organisations.

It was welcome that Simon Stevens gave a commitment to look at making the arrangements for commissioning voluntary sector partners easier. Even though those commissioning arrangements may have been made easier, often the resources are not there to fund such organisations. We need to look again at how we can deliver best value for patients by supporting voluntary sector partners across all our constituencies.

Those are the areas that I want the Minister to focus on in the here and now, but I agree that in the long term, we must look at funding. One challenge in this country—and I think it is a wonderful thing—is that almost all the funding for the health service comes directly from taxation or national insurance. We are almost unique in that. Only two other countries exceed us in that regard. Government funding for the NHS accounts for 7.3% of GDP and only an additional 1.5% is levered in from the private sector.

The choice before us is whether to expand the amount that we raise through charging and top-ups. Personally, I do not support that. The Barker commission did not support it either. Top-ups and charging do not raise as

much as people imagine by the time the bureaucracy involved in collecting the money and the unintended consequences that are often found, such as widening health inequalities, are accounted for. I hope that we do not choose to go down that route. The most equitable funding mechanism is taxation.

There is an issue of intergenerational fairness here, as the right hon. Member for North Norfolk said, and we need to consider it. These are hard political choices, which can no longer be ducked. Given the demographic challenge and the challenge of complexity that we face, the alternatives are appalling. The alternatives are to abandon our older people. The pressures that our hospitals face from those who cannot be discharged into the community and those in the community who cannot get into hospital are mounting. We can ignore them no longer.

I call on the Government to consider very carefully working with our Opposition partners at scale and at pace to bring forward an agreement on how we will bring more money into the system as a whole, and in the meantime, to make sure that the money we do spend is spent in the best interests of patients.

1.19 pm

Liz Kendall (Leicester West) (Lab): It is a privilege to follow the hon. Member for Totnes (Dr Wollaston), who is always open to discussion and debate, and who speaks with great experience. I am sure I speak for many hon. Members in saying that we are all the better for it.

I support today's motion not because I think we can somehow take the politics out of the NHS and social care. Services that are used by millions of people, employ more than 3 million staff and cost more than £130 billion of taxpayers' money every single year will always be the subject of political debate and, in my view, rightly so. I support the motion because the NHS and social care face huge challenges—they are bigger now than they were at any point in our history. We must no longer ignore or downplay those challenges and expect services, staff and the families who need care to try to struggle through.

I agree with the right hon. Member for North Norfolk (Norman Lamb) that we need a new settlement for health and social care in England, and an independent commission involving the public, staff and experts could play an important role in helping us to achieve that goal. Cross-party support for such a commission is vital. As the former shadow Minister for care and older people, I know that it is extremely difficult for Front-Bench politicians, whether in opposition or in government, to be open about what it will take to ensure that our care services are fit for the future, how much that will cost, where the money will come from and, as importantly, what changes are needed to ensure that our care services are truly fit for the future. Front Benchers' comments are likely to be leapt upon, twisted and exaggerated and end up as screaming headlines, but in the end it is not the politicians who suffer, but the patients, users, families and staff.

Many important reviews and commissions, and Green and White Papers, from both the Opposition and the Government, have addressed the issue in recent years. In particular, I give credit to the commission on the future of health and social care in England, set up by the King's Fund and chaired by Dame Kate Barker, from which many of my comments today are drawn.

However, all those initiatives have failed to achieve genuine cross-party involvement and agreement. The commission proposed in today's motion could help to create the political space and buy-in that we desperately need to agree a long-term settlement for the NHS and social care, whichever party or parties are in power.

The need for such a commission is urgent. As the Barker commission said, given the budget settlement that the NHS has had since 2010, staff have performed remarkably, but the NHS is now struggling to meet many of its waiting time targets: the target for diagnostic services has not been met for 18 months; the 62-day cancer waiting time target has not been met for more than a year; and A&E waits are back to the levels of the early 2000s. NHS finances are also under acute pressure, with a projected year-end deficit already of more than £2 billion.

The situation in social care is even worse. Some 400,000 fewer people are receiving publicly funded social care than received it in 2010, even though our population is ageing. Many of those who still get care are getting less support than they were. More than 1 million people who have difficulties in the very basics of daily living, such as getting up, washed and dressed and going to the toilet, now receive no formal or informal help at all. Last year, the Care Quality Commission found that one in five nursing homes do not have enough staff on duty to ensure good-quality care. The latest survey from LaingBuisson shows that, for the first time since it started collecting figures, more older people's care beds closed than opened. Five of the largest care home providers predict significant provider failure within the next 12 to 24 months. Three of the larger home care providers have already withdrawn, or signalled their intention to withdraw, from providing publicly funded care.

Those problems are not going away. The NHS "Five Year Forward View" sets out how the NHS hopes to close a gap in health spending that is estimated to reach £30 billion a year by 2020. That will require efficiency savings of £22 billion, and at least an additional £8 billion a year of real additional funding, which the Government have committed to provide, but no health service in the world has achieved efficiency savings of 5% in one year, let alone for five years in a row. As Simon Stevens, the chief executive of the NHS, has repeatedly stressed, the very broad calculations in the forward view depend on social care receiving a decent level of funding, given that cuts to social care inevitably increase pressure on the NHS.

I do not believe that there is a decent funding settlement for social care. The Dilnot reforms, which have been postponed to the end of the Parliament, were not intended to address current underfunding, but to cap the costs of care to individuals. The better care fund, which is welcome, and the new 2% precept on council tax for social care, will not fill the gap either. Indeed, even with the precept, it will be harder for areas with the greatest need for publicly funded social care to cover their costs, because they raise the lowest amount from council tax.

Our population is ageing and demand for care will increase, so the question we face is not whether the money will be spent, but where the costs will fall. Will they fall on collective provision through public expenditure, or on those individuals and families who are unlucky enough to need care and support?

There is no shortage of proposed solutions to that problem. The Barker commission has called for changes to the national insurance system to help increase funding, including removing the complete exemption from employee national insurance contributions for those past state pension age, and raising to 3% the additional rate for those above the upper earnings limit. The commission also proposes restricting winter fuel payments to the least affluent pensioners, so that at least some of the extra costs of care are met by those above state pension age who have the means to contribute. In his recent interview in *The Guardian*, Simon Stevens called on the Government to consider the housing assets, benefits and other support received by older people to achieve

"more flexibility between current disconnected funding streams for older people, so that at times of need everyone is guaranteed high quality social care".

I believe we must face up to the vital question of intergenerational fairness. The vast majority of older people have worked hard all their lives in paid employment and bringing up their families. They need and deserve support, and they do not want to end up having to sell the family home to pay for care if they need it, but I know from my own family as well as from my constituency that older people also worry about their children and grandchildren, and how on earth they will be able to afford to pay the bills or go to college or university, let alone have the chance to own their own homes. In my view, we simply cannot ask the working age population to shoulder all the extra costs required to properly fund the NHS and social care in future. I believe many older people would agree.

An independent commission with proper cross-party support that genuinely involves and engages with the public—after all, they are the ones who ultimately fund the NHS and social care—could finally help us to make progress on finding lasting solutions to these inevitably difficult and controversial questions. As the Barker commission says, the challenges we face are clear: more people in need are receiving no support at all; fewer people are receiving publicly funded social care; care home providers are closing in the face of rising demand; companies that provide care in people's own homes are leaving the publicly funded market; individuals and families who are unlucky enough to need high levels of care continue to face enormous bills; and staff shortages are leading to a rise in neglect as good people are unable to deliver good care, piling further pressure on the NHS, which in turn is likely to lead to declining standards of patient care. That is not a future that anyone would wish for their parents, themselves or their children, but it is the future that is upon us. It is time for politicians on both sides of the House to act.

1.29 pm

Dr Phillip Lee (Bracknell) (Con): It is a pleasure to follow the hon. Member for Leicester West (Liz Kendall) and other colleagues who have spoken. I congratulate the right hon. Member for North Norfolk (Norman Lamb) on securing the debate.

I broadly support the call for some cross-party engagement to try to secure the future for the national health service, although I will come on to clarify that in my speech. The right hon. Gentleman may encounter some difficulties in seeking cross-party support for financing the NHS, not least because of some of the contributions

[Dr Phillip Lee]

so far. There are some profound challenges to financing health and social care, primarily because of the challenges that we, and all western societies, face with an ageing population. I remember the Intergenerational Foundation launch here in Parliament a few years ago. Only the former Member for Dulwich and I turned up. At the time, the subject was not much discussed, but I note that it is now increasingly being discussed. We are beginning to do the maths and realise that we cannot afford the current settlement for financing health and social care and that we will have to discuss it at some length. The problem is that one ends up talking about broadly different political philosophies and approaches. Some people, I suspect more on the Conservative Benches, will want to emphasise the need for personal responsibility; others, I suspect more on the Opposition Benches, will want to emphasise collectivisation and the like. That is why I suggest that discussing the financial settlement is possibly a road to nowhere.

I think there is scope, however, for discussion on the structural organisation of the health service: where our hospitals are located and what each individual hospital does. In a week when we have had yet another dreadful failure of the system with the 111 line and out-of-hours services, it is beholden on us to start to discuss what is offered in the out-of-hours arena: how the services are structured and where patients should go to seek the appropriate care for themselves or their children.

The context has been set out by other colleagues. We know that we have a problem of increasing demand, which is driven mainly by ageing, obesity and the welcome advances in surgical practice, technology and drugs. There is also a problem with the health-seeking behaviour of different generations. In my own clinical practice, I am seeing the passing of the stoic wartime generation. Their attitude towards health, and to symptoms of pain and suffering, is noticeably different from that of their children and that will bring increasing demand on healthcare services. If we consider that together with the large cohort who were born between 1945 and 1955, we have an equation that results in a significant deficit.

On the subject of deficits, since I have been here I have seen many faceless NHS bureaucrats come up with numbers relating to likely demand and shortfall. They are always wrong; the figures are usually underestimated. I said at the time that the £20 billion challenge in the previous Parliament was an underestimate of likely demand and here we are talking about £30 billion. What is next: £40 billion? I am glad that a shadow Minister for mental health has been appointed and that people are waking up to the importance of mental health because demands for mental health services in particular will increase the £30 billion figure.

On hospital structure, essentially we have 19th and 20th century buildings trying to deliver 21st century care. Medical and management staff are trying to do their best within this infrastructure, but to be blunt it is not possible to deliver the very best care in all hospitals and in all locations.

Dr Philippa Whitford: Is it not also, to some extent, a failure to engage with the public so that they understand how much 21st century medicine has changed? People who have a heart attack are not going to their local

casualty department. They are being taken to a heart unit where they will have an angio and an angioplasty. People do not understand that the big boxy paramedic ambulance has everything that an old A&E used to have.

Dr Lee: The hon. Lady is right. Tomorrow I will be working as a doctor. I am very proud to be working as a doctor. I have been very public and open about it throughout my time here and I will continue to practise medicine for the foreseeable future. I encourage her to face down her internal critics, as well as those rather ill-informed external critics in the Scottish *Daily Mail*. I actually stood for election calling for the closure of my local hospital. I did not want my constituents going to an ill-equipped hospital, or thinking that it provided care that it did not. I have sought to educate my local electorate about the need for a 24-hour angio suite and for a 24-hour stroke unit.

We have made some progress on reconfiguration, particularly on stroke care. In London and in Greater Manchester, stroke services have been consolidated. That is why people are now surviving and survival rates for strokes are improving. Patients are taken to appropriate units and appropriately cared for. The appropriate intervention can be applied within the appropriate time. Sadly, that is not possible across the country. It is available only in areas where difficult decisions about reconfiguration have been taken. On oncology, there is a widespread belief that cancer outcomes are all to do with late diagnosis in primary care. Forgive me, but that is not necessarily the whole story. It is the quality of cancer care when patients reach the hospital—any delay in receiving radiotherapy and so on—that is having a profound impact on cancer outcomes. If we consolidated oncology services into fewer sites, we would get better clinical outcomes.

On out-of-hours care, when I turned up here I said that I would scrap out-of-hours care as it is currently constituted. Most people looked at me and thought, “Are you slightly nuts?” The answer is no. Having done many, many, many sessions in the primary care out-of-hours arena, I realised that there was the potential to delay the care of the acutely unwell in a way that could have an adverse impact and, in extremis, lead to someone’s death. I suspect, without knowing the details, that the case we heard about in the urgent question on Tuesday was such an example. I do not believe it is clinically possible to properly assess a sick child via a telephone. We can go some way towards doing it with an adult, because—guess what?—an adult can express themselves more accurately. With a child, we have to see them and touch them, and, in particular, we have to see the mother’s response towards the child, to assess how acutely unwell they are.

The problem, with all best intentions, is that with a telephone service these types of incidents are always going to happen. It was no different with NHS Direct; the medical profession used to get very frustrated with that, and 111 is the same. The symptoms of sepsis can be the symptoms of many things, so if we tighten the protocols we end up flooding the service with more and more people worried that their child has sepsis when, actually, it is not that common.

I would revisit the whole out-of-hours settlement. We could get away with having fewer doctors during antisocial hours primarily looking after the housebound and those

who are terminally ill. The list of patients who could be visited by said doctor would be compiled by GP practices in that region. Patients would not get a visit unless the GP practice has said they are entitled to a visit because of a diagnosis of being either terminally ill or housebound. In future, I would put the resources into urgent care centres. For now, I would put one in each casualty to sift through. I would make sure it was a doctor. Forgive me, but doctors are taught to triage and to diagnose. No other healthcare professionals are taught in the same way. The best thing to do is to put one's most experienced and qualified person at the front end, because then proper triage can take place.

Dr Tania Mathias (Twickenham) (Con): In my constituency, the borough has a brilliant GP-led out-of-hours system that I would invite the Secretary of State to considering rolling out. I appreciate the idea of a commission, but we already have the vanguards and out-of-hours services, such as the one being led from Teddington memorial hospital, which I believe set the right standards. What can a commission do that we cannot do without one?

Dr Lee: I thank my hon. Friend for her intervention because it allows me to elaborate. A couple of years ago, I had a meeting with the right hon. Member for Leigh (Andy Burnham)—all the polls were saying that the Opposition would win the election, so I thought I would have a meeting with him in advance. I said, “Look, Andy, you're going to have a problem. We've got all these hospitals. We know some of them are not fit for purpose. We know we've probably got too many because of how healthcare has changed. Some 80% of care delivered in the NHS is for chronic conditions. Why don't you have a cross-party commission so that all the parties can share the political pain of deciding which hospitals should be retained as acute hospitals, delivering the 24-hour stroke and angiography suites, the surgical interventions and the like, and then have more community hospitals, with urgent care centres attached”—the hub-and-spoke model. At the time, he looked at me and said, “Well, maybe”, and made no commitment.

My point was that it was extremely difficult for colleagues in marginal seats to come out and say what I said in my constituency, which was that the current local hospital settlement was not in the best interests of my constituents. It is very hard to do that in a marginal seat, be it Labour, Conservative or whatever, so, with a cross-party commission, we could all share the pain.

All the royal colleges, particularly the paediatricians and obstetricians, know that staffing in some district general hospitals is not ideal. It is extremely difficult to provide the level of care we know we can deliver. How do we get to that point? A couple of years ago, I thought that having all the parties and independent experts in a room would be one way of going from approximately 200 to 100 such hospitals in England and Wales. That is the sort of scale change I am talking about. I hope that that answers the question from my hon. Friend the Member for Twickenham (Dr Mathias).

Dr Philippa Whitford: In my constituency, we have hospitals that have grown organically and are not far apart, but we have also seen an increase in the number of modern community hospitals—what people would

have called cottage hospitals. The hon. Gentleman says that many of our patients require the management of chronic diseases. We need to take that closer to the public. It is the highly specialised things that should be centralised. The public would accept that, provided they do not get the sense of their hospital disappearing and provided they are aware that other services are coming closer to them.

Dr Lee: Again, I agree with the hon. Lady—we are making a habit of this. I held a series of public meetings at which people were initially against my position, but when they understood that I was trying to provide more services closer to home, but that this might mean their having to travel a bit further for acute care, they accepted it and became broadly supportive.

I am under no illusions about the difficulty of all this, but if there is one goal we should all seek in the NHS, it is better clinical outcomes. At the moment, clinical outcomes are not as good as they should be. The much-trumpeted Commonwealth Fund report made that clear. Part of the problem—perhaps a significant part—is where the care is currently being delivered. The junior doctors strikes, which have just been paused; the consultant contracts; the nursing contracts to come—all these would be made easier with a structure in place that is more easily staffed. It would be easier to avoid husband-and-wife doctor teams being split if we had bigger hospitals with bigger staff pools to provide the cover.

We need to concentrate first on the structure of healthcare, and social care—I am conscious I have not spoken about social care, but of course it should be integrated; it is so obvious. But let us concentrate on the structure of healthcare first, as part of a cross-party approach, and then perhaps we can have a debate about finance. I suggest to the right hon. Member for North Norfolk, however, that finance might be a harder nut to crack than the hospitals, on which I think there is a broad consensus that we are all in it for the same outcomes: people recovering from their illnesses; people being treated appropriately when they have operations; and ultimately everybody, irrespective of means, leading long, health lives.

1.45 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to participate in this debate, which I thank the right hon. Member for North Norfolk (Norman Lamb) for securing. We know he has a passion for this subject—in our many debates, we always take great account of what he says—so it was good to have him leading the debate. I think that other Members who have spoken—the hon. Members for Totnes (Dr Wollaston), for Leicester West (Liz Kendall) and for Bracknell (Dr Lee)—sat on a social care Bill Committee I sat on in the last Parliament, so we have some knowledge of the subject. I also thank the right hon. Member for Sheffield, Hallam (Mr Clegg) for kindly letting me go before him. I have a plane to catch, and sometimes these debates can go on.

Those who have spoken have brought a wealth of knowledge and experience to this debate, as will those who have not yet spoken, and I want to add a wee bit of that in relation to Northern Ireland, while commenting on the mainland as well. This year marks the 10th anniversary of the Wanless review of social care

[Jim Shannon]

for older people. Since the review, there have been attempts, first by the coalition Government and now by the Conservative majority Government, to shift the policy direction and introduce new legislation to optimise healthcare provision and make the system versatile enough to cope with the increasing demand associated with an increasingly elderly population—my constituency has one of the fastest-growing elderly populations. I am going that way myself, but that is by the by.

Despite the welcome efforts by the Government, problems remain. The challenges, not least the financial challenges, are making it more difficult to provide services for the elderly, and these challenges will be around for a while. We will need to learn how to address them as the demographics of the country make service provision for the elderly more challenging. We can foresee these challenges, however, and it is encouraging that the Government recognise that. It is good to see the Minister in his place, and I look forward to reading his contribution. I apologise to him and the shadow spokesperson for being unable to stay for their speeches, as I have already said, but we are always encouraged to see the Minister on his feet, given his interest in this subject.

The importance of an integrated health and social care system is widely accepted. We have seen exciting innovative developments in Northern Ireland, where the former Health Minister, my party colleague Edwin Poots MLA, launched the “Transforming Your Care” programme, which was continued by the next Health Minister, Jim Wells, and now by the present Health Minister, Simon Hamilton. The initiative seeks to move care for elderly people from hospital into their homes wherever possible. That is the focus and goal of the strategy. Not only does this provide care closer to home and a nicer experience all round for the patient, but it has the potential to save the NHS and the social care system a lot of money in the long run. The Minister might like to note that programme as an example of what is possible. If it was replicated nationwide, it could save a lot of money in the long run and make for a more personal social care experience that would benefit the elderly.

With the financial challenges of austerity in our public services, we need to come up with innovative ideas to modernise our health and social care system and offer a first-class service in a financially difficult environment. Whether we like it or not, finance is part of the system we have to work within. The importance of integrated health and social care is widely recognised by health professionals and charities. We now need to turn this into a reality. Adult social care needs to be on a sustainable financial path if we are to maintain a world-class health and social care system, during a time of changing demographics, and we need to make sure that the pressures on the system are properly understood.

The integration of health and social care is crucial to provide a patient-centred service that makes the best use of resources. With care and caution, and with movement in the right direction, it is possible to do more with less. Innovative approaches such as the “Transforming Your Care” initiative are examples of how we can modernise the public sector to deliver real results with a tighter budget. Health and social care need to be seen as equal partners and provided with the necessary resources to

deliver high quality services that actually serve the people. “Resources” does not necessarily mean increased funding. We know that we are living in tough times financially, and while funding is always desirable, success should be judged on results rather than the bill for the investment.

Social care is important in its own right. The Local Government Association claims there is a continuing lack of proportionality between additional funding for the NHS and adult social care. While much of the funding for the NHS is front-loaded, additional resources from the better care fund will not be available until 2017. Can the Minister say whether it is possible to consider implementing the better care fund on a shorter timescale? We will not be facing problems down the road in 2017; we are facing them right now, as Members have said and will continue to say. The Government need to make a greater effort to address the issue and ensure that the social care sector is adequately funded and resourced as we seek to make the appropriate reforms to make it a versatile and modern service that delivers for the people that it needs to.

1.51 pm

Dr Andrew Murrison (South West Wiltshire) (Con): I rise to support the motion, and I hope in my contribution I will be able to explain why. I should first declare my interest as a licensed medical practitioner, albeit one who is in awe of my colleagues in the Chamber who regularly see patients, which is something I thoroughly commend. I think most of the people out there—apart from those who write for some of the more scurrilous parts of our national press—appreciate the fact that there are people in this place who are still engaged in medical practice of all sorts. It makes us relevant, it makes us current and it gives us some authority, as we have heard already today, when we talk about areas of expertise.

There are some omissions in the motion, however. I suspect that its magisterial generality is probably by design; nevertheless, it fails to mention public health directly, which is an important part of the piece. If we are to consider the entirety of health and social care in this country, we need to talk about public health, which I think, if I am honest, has been neglected by consecutive Governments, largely because nobody fully understands what public health is. There is not really an accepted definition of “public health”. It means many things to many people. Some of us still believe, I suppose, that it is a rather old-fashioned thing, to do with the pre-1974 vision of medical officers of health, who dealt exclusively with infectious diseases. It is much bigger than that. Public health pervades all elements of the public service and needs to be addressed head on if we are to deal with some of the pressures we face in the acute sector, as well as ensuring that we meet some of the imperatives that apply to health in this country, which, as my hon. Friend the Member for Bracknell (Dr Lee) has pointed out, should mean being focused pretty much exclusively on healthcare outcomes.

The right hon. Member for North Norfolk (Norman Lamb) mentioned outcomes almost in passing. Let me gently suggest that outcomes, mortality and healthcare experience throughout life are absolutely what we must be remorselessly focused on, and there the story is not a particularly good one, as the Commonwealth Fund made clear. Of course, the Commonwealth Fund report

is quoted selectively by those who want to say that our system is the best there is, and that is fine: I trained in the NHS, I have worked in the NHS and I would be reliant on the NHS, so I defer to nobody in my admiration of the national health service and all that it stands for and does. However, it is naive to suppose that it is perfect in all respects, which is what I suspect really lies at the heart of this motion, as we look to the distant future.

The Commonwealth Fund says that outcomes in this country are not good, and I think our people deserve much better. I want outcomes in this country to be among the very best in Europe, not, frankly, in the lower quartile, as is too often the case with common forms of disease. We are betraying those who put us here if we demand anything less than that. The motion is relatively modest, because it tries to work out how we will square the gap towards the end of this decade. I think that, in the minds of those who wrote it, they are worried about the £30 billion—that will apply in five years' time—but we are perhaps not looking forward to improve on where we are at the moment. There is too much talk, really, of marking time. The concern we have about the gap in funding makes us think that what we have now is good enough, but frankly it is not. We need to be much more ambitious, as we look ahead, about how we improve our health service right across the piece, including public health, to ensure that our health outcomes approximate the very best in Europe and not, in too many cases, the very worst.

The hon. Member for Leicester West (Liz Kendall) mentioned the Barker report, and she was right to do so. The Barker report was useful. The hon. Lady will not be surprised to hear that I did not necessarily agree with all its conclusions; nevertheless, Kate Barker produced some figures that were useful. She pointed out that spending on health in this country is less than in some of the countries with which we can reasonably be compared. She talks of Canada, France and the Netherlands, and suggests that by 2025 we will need to spend a great deal more of our national wealth on health and, by implication, social care, and I agree with that. She suggested 11% to 12%, which, given the demographics, is probably reasonably modest.

The dispute is about how we would deal with that, because £30 billion does not really come close, given what is happening. It does not come close even if we stand still, let alone seek to improve outcomes in the way I have suggested we must. The question then is how on earth we close the gap—whether we do it through general taxation, national insurance, some sort of hypothecated system or a mutual, as applies in France, for example, or whether we go for co-payment. I suspect there is pretty much a consensus in the House that we can discount some of the options fairly easily, but it is important that the commission that the right hon. Member for North Norfolk seeks to set up should examine all options, even if there is a general understanding that some of them will not be palatable, for a variety of reasons, be it fairness, efficiency or not being geared sufficiently well to the lodestar of outcomes. Nevertheless, we need to examine all options if we are to do this for the very long term, as I believe is the intention.

My hon. Friend the Member for Bracknell was right to focus on structure—something on which I believe there is a need for cross-party discussion and, I would

hope, consensus. It is all very well talking about the NHS estate in general, but although what he described from his personal experience was terribly brave, I know from my personal experience that when that is translated into the specifics of our constituencies, for many Members it becomes extraordinarily difficult. It is the local that inspires many people in their love of the NHS. They would love to have their local hospital and local services that they identify with. When it comes to talking about the NHS estate, what we are really talking about is change.

Sometimes change is great locally, because it means a spanking new hospital, but too often it means at least a perception of loss, and people feel that acutely. One of the first things I did when I was elected here 15 years ago was to introduce a ten-minute rule Bill called the bed-block Bill. I find to my horror that, 15 years on, the issues remain. In essence, my Bill was designed to promote community hospitals—cottage hospitals. I had four in my constituency at that time and I felt that each was, for different reasons, under threat. I was a strong advocate for them, and the bed-block Bill, which was designed to promote them and unblock acute hospitals, was duly presented and, like all these things, duly drifted into the sand.

The issue remains relevant, but at the higher level we also need to talk about whether we are right-sized for acute or district general hospitals, and whether we should have these relatively small institutions across the country—far more than there would be in France, for example—offering, or attempting to offer, pretty much the same stuff. An example would be gastroenterology. The British Society of Gastroenterology has produced reports on this issue, pointing out that in many district general hospitals people are not guaranteed to have out-of-hours upper gastrointestinal endoscopy services available to them. I put it to the House that in the 21st century, not being sure that someone is going to be scoped if they have an acute upper GI bleed is simply not acceptable. That is bound to translate into poorer outcomes for a relatively common set of conditions.

It seems to me that the only way we can achieve better outcomes in that kind of situation is to think about whether we need to move towards regional and sub-regional specialist centres rather than continue with the pretence that we can mirror those services in each one of our district general hospitals. More commonly, people talk about stroke and heart attack—and the same applies. It is simply not the case that people will get the same treatment regardless of the hospital they go to.

This is professionally driven. It is the specialists themselves who are saying that we need increasingly to specialise. The day of the generalist is pretty well coming to a conclusion. In order to get that level of specialisation, we must have critical mass, and the only way of achieving that is by having a smaller number of what might be seen as “clinical cathedrals”—large centres offering highly specialist services, geared towards improving outcomes.

The downside is obviously where the cuts then come. Right-sizing the NHS estate inevitably means some will gain and some will lose in the process—in terms of the immediacy of services. Nobody wants to have to travel miles and miles to access services. We get complaints from our constituents about this all the time. There is a process of education for the public to go through. They need to make a choice. They have either immediacy of

[Dr Andrew Murrison]

service just down the road to an institution that will give them sub-optimal care, or better outcomes of a sort that might reasonably be achieved in a regional or sub-regional centre. That is the choice.

Part of the work of the commission suggested by the right hon. Member for North Norfolk will encompass that work of education. That is one reason why, however, I think his 12-month timeframe is very ambitious. I would certainly not want to have a commission reporting in five or 10 years' time, but the right hon. Gentleman will have to be more realistic about how long this will take if it is going to be an iterative process.

At a lower level, we need better step-up and step-down care. That is at the heart of our ability to unblock some of our acute centres. It is important to look at this issue again. The reason why community hospitals went ever so slightly out of favour relates to the costs of the services they provided, which occurred because the case mix was all wrong. Too often, this became a convenient way of relieving social pressures, admitting people ostensibly for medical reasons to a medical bed when those people primarily needed social care. It always comes back to social care, and if we put people requiring social care into what remains a medical bed, it will of course become impossibly expensive. That is why it did not add up. I am afraid that the onus is on the practitioners and the controllers of those places—general practitioners—to ensure that the case mix is correct. If we do that, community hospitals will become both effective and efficient.

Mr Jim Cunningham (Coventry South) (Lab): One issue that has certainly come to light in Coventry when we are talking about bed-blocking—it is another factor associated with it—is that people cannot be released from hospital until they have a social worker arranged to look after them outside. Social workers are normally employed by the local authority, so if there is a shortage of social workers, the beds will be blocked again—at an additional cost. I think the commission should look at that.

Dr Murrison: The hon. Gentleman is absolutely right. It comes back to the issue of integrating health and social care. We have to say that some progress has been made in that respect.

At this point in my contribution, let me make it clear—despite the fact that this is intended as a non-partisan initiative—that I feel very strongly that without a strong economy, we will not make any progress at all. Improvement requires the sort of economy to which we aspire—not one such as has been sustained in Greece, Spain and Portugal. If we look at those three countries, whose healthcare systems were not comparable to ours before their respective crises, we should note what has happened subsequently, as their Governments have struggled to control their economic situation by making huge cuts. We need to be very aware that we have avoided that in this country. Without a strong economy, talking about improving public services across the board—and particularly in the huge area of healthcare—is, frankly, pretty pointless. There will not be the resources to sustain what we have at the moment, let alone the 12% increase suggested by Kate Barker in her report. That is fundamental.

I want to give credit to Ministers for sustaining the Stevens plan. We have heard some contributions today suggesting why that the plan might not turn out to be sufficient, but finding that sort of money at a time of austerity is a huge achievement, which should be acknowledged. I was proud to stand only a few months ago on a manifesto that supported the £8 billion spend. That allows us to have a service that is at least sustainable, notwithstanding my fears for the future and the inadequacy of our plans at this point in time, and should take us through to the end of the decade and beyond at a time when local government funding is being cut. That means that the pressure on social services, which was not anticipated by Simon Stevens, applies, while we face further pressures on the public health budget, too. Together, those pressures will mean having a deficit by the end of the decade that will need to be addressed. Beyond that, looking to 2025 and even further as Kate Barker has done, we need to determine how to find the extra funds that she feels are necessary, notwithstanding the dispute about where the funds might come from. I imagine that these issues will be examined by the commission proposed by the right hon. Member for North Norfolk when it is set up.

Let me finish with a few more small points about public health. Among my distinguished medical colleagues in this place, I believe I am the only one with a postgraduate qualification in public health and the only one who has done a job with a significant public health input. I have a bit of a soft spot for this discipline, and I hope I understand some of what it is about.

“Healthy Lives, Healthy People” has, in my view, been a success. It has set public health on the right track, handing back to local government a function that it arguably should never have lost, and setting up Public Health England, which I think has done a good job on the whole. I suspect that the Minister, who will answer the debate shortly, will have fallen off his stool when he read the King's Fund report a little under a year ago, which essentially said the same thing—that public health appears to be on the right track in this country at the moment and that the changes introduced in the White Paper five years ago have largely been successful.

However, there is absolutely no room for complacency, as I am sure the Minister will agree, particularly when we have healthcare indices on areas such as our rate of teenage pregnancy. Although it has improved, it remains among the very worst in Europe. We do just slightly better than Bulgaria, Romania and Slovakia. Nobody here would be satisfied with that, I hope, and while we have public health indices as disastrous as that, there is no room for complacency.

One of my worries about what has happened over the past several months is that we appear to have changed from a model in which healthcare is pretty much exclusively funded through general taxation—that is to say, national insurance and income tax—to one that is partly funded by local taxation, with all that means when it comes to cuts in hard times. In my view, the sort of public health interventions that are having bits shaved off them at the moment are not discretionary, but essential parts of healthcare.

We can all come up with wonderful figures to show why we need to invest in healthcare. By and large, public health investment saves money in the long term, but the

potential for public health intervention prevention services to have a real impact on people's lives is truly enormous. Very little of it is going to happen overnight, so it will not show up on people's metrics—certainly not within an electorally obliging timeframe—but they nevertheless remain.

If we are setting up a commission to look at how we do healthcare in the very long term, we most certainly need to focus on public health. We need to ensure that resources for public health are maintained and sustained. Those resources are not discretionary, but an essential part of what we should be doing for healthcare in this country—although I accept that when it comes to making economies, it will always be tempting to shave bits off public health services rather than cutting an acute service, which would be much more obvious to the public.

I support the motion, and I congratulate the right hon. Member for North Norfolk on tabling it. He is right to say that party politicians meddle with this national religion of ours, the national health service, at their peril. If we accept that we face huge challenges in the long term, beyond 2020, it is important that we not only engage in a national debate so that we can address some of the difficult issues that we have discussed this afternoon—the estates, for example, and how we pay for healthcare—but try to gain that usually impossible goal of securing some level of cross-party consensus.

2.10 pm

Mr Nick Clegg (Sheffield, Hallam) (LD): I join all those who have spoken so far in congratulating my right hon. Friend the Member for North Norfolk (Norman Lamb) on securing the debate. It concerns what is undoubtedly one of the biggest questions that we face as a country, as a Parliament, and as a political class: the question of how we can square the circle of an ageing population, and how we can put the NHS on to a sustainable financial footing.

My grandfather was editor of the *British Medical Journal* from the time when the NHS was founded until the mid-1960s, and I suspect that if he were around today, he would say that the challenges currently faced by the NHS would be entirely unrecognisable to his generation of medics.

It is right that my right hon. Friend is pushing us all to try to sketch out solutions on a cross-party basis. It could be said that he and I tested the virtues and pitfalls of cross-party working to destruction—some would say, unfairly perhaps, to self-destruction—in the last Government. Notwithstanding that experience, however, I think that issues such as pensions, long-term infrastructure investment, Europe, decarbonisation of our economy and, in this context, the sustainability of the NHS are not susceptible to single-Parliament, single-Government, single-party solutions. I therefore say, “All power to my right hon. Friend's elbow”, and I hope that the Government will look kindly on his proposal.

I intend to dwell on an issue which I hope the commission will subject to real examination, namely the role of mental health in the NHS. We have come a very long way. I remember standing, eight years ago, a little way in front of where I am standing now, shortly after becoming leader of my party, and asking Gordon Brown a question about mental health during Prime Minister's Question Time. I recall that I was heard in what was almost a slightly shocked silence, because at

that time raising the subject of mental health was considered to be rather “novel” and brave. The extent to which the debate has advanced since then is fantastic.

There have been truly moving debates in the Chamber, when a number of our colleagues have spoken for the first time, very openly and movingly, about their own struggles with mental health conditions. Society and the media now talk more comfortably about mental health, and a barrage of celebrities have lent their considerable weight to that. The debate, the rhetoric, and the awareness of mental health as a major challenge that affects one in four of our fellow citizens have been transformed in recent years, which is a wonderful development. We have lifted the lid, lifted the taboo, and lifted the slight foot-shuffling embarrassment that used to overshadow the subject of mental health, which is a great step forward.

I am immensely proud of some of the things that our coalition Government managed to do in pushing the agenda forward and putting mental and physical health on the same legal footing. My right hon. Friend and I worked together closely on the introduction of NHS waiting time standards relating to mental health, which had existed in relation to physical health issues for a long time, and took many other important steps.

What worries me is the growing gap between the rhetoric about mental health and the reality of what is happening on the ground. There will always be a gap, because rhetoric is easier to deliver than change on the ground; there will always be a time lag between the moment when the debate and the policy prescriptions alter, and the moment when that change percolates down to the ground. However, I think that this gap is becoming dangerously wide. That is, of course, very bad for the many patients with mental health conditions who are not being properly treated, but I also think that if we do not address it soon and follow up the rhetoric with action, there will be real cynicism about what the political classes have meant during the journey that we have made over the past few years towards talking more comfortably and openly about mental health issues.

I know that many Members are already familiar with the scale of the problem, but I think it worth illustrating that scale with a couple of facts. Mental health makes up 23% of what is somewhat inelegantly described as the UK disease burden, but it accounts for only 11% of NHS spending, and the majority of people with mental health conditions still go untreated. On average, just 30%—less than a third—eventually gain access to treatment. If that applied to any physical health condition, it would be seen as a Dickensian state of affairs requiring urgent action. I hope that the cross-party commission will think carefully about the step change that is required in the organisation, because support and funding for mental health will be critical to its considerations.

Let me now invite the Minister to focus on three issues, in the short term and in the slightly longer term, because I think that there is currently a blockage that is preventing the rhetoric from being translated into the kind of action that most Members on both sides of the House want to see.

The first issue is that, last year, just before the last Budget of the coalition Government and the general election, I announced, on behalf of the Government, £1.25 billion in funds to transform what could be described as the Cinderella service within the Cinderella service,

[Mr Nick Clegg]

namely child and adolescent mental health services. It was the most ambitious blueprint ever set out by any Government to transform the service and, indeed, to fund it properly. As the Minister will know, that £1.25 billion equates to roughly a quarter of a billion pounds, or £250 million, to be invested in child and adolescent mental health services per year. Over the last financial year, however, the amount invested has been not £250 million but, I think, £143 million.

The Minister for Community and Social Care (Alistair Burt): It was about £170 million.

Mr Clegg: I stand corrected. Anyway, it was not £250 million.

There may be perfectly explicable teething problems. The announcement was made in the spring of last year, and it will have been necessary for all the mental health trusts to shift gear. However, I hope that the Minister—or, if not him, the commission—will ensure that not only future mental health reforms but previous commitments are delivered and funded in full. The £250 million that has not been delivered over the last year needs to be made up for between now and the end of this Parliament.

My second point concerns the importance of prevention—in all areas of health, obviously, but perhaps especially in mental health. The need for better prevention measures was one of the key findings of the mental health taskforce's public engagement exercise, yet there has been little if any mention of it in recent Government announcements. Mind, the mental health campaign and policy group, has established that local authorities spend just 1% of their public health budgets on the prevention of mental ill health. That is £40 million out of a total budget of £3.3 billion. Yet we all know—even if we are not clinical experts, we know as parents, and as human beings—that intervening early to improve child and adolescent mental health avoids so much illness, so much heartache, and, to be candid, so much cost to society thereafter. Half of those with lifetime mental health problems first experience symptoms by the age of 14, and 75% of children and young people who have a mental health problem do not get access to the treatment they need.

Waiting times are still far too long. Average waiting times for CAMHS is two months—and as yet there are no waiting time standards in children, adolescent and mental health services. I think we all know, and I certainly accept it, that as we try to revolutionise the approach to mental health, the waiting time standards that have already been announced need to be spread and extrapolated to other parts of the service. Members have talked about the need to reconcile and bring together social care and healthcare, and if we want to put the NHS on a financially sustainable footing, which is the purpose of the cross-party commission, we also need to understand that the lack of prevention and of early intervention on mental health problems is one of the biggest drivers for subsequent inflated costs on the NHS budget. It is therefore essential that the commission looks at this as well.

Thirdly—and arguably most importantly, and also perhaps most technocratically complex—is the issue about the formula or mechanism by which mental health is funded. The problem is that for as long as anyone can

remember mental health trusts have been funded according to block grants, through a lump sum of money given to them by some varying formula, while other NHS trusts—acute trusts—are paid on a per patient, per outcome, per recovery basis. That of course is deeply unfair, because it means that any time any Secretary of State for Health, Chancellor or NHS boss needs to make savings, the easiest thing to do is quietly shave a little money off that block grant, as no one really notices it—it does not stick out like a sore thumb like other financial cuts do—and that is precisely what has been happening. That is one reason why—even in recent years, however much new and welcome emphasis there has been on the priority mental health should have in the NHS—the basic funding formula or mechanism constantly discriminates against mental health trusts.

Dr Philippa Whitford: If I understand the right hon. Gentleman correctly, he is suggesting a tariff system for mental health, rather than a block grant, but it has been obvious from evidence in the Health Committee that the tariff can also work against having more community care. I met a paediatrician who did outreach work and, having reduced admissions by 40%, the hospital pulled it because it was getting less money. So be careful what you wish for.

Mr Clegg: The issue here is about moving from a block or lump of money to an outcome-based formula. One can then decide from an infinite number of ways how to administer the outcome-based funding formula, but the principle that mental health trusts are rewarded and financed for the outcomes they produce, rather than having some random, and often arbitrary and unjust, lump of money, is the fundamental point.

What is happening at the moment is that mental health budgets are, whether we like it or not, at risk of being raided to pay for the unsustainable deficits in acute health. In 2014-15 London's health commissioners spent 12% of health expenditure on mental health, and in 2015-16 that fell to 11%. In other words, there was a transfer of money from mental health to acute trusts. That is completely the wrong direction of travel.

In 2012, to address this problem, the then coalition Government announced that we would pilot a new approach to mental health funding via what were called care clusters. They work in the following way: adults receiving care are assigned to one of 21 mental health clusters based on their needs, and services are then tailored on the basis of the needs of the people in each cluster and the effectiveness of the interventions on offer. Each cluster is then given a local price, and commissioners work out payments to the mental health trust based on how many patients fall into each cluster.

It is fearfully complex yet there is evidence that transferring the funding of mental health trusts from a block grant system to this care-cluster, outcome-based system has already yielded results. Recent research by the Independent Mental Health Services Alliance has found that mental health trusts operating under block contracts had more delayed discharges and more emergency readmissions than trusts operating without a block contract. Geraldine Strathdee, national clinical director for mental health, has agreed. She says that block grants

“do not facilitate access to timely evidence based care such as those set out in the new mental health access standards”,

and Monitor itself has been very critical indeed of block contracts:

“Despite the introduction of the care clusters, most local agreements still rely on simple block contracts. We believe that block payments...do not work in the interests of commissioners, providers and, most importantly, patients.”

Frustratingly, notwithstanding the decision in principle to shift the whole system to an outcome-based, care-cluster system and away from the punitive effect of the block contracts, 35 out of 62 NHS trusts are still providing mental health services using those block contracts.

Forgive the technocratic detour, but the devil really is in the detail, particularly if we want to close the gap between the much more aggressive aspirational rhetoric that finally has occupied the public and the political debate around mental health and the pressing need to get on and push the system in a radically different direction, not only because it is the right thing to do to end the outrageous discrimination—and it is discrimination, although it might not have been felt or expressed like that—that has existed against patients with mental health issues who have suffered in silence, alone and untreated for generations, but also because if we do not do that and do not make some of these fundamental changes the spiralling costs then placed on to the shoulders of the NHS will merely continue. This is a vital element in meeting the cross-party commission’s mandate to arrive at a new Beveridge-style, cross-party consensus on how to place the NHS on a long-term and sustainable footing.

2.27 pm

Maria Caulfield (Lewes) (Con): I speak in this important debate as a nurse who is still working in the NHS, although not as much as I would like. I welcome the sentiments from both sides of the House about working towards a much more cross-party way of discussing the NHS and health and social care, but I am nervous about setting up a commission, because much of this work has been done already and what we need to do is roll the solutions out, not discuss the issues again and rehearse old stories. I speak as a nurse now, not a politician. My feeling—and the feeling of a number of my colleagues in the NHS—is that the interventions by a series of Governments over decades have got the NHS to where it is now, and if healthcare professionals and social care managers had been allowed to get on with their job we would not be in that situation.

No healthcare professional would agree that health and social care should be as divided as it currently is. If we had been allowed to get on with our job many years ago, that gap would be a lot smaller. That gap was created when the NHS was invented. There was a natural gap between what was deemed healthcare and what was deemed social care. That was compounded by the Nurses Act 1949 which clearly set out the view of what a nurse did, as opposed to what social care did. Over time, with the invention of various bodies and structures, both national and local, those rigid boundaries between health and social care have become stronger.

Funding streams have emerged, with NHS funding being protected and ring-fenced and increased over time. Social care has not had that luxury. Its funding is mainly given to local authorities, which have had to merge it with other budgets and also make cuts. They have not ring-fenced it. Many hon. Members today, including my hon. Friend the Member for Totnes

(Dr Wollaston) and the hon. Member for Central Ayrshire (Dr Whitford), have eloquently described how that has been a penny-wise and pound-foolish approach, in that much of the preventive and public health work has been cut, with the NHS ultimately picking up the bill.

During my training as a nurse, we were taught an holistic model of care. We were taught that the patient’s physical care could not be separated from the emotional care, the spiritual care or the psychological care. However, when we practise in the real world, we are forced into separating physical care from mental health care and social care. When I was working on a ward, I would never question whether something was a nurse’s role or whether someone else should be doing it. If I was bathing a patient, getting them up in the morning or walking them in the hospital grounds so that they could get some fresh air, there was never a notion of “Is this the nurse’s role? Is this really healthcare?” It was all about looking after the patient as a whole.

As a result, when I was feeding someone, I was not only feeding them but looking at whether they had taken their medication that day, at whether they were eating, at whether they were perhaps a little bit more confused than they were yesterday or last week, and at whether there was an infection brewing. This is not just about ticking a box to say that that patient has been fed and had their medication. It is about holistic care, but the systems that are in place today do not allow us to practise that. In a hospital, we have the freedom to take on what is deemed a social role, but in the community we have no choice at all.

I know that things are changing, but we still see elderly patients who are struggling to stay at home, and they could have up to five visits a day from five separate people, and from five different people the following day. A nurse will go in to administer medication or to look after a catheter or a stoma, then someone else will come in to make a cup of tea or heat up a meal. There is no continuity of care, and there is no holistic care. That is simply because health budgets are run by the NHS and social care budgets are run by local authorities. It is no one’s fault; it is just the way that this has emerged.

I really welcome the work that has been done on NHS England’s “Five Year Forward View”. I also welcome the work of the Barker commission, which has not only identified the problem but come up with solutions and said that funding must be ring-fenced and combined. We cannot continue with separate funding for healthcare and social care. If we do, it will be a false economy and the constant divide will do nothing for patients and carers.

I welcome the notion of a commission and of cross-party working, but I am really nervous that we could undo much of the work that has been done. My local clinical commissioning group is doing fantastic work to ensure that the local authority and the local health services are starting to work together in a combined way. We hear a great deal about how hard it is to get social care packages together, and that is often why elderly patients get stuck in hospital. That is not always because of funding; it is often because we cannot get people to do the jobs. That is because there is no real reward in going in and having 15 minutes to make someone a cup of tea. It would be so much more rewarding if that person could have half an hour with the patient, in which they could help them to take their medication and not only

[*Maria Caulfield*]

make them a cup of tea but ensure that they drank it. However, the current system does not allow that to happen.

My nervousness about the commission is that we might undo many of the recommendations that we know need to be carried out, and that we could still be left with this divide between healthcare and social care a year down the line. The other cause of my nervousness is that a national one-size-fits-all model will not work. What works in my rural community of Lewes will be very different from what is needed in a London borough, for example. I therefore welcome the idea of local CCGs identifying what action is needed to merge health and social care and co-ordinating what will work best in that place.

Speaking as a politician, I urge other politicians to take a step back and allow health and social care professionals to take a lead on this. We have identified what the problems are and we have identified many of the solutions. We are committed to joint funding, so let's get on and do it. Our role as politicians is to lobby if that funding does not come through, to enable healthcare professionals to get the resources they need. Our role is also to identify examples of good practice that could be rolled out in other areas where things might not be working so well. It is not our job constantly to debate what the issue is. We know what the issue is and we know what the solutions are. We just need to get on with it.

I welcome the comments made by my hon. Friend the Member for Bracknell (Dr Lee). I do not dismiss the need for a commission. A commission on health and social care is a great idea, but I think the timing is wrong. I think we have missed the moment. We need to have a cross-party debate about the structure of the NHS and about perhaps having fewer specialist units. Cottage hospitals were mentioned earlier. There are problems getting people out of hospitals and preventing them from going into them in the first place, but holistic care would enable them to stay in their own home. There also needs to be a step in between being at home and being admitted. We have moved away from that, at a cost not only to patients but to those who work in the healthcare sector.

I shall not repeat much of what has been said this afternoon. I am very supportive of cross-party working; I believe that we need to take the NHS out of the game of political football. I welcome all the comments that have been made today; I do not think that anyone has said that health and social care should not be combined either in practice or in relation to funding. However, my fear is that another commission would simply delay the good work that is starting and that needs to be carried on. I thank the right hon. Member for North Norfolk (Norman Lamb) for bringing forward today's debate. I hope that we will not be standing here again in five years' time, debating the matter further.

2.37 pm

Caroline Flint (Don Valley) (Lab): It is a pleasure to follow the hon. Member for Lewes (*Maria Caulfield*). We have heard from a few doctors this afternoon, so it has been good to hear the perspective of someone who worked as a nurse in the NHS. Judging by her comments this afternoon, I am sure that she keeps closely in touch with it.

I agree with the hon. Lady that much good work is being done in different parts of the UK on providing health and social care. However, we also know from the data and outcomes that that is not uniform. Some doctors, nurses and other health professionals are willing to rise to the challenge of putting public health on the same standing as treatment and of providing innovation in mental health services. Like all professions, however, it contains some who are not so willing to embrace change. They might, for different reasons, be stuck in a way of working that is not providing the outcomes that their patients want.

The hon. Lady rightly cited the example of people in our communities who need social care services and who are getting three, four or five visits a day from different people, all of whom feel that they have a role in providing for those individuals. When I listened to her telling that to the House, it took me back about eight years to when I went out shadowing some community matrons in my constituency. I spent time going out on the rounds with them and finding out what they did. The post of community matron was created to provide better links between hospitals and the support in the community. Each of them had a caseload of patients, all of whom had to have five or more conditions that were preventing them from getting the most out of their daily lives. Some of them were pensioners; some were not. Those women—the people I shadowed in my constituency were all women—formed the link between what was happening in the GP surgery and what was happening in hospital. If one of their patients had a fall, for example, and ended up in A&E, the people in A&E would look to see who their community matron was and get on the phone to them. Before the patient had even had their treatment in hospital, the hospital would be working with the community matron to arrange how they would be looked after outside. Sadly, all these years later, those community matrons no longer exist. We have to address the fact that some good ideas start off in the NHS but are gone in some years, for whatever reason, perhaps because they are used as political footballs.

Today's motion is not about stopping the good things that are happening. A commission would not paralyse us and stop us continuing the good work in the NHS and the good parts of the forward view. When it comes to health and social services, five years is the blink of an eye. We need to be thinking about not just 10 but 20, 30 or 40 years down the road. What can we do today to determine what NHS and social care should look like in 50 years? That is the big challenge before us and it is why a commission would enable us to take some of the politics out of the debate and allow us to move forward together.

Maria Caulfield: I was out visiting a GP's surgery last Friday in the constituency of my hon. Friend the Member for Brighton, Kemptown (*Simon Kirby*), which borders mine. There are still community matrons there. The matron on duty when I was there prevented a 90-year-old chap from being admitted to hospital for the weekend because she was able to fast-track a social care referral and get some help out to him on a Friday afternoon. A national roll-out does not always fit with what is happening locally. Some really good work is still happening at local level.

Caroline Flint: I hope that I have not given the impression that good work is not happening and good services do not exist. In my constituency not long ago,

our district nurses were supporting treatment and care in the home for people who had problems with their legs and needed them bandaging. For a couple of months, those patients were incredibly nervous because they had heard that the nurses would no longer come to their home and they would have to go to the GP's surgery for bandaging. Fortunately, it did not work out like that, but the stress about the future of their treatment caused those people a problem.

We can all talk about things that are working or not working in our constituencies. We can all point to good practice. It is a frustration of mine, not just in health, that best practice is not the driver for good practice everywhere. I do not know why we keep reinventing the wheel. We have to look at the bigger issues, and that is why I commend the right hon. Member for North Norfolk (Norman Lamb), my hon. Friend the Member for Leicester West (Liz Kendall) and the hon. Member for Central Suffolk and North Ipswich (Dr Poulter) for securing the debate today.

We have an important role in this House. It is not only about holding this or any Government to account; it is about shining a light on the social problems that our country faces and offering solutions that are not just for one term of a Parliament. The motion helps to highlight an ongoing generational problem and proposes a path to find some sort of solution.

The UK is an ageing society. We are a society growing older. Looking around the Chamber today, I am tempted to say, "Put your hand in the air if you are under 50." Five.

Mr Clegg: A majority.

Caroline Flint: I think we are talking about a minority. We are here as politicians, but also as citizens with families and living in our communities as we discuss the policies and politics that will touch people's lives. We are living longer, and that brings a lot of joy. We often talk about the things that are bad, but there is a lot of joy about living longer, too. It is not uncommon today to meet older people who are great-grandparents yet still active enough to look after their great-grandchildren.

The current generation of older citizens share some of the problems of previous generations. There is still poverty, and loneliness is ever more common, as those living longest outlive their lifetime companions, and as families no longer live in close-knit communities. But this generation are different from previous generations. They are less deferential—and rightly so. They expect more from life. They are not waiting for the grim reaper—they have lives to lead. Many will live 30 or more years in retirement. Not so long ago, that was half a lifetime. This generation rightly demand more. They are less likely to accept just what the state offers and lump it. If the options for their retirement, for their living arrangements, for their social care or other assistance are not to their liking, they will voice their protest. And they do so, as a generation who overwhelmingly own their own homes and want to remain independent, within four walls to call their own, for as long as possible.

Madam Deputy Speaker, this debate is timely because, less than a year on from the general election, none of the big, long-term problems facing the NHS, in particular the integration of social care and the fair funding of social care, is any closer to being resolved. We know

that the NHS has always been an election issue, and we should not apologise for that. Nor should we expect that to change in the short term. We know that in the last election and the one before, the problem of funding social care, so that families do not always lose their homes to pay for long-term social care, has been an election issue. I recall in 2010 a Conservative billboard with a tombstone and the message, "Now Gordon wants £20,000 when you die. Don't vote for Labour's new death tax."

I am not going to sound purer than the driven snow on this. Our party has also upped the ante on some of these issues. Yet today, one in 10 of the public can face bills of over £100,000 for social care. It makes a bill of £20,000 deferred seem a pretty attractive deal. But so nervous are Governments of this issue that this Administration have deferred the introduction of a cap on total costs from 2016 to 2020. And the cap is only on costs over £72,000. I do not want to spend time on the merits of the Government's proposals. Suffice it to say that they are complex. They rely on local authority assessments. They create different thresholds and ceilings for contributions. Coming forward with proposals that are fair to all yet meet need, without unduly penalising those who saved for a lifetime, is not easy; it really is not, and the problems will not be solved by a five-year plan.

The challenge remains to put in place a social care funding system that is fair to people of different income levels, a system that can be embraced by all parties and, crucially, by successive Governments of different colours. For these reasons, I believe that the motion is so right today. We need an independent commission for those big long-term decisions. The same problem applies to some of the other challenges facing the NHS that colleagues have raised today. They include securing long-term funding for the NHS, particularly when successive Governments are rebalancing the Government's income and expenditure to reduce and then eliminate the deficit and meeting the long-term challenge of demographic change, of the rising sophistication and costs of new medical technologies and of new pioneering treatments. At one and the same time, the potential for new and radical treatments is almost unlimited, but the budgets to meet them are not.

Added to that, as we look at how we devolve services in England, to which I am not opposed, we need to think about where the accountability lies, and whether there are the checks and balances to ensure that there is not only quality, but value for money. As a relatively new member of the Public Accounts Committee, I can already see that we do not have the accountability structures in place to ensure that those providing services regionally and locally are operating transparently.

When I was first elected in 1997, half the buildings used by the NHS predated its existence. Financial pressures had led to a huge backlog of investment in NHS buildings. Between 1997 and 2010, the Labour Government invested record amounts in new NHS buildings—from major hospitals to modern, multi-purpose health centres, walk-in centres and GP practices. One of the ministerial jobs that I was most proud to hold was public health Minister, because one aspect of providing better buildings in the community was moving services out of hospitals and closer to people. That was especially important in areas where health inequalities were evident, because it was a

[Caroline Flint]

way of ensuring that the people there, who are often the most vulnerable and least assertive, could see in their community the services available to them.

If we are to plan for future investment, we need consensus, because while those buildings were welcomed, not least by NHS staff and patients, their private finance initiative funding has always remained contentious. Planning for sustained investment requires a consensus that gives future Governments—and, dare I say it, this Government—the courage to take big decisions. Only a truly independent commission with real expertise and weight will begin to unpick the real costs, options and pinch points facing the NHS, and deal with the hard choices about how we meet the future of health and social care.

Such a commission can also play a role in involving staff and the public. We need a grown-up discussion outside this place—we need one inside, too—about the challenges ahead. The public and NHS staff need to be involved, so that they can be helped not only to make decisions, but to understand the responsibilities that they might have in supporting a new NHS and social care service. Such a process would represent a worthwhile investment of public money if it could achieve a social contract between the parties and the British people to provide a new secure base for the future of health and social care.

This is about change. Today's NHS bears no comparison with that created some 60 years ago. We need to face up to change and importantly, as part of that, to help people to cope with change, because that can be frightening. We want a better and stronger NHS, but let us also have a smarter NHS. I hope that Government and Opposition Front Benchers will respond positively to the proposal.

2.51 pm

Jeremy Lefroy (Stafford) (Con): It is an honour to follow the right hon. Member for Don Valley (Caroline Flint), my hon. Friend the Member for Lewes (Maria Caulfield), the right hon. Member for Sheffield, Hallam (Mr Clegg) and other Members who have spoken. Excellent points have been made in every single contribution to the debate. One reason why I support the motion is that in my first contribution during this Parliament I said:

“Let us use the five years of this Parliament to set up a cross-party commission to look at health and social care for the next 20 to 30 years.”—[*Official Report*, 2 June 2015; Vol. 596, c. 524.]

I believed that then and I believe it now.

A substantial reason why I believe that comes from my experience representing Stafford since 2010 and my involvement in the community in the years before that. In the previous Parliament, there was a tremendous coming together of people from all parties in Stafford so that we could protect our health services and respond to the serious problems that we faced. We made proposals to the Government, as well as arguing with them and opposing some of their ideas, but we wanted to support our area's health services. It was a privilege to be part of a process in which people from all the main political parties and none were putting aside their differences and working together. I know that a similar thing happened in other constituencies, but I was especially grateful that that happened in Stafford, given what we had been through.

Another reason why I strongly support a commission—or a commitment, or a way of bringing us together—is that there are incredibly important issues to decide. My hon. Friends the Members for South West Wiltshire (Dr Murrison) and for Bracknell (Dr Lee) made important points about the issue of specialism and generalism. There is a danger of going too far down the specialist route and thinking that everything must be in a specialty. According to the Royal College of Physicians, this country has something like 62 specialties, yet some of the royal colleges want to go even further. Indeed, I understand that there is a desire further to split up cardiology into interventional and non-interventional cardiology, although I hope that that is not the case.

By contrast, the RCP pointed out that in Norway there were just over 20 specialties—it is a more generalised system. Whereas I agree that specialties need to be concentrated in the way that my hon. Friends have suggested, we must not cast out general medicine. We must not cast out those who would like to work in a more general way in a more localised setting. For many people that can be a more satisfying route, seeing the broad range of health, rather than one increasingly narrow part of healthcare.

Dr Murrison: Does my hon. Friend agree that one solution might be to develop further the GPs with specialist interest model, which was started some years ago but, if we are honest, has never really found its place in our NHS?

Jeremy Lefroy: That is an excellent point. I declare an interest, being married to a GP. Many GPs are already doing that—many have specialist interests. Perhaps there could be a specialism of generalism, if that is not a contradiction in terms—the idea that it is possible for someone to say, “I want to practise my medical career in a smaller place where I do a wider variety of tasks, but I have the knowledge to recognise the limits of my competence and when to refer onwards.”

I welcome the motion and the commission, although I will suggest some boundaries to it. The points that have been made about not going over old ground and not making the commission's remit so broad that it is of no earthly use are valid. The Barker report has done some tremendous work in that respect and I will come on to that. There are other reviews going on, which I am sure have not escaped Members' notice. The maternity review under Baroness Cumberlege, to which I have made a submission, is extremely important.

Here again, we see the contrast. On the one hand, we want the best possible care for mothers, pregnant women and their children when they are born; on the other hand, women want to be as close to home as possible. In some cases, and with midwife-led units, which we have just got in Stafford to replace our consultant-led unit, that can work for a limited number of women, but probably only about 30% of women will be able to go into such units; 70% will have to go further afield. We need to think about whether that is the right model. In the UK the largest unit, I believe, is in Liverpool, with more than 8,000 births a year. In Germany the largest is the Humboldt in Berlin, with about 4,500 births a year. Is there something to learn from that model, from the French model, from the Dutch model? I am hoping that Baroness Cumberlege's report will show us that and give us a clear path for maternity and newborn care in the NHS.

I welcome the Government's commitment to fund the five-year plan. That was not an easy step to take, but it was extremely important. As far as I can see, funding has been increased even since the election, but as others have said, it is a very challenging plan. Nobody has ever managed to achieve £20 billion or £22 billion of savings and we are already seeing some potential problems with that. I was lobbied yesterday by community pharmacists, who are seeing potential cuts in the sums allocated, which may result in the closure of pharmacies in the future. Of course, reform is needed, but the Government need to look carefully at that area.

I welcome, too, the additional money for child and adolescent mental health services. I chaired a roundtable of mental health providers in my constituency a couple of weeks ago. The additional money, the first part of which is just coming through, was welcomed and should plug some of the gaps in that service, although there remains an awful lot to do, as the right hon. Member for Sheffield, Hallam so eloquently pointed out.

I shall focus on two areas—integration and financing. At present the two main acute hospitals serving my constituents, the Royal Stoke and the County hospital in Stafford, are full. As other Members have pointed out, this is at a time when we have not had a major flu epidemic or abnormal winter pressures. We have something like 170 beds at the Royal Stoke with patients who should really be out of hospital but cannot leave, and in the County hospital we have around 30 beds. Of course, that means it becomes more difficult for their A&E departments to meet their targets.

I must say that the people in those departments are doing a great job. I urge Members to watch the little online video recorded in the Royal Stoke by *The Guardian* and see just how hard they are working in a hospital that this time last year was going through a very difficult time. It shows exactly what we are talking about, with people working long shifts and putting patients first, as they are in the County hospital and, indeed, in hospitals up and down the country.

We clearly have a problem in getting people out of hospital. As Members have said, that was raised 10 years ago, but we have still not fixed it. That is a real reason for integration. It is something the commission needs to look at, not to reinvent the wheel, but to look at where things are working and say, "Let's get this right across the country."

I think that the supported housing review, which was discussed in yesterday's Opposition day debate, is critical. If a lot of the funding for supported housing goes as a result of changes to housing benefit, we will see a greater problem, with more pressure on A&E departments and in-patient services.

I very much endorse what Members have said about community matrons and district nurses, who perform a vital role. Only this week my wife was talking about the work of the district nurses in Stoke-on-Trent and how valuable and appreciated it is. However, not many of them are available at any one time, particularly over the weekend, which means a lot of juggling to see when they can go out to see her patients. Members have talked a lot about integration, and they have far greater knowledge than I have. I will just make the point that the commission needs to look at best practice.

I want to spend some time focusing on financing. It is absolutely right that the commission should examine all the options, but I have to say that, having looked at this quite carefully over a number of years, I do not think that we have too many options. I tend to agree with the Barker commission on that. Its report states that there should be a ring-fenced budget for NHS and social care, and it rejects new NHS charges, at least on a broad scale, and private insurance options in favour of public funding.

I have come to that view because I do not think that there is any other way in which the volume of extra resources needed will be raised. At the moment—I stand to be corrected on this—we probably spend between 2% and 3% less of our GDP on health than France or Germany does, which could amount to an additional £35 billion to £45 billion a year that we need to raise and spend.

I have to say that the NHS is a very efficient system. Given that efficiency, just think what would be possible if we came up with that extra 2% to 3% of national income, as our neighbours in France and Germany do. I am not talking about the 18% that the US spends, which in my view is far too much. A huge amount is wasted in the US system, and it does not necessarily achieve the right outcomes, particularly for people who are uninsured—thankfully that is changing as a result of recent reforms—or in lower income groups.

That is where we will run into political problems, which is why it is so important to put it into a cross-party, non-party political commission. In our fiscal system we lump together many different things and call them public expenditure, but what is called public expenditure is, in fact, made up of very different categories of spending. There is spending on state functions, such as defence, policing and education, and then there is spending on individuals, of which the biggest categories are pensions, welfare and, of course, the national health service, yet we are coming to a situation in which we talk about it all as if it is tax. So often in politics tax is bad, yet a lot of this spending is good; the two things do not make sense. In countries such as Germany, the latter forms of expenditure—the more personal ones—are often provided more through income-based social insurance. In the UK we started with that system more than 100 years ago, with national insurance, but over the past 50 years we have allowed national insurance to become less relevant, except in relation to eligibility for the state pension and certain benefits.

Maria Caulfield: On finance, I know from talking to my local council leaders that because for the past few years there has been a cap on how much they can raise their council tax by, they have not been able to raise it in order to pay for social care. I speak to residents who say that they would be more than willing to pay more if it was ring-fenced for social care and meant that there were more home helps and more services available. I welcome the announcement in the spending review of the 2% ringfence for social care because the NHS has had to pick up the bill due to the inability to properly fund social care.

Jeremy Lefroy: My hon. Friend is absolutely right. In fact, last year Staffordshire County Council raised its council tax by 1.9% but ring-fenced that part for social

[Jeremy Lefroy]

care, so it was ahead of the game. I believe that it is looking at doing the same this year, possibly taking advantage of the Government's welcome proposal.

Dr Philippa Whitford: My concern about the 2% precept is that wealthy areas will obviously get a lot more money than poor areas, and that will increase health inequalities. Would the hon. Gentleman consider, for example, combining tax and national insurance? National insurance has become an anomaly in that people pay it even when they earn very little and stop paying it when they retire, even if they are very wealthy, so should something more radical be looked at?

Jeremy Lefroy: I do propose something radical, but in completely the opposite direction, because I believe that national insurance is an incredibly good thing. I always listen to the hon. Lady with great respect, but let me argue the case for national insurance, and she may disagree with me by way of intervention or otherwise.

We have allowed national insurance to become less relevant, with the exception of the various eligibilities I mentioned. As a result, it has come to be viewed by Her Majesty's Treasury as just another form of raising funds. There was a proposal for a consultation on merging income tax and national insurance. I would vehemently oppose that, because my perception is that our constituents still, understandably, see national insurance as something different from income tax in being their contribution to the NHS, pensions, and welfare. Indeed, about £60 billion a year of the national insurance money that is raised, although this is a bit of a fiscal fiction, still goes towards the NHS. That is far less than we spend on the NHS, but it is still there.

The notion that, as I contend, our constituents see national insurance differently from income tax was particularly evident when Gordon Brown raised national insurance in order to put additional money into the NHS. He rightly viewed that as the best way of raising additional money for the NHS because it was more acceptable than putting a couple of pence on income tax. The best way—I think the only way, but a commission would need to be very broad-minded in its views—to ensure that we can finance the NHS and social care properly in the long term is through progressive, income-based national insurance with a wider base, as Kate Barker said, whereby by it does not stop when people retire and does not stop at the upper national insurance limit, as it does at the moment at only 1% over it. Broadening the base of national insurance should make it possible to keep the percentage rate reasonable for all while paying for the services needed.

I welcome this motion and the proposal for cross-party work, whether through a commission or whatever, but I would plead that it be fairly focused. It should not cover ground on the details of healthcare that has been well covered elsewhere—probably better than we could cover it—but it should look at integration and, most important of all, future finance for the next 20 or 30 years.

3.9 pm

Valerie Vaz (Walsall South) (Lab): It is always a pleasure to follow the hon. Member for Stafford (Jeremy Lefroy), who is a great defender of the NHS, both locally and nationally. I congratulate the right hon. Member for

North Norfolk (Norman Lamb), who was a very assiduous Minister; my hon. Friend the Member for Leicester West (Liz Kendall), who is not in her place but who was an assiduous shadow Minister; and the hon. Member for Central Suffolk and North Ipswich (Dr Poulter), who unfortunately cannot be here but who was also an assiduous Minister and a member of the Health Committee.

It is with great difficulty and a bit of sadness that I say that I do not support the motion. I know that it comes with great heavyweight backing from public figures—MPs and former Ministers—but I do not think that it will take the debate forward. When we set up a commission, it can feel like we are kicking something into the long grass, and that is what it feels like we are doing today. This issue has been going on for a long time, and it is, I feel, a lack of political will that is failing to drive the changes forward.

We have had the evidence. There has been a pilot scheme, which was set up by my right hon. Friend the Member for Leigh (Andy Burnham) in Torbay in 2009. The integrated care trust is operating. A former Secretary of State for Health, Stephen Dorrell, who was a very good Chair of the Select Committee on which I served, gave an interview on 22 January in *The House* magazine in which he recalls asking an adviser:

“What is the oldest quote from a health minister saying how important it is to join up health and care services?”

This answer came back:

“Dick Crossman, the Health Secretary in the late 1960s.”

That is how long this issue has been going on, and it has cross-party support.

I want to touch on what some hon. Members have been saying about cross-party support. Perhaps I have been on a different planet, or perhaps, a bit like Bobby in “Dallas”, I have woken up and it is all a dream, but I recall being on a cross-party Health Committee, ably chaired by Stephen Dorrell, that produced many reports, but never a minority report. We came up with a number of conclusions that Members are now saying that we should consider.

In our report on public expenditure, we said that very little of the money spent by the NHS on people with long-term conditions was spent in an integrated way, which meant that significant amounts of money were wasted. In our report on commissioning, we said the NHS Commissioning Board should work closely with local commissioning bodies

“to facilitate budget pooling and service integration to reflect patient priorities.”

In our 12th report of the 2010-12 Session on social care, we said that efficiency savings would not be possible without further integration between health and social care. That has been an aim of successive Governments, but has not been properly achieved.

In our 11th report of the 2012-13 Session, “Public Expenditure of Health and Social Care”, we said that

“health and wellbeing boards and clinical commissioning groups should be placed under a duty to demonstrate how they intend to deliver a commissioning process which provides integrated health, social care and social housing services in their area”

and that there was

“evidence, for example, that 30% of admissions to the acute sector are unnecessary or could have been avoided if the conditions had been detected and treated earlier through an integrated health and care system.”

In our seventh report of the 2013-14 Session, “Public Expenditure on Health and Social Care”, we said that “fragmented commissioning structures significantly inhibit the growth of truly integrated services.”

In our second report of the 2014-15 Session, “Managing the care of people with long-term conditions”, we said that

“in many cases commissioning of services for LTCs remains fragmented and that care centred on the person is remote from the experience of many”

and that an integrated approach was necessary to relieve pressure on acute care.

Members of the Health Committee, including the hon. Member for Totnes (Dr Wollaston) and my hon. Friend the Member for Worsley and Eccles South (Barbara Keeley), who unfortunately had to leave this debate to go to a young carers’ meeting in her constituency, have all sat through that evidence. I know it is real, because it will be on the website of the Health Committee. There are pages and pages of evidence on where we can get things right.

In particular, our report on “Social Care” said:

“Although the Government has ‘signed-up’ to the idea of integration, little action has taken place... The Committee does not believe that the proposals in the Health and Social Care Bill will simplify this process.”

We called for a single commissioner with a single pot of money who would bring together the different pots of money and decide how resources would be deployed.

One thing we did as part of our inquiry into health and social care was to visit Torbay, which has not been mentioned today, where we saw integrated care in action. Mrs Smith, who is fictitious but could be any one of our constituents, has one point of contact: she only has to make one phone call. Mrs Smith has seamless social care up to the health service and back again. The health service workers have been upskilled and can help her through the whole system. The local authority and the local hospital worked together so that when Mrs Smith is unwell and has to go to hospital, she can be tracked through the whole system. That is integrated care in action in Torbay. One concern was what would happen and whether such integrated systems would work under the Health and Social Care Act 2012, but I have seen it working.

There is another interesting area where integrated care is working. Another visit we made was to look at integrated care in Denmark and Sweden. In Denmark, we saw the most fabulous building in which elderly people could be cared for, and where they could be visited by GPs. It looked more like a hotel than a home. We were told, “We are looking at your system. We are looking at Mrs Smith.” At that point, we nearly fell off our chairs, because we had come to Denmark to find out how its system works.

Norman Lamb: I appreciate the hon. Lady’s kind words. She is talking about all the various initiatives and the need for political will, but the conclusion is that none of those things has happened. There has not been the political will because of the acutely partisan environment in which we all work. Does that not make the case for a process—which the Government could buy into and all the parties could commit to—that will deliver change in a defined period?

Valerie Vaz: I think that the Health Committee structure has such a purpose.

Norman Lamb: The Government have not bought into it.

Valerie Vaz: Well, they have. The Government have a responsibility to respond to the Health Committee. If the right hon. Gentleman waits until the end of the speech, he will see where I am heading. I agree with his idea that something needs to be put together. I do not like knocking good ideas on the head; I like to see such things taken forward. As the hon. Member for Stafford (Jeremy Lefroy) said, it is either “a commission or whatever”. It may be that the right hon. Member for North Norfolk has a good role to play in pulling all this together and taking forward the idea somehow, but at the end of the day, it is a political decision for the Government of the day to consider.

I want to move on to discuss my local hospital, Manor hospital, and the local authority. In Walsall, we are lucky to have a settled community, and we have one local authority dealing with the local hospital. Work is carried out by the local authority and the hospital together, and they can talk things through. When difficulties arose at the hospital in Stafford—the A&E closed, and we had to take on extra maternity services—it was much more difficult, taking on patients from different areas, to deal with local authorities in different areas. Such relationships had not been built up, but they can be built up and, with the best will in the world, I am sure they will be. We know that workers in the health service work very hard and extremely well together to ensure that such relationships exist. If that works for one local authority, I am sure it can work for other neighbouring authorities.

Interestingly, the right hon. Member for North Norfolk has involved two former Secretaries of State for Health, Alan Milburn and Stephen Dorrell, in his commission. If I was really cruel, I might say that they were Secretaries of State for Health, so why did they not do something about it then and why do they think they can do something about it now? As I have said, there is a way forward. Many Members have alluded to the myriad reports. The King’s Fund has produced a report, the Nuffield Trust has produced one and many universities have produced reports. There have been lots of words, but we need a little more action.

My only difficulty with the proposed commission is the accountability structure. I am not sure who it would report to and there would be no obligation on the Government to respond to it in the way that they have to respond to the Health Committee.

I want to touch on the issue of money. We had a reorganisation of the health service that cost £2 billion and counting. If the Government can sit down with a company to reduce its tax liability and, hence, what flows into the coffers of the Treasury, that has an enormous impact on the Mrs Smiths of this world and on all of us. That is why, as our second report of 2014-15 stated, the Government said in evidence to the Select Committee that

“the ambition of achieving integrated health and care services by 2017 had been given ‘quite a turbo charge’ by the introduction of the Better Care Fund”.

The then Minister of State, the right hon. Member for North Norfolk, said that

“by 2015 the whole country will be starting to see a significant change.”

[Valerie Vaz]

That may be something that the Health Committee could look at and produce a report on or even that the “commission”—in inverted commas—or whatever it is that the right hon. Gentleman and his colleagues extract from the Government could consider.

We have the evidence—we have the care trust and the pilot—and, in the Government’s own turbo-charged words, we have the will, hopefully. Finally, I am not persuaded that a commission will bring about the change that all of us so desperately need.

3.21 pm

Helen Whately (Faversham and Mid Kent) (Con): It is an honour to follow my hon. Friend the Member for Stafford (Jeremy Lefroy), who made some very good points and helpfully referred to the Barker report, which deserves to be debated. We must take a grip of some of its proposals. Although I am sure we do not all agree with everything in the report, it is a good thing to talk about.

It is also an honour to follow the hon. Member for Walsall South (Valerie Vaz). I am now a member of the Health Committee, so it is good to hear about her experiences on the Committee and to reflect on what I might do with my fellow Committee members to make sure that we are effective in driving forward the agenda of the integration of health and social care, about which she spoke so powerfully.

I thank the right hon. Member for North Norfolk (Norman Lamb), the hon. Member for Leicester West (Liz Kendall) and my hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) for calling for this debate. It has been a good, wide-ranging and productive conversation about the future of the health service and social care. There have been extremely interesting contributions from my hon. Friends the Members for Totnes (Dr Wollaston) and for South West Wiltshire (Dr Murrison), the right hon. Member for Sheffield, Hallam (Mr Clegg) and my hon. Friend the Member for Lewes (Maria Caulfield), among others.

I share the desire and aspiration of the right hon. Member for North Norfolk to take the politics out of the NHS and discussions about the health service and social care. There are certainly situations, particularly in the run-up to elections, when there is very unhelpful scaremongering from all sides about what is going on.

Mark Tami (Alyn and Deeside) (Lab): I agree with the hon. Lady. We need to look at this matter for the long term. Whoever makes such statements during election campaigns—whether it is us or the Government—the talk of death taxes and such things is not particularly helpful, because we need to form a cross-party view, given that we require long-term measures that will cost money. There is no way of getting out of that.

Helen Whately: The hon. Gentleman might want to hear what else I have to say before he agrees entirely with what I am saying, but we share the view that scaremongering is unhelpful.

In a health system that spends £135 billion of taxpayers’ money every year, that employs 1.3 million staff and that has over 60 million users in the British population, there is no way in which this issue cannot be political,

as the hon. Member for Leicester West said. It just is political. It is no bad thing that it is political, because it means that there is a debate about it and, out of debate, we get better answers. It also means that the public are given a choice.

One concern I have about the proposed commission is that there appears not to be a consensus on what it should be about among those who support it. I have heard this afternoon that it should be about the future funding settlement for health and social care, but also that it should be about public health, the structure and configuration of the NHS—the estate solutions—the future role of mental health in the health service, prevention, and the integration of health and social care. To me, that is a problem. If the commission is to be effective and short—a period of one year is proposed—and if it is to lead to something concrete, it cannot possibly be that wide-ranging. I worry that those involved in the commission will spend a huge amount of time working out, and disagreeing among themselves about, what the commission is looking into. That process would be an enormous waste of time, money and attention—there is a limited amount of attention, brain power and resources to put into such a discussion about the future of health and social care, which is an opportunity cost.

To the extent that the commission might focus on future funding for the long term of health and social care, that is important and should be given a huge amount of attention. We need to look further out, but if anything is political, it is that question. Questions such as how much as a society we should spend on health and social care, what proportion of GDP or what amount per person we should spend, and how it should be funded—should it be taxes, charges or co-payments—are important, but they are very political. They are questions of value. It would be incredibly difficult to take the politics out of them.

In fact, it would be wrong to come to a consensus. We need a debate and we need to disagree. We need to give the public a choice. Just as the current funding settlement through to 2020—the £8 billion or £10 billion in this Parliament—was put to the public last year at the general election as part of an overall package of Government spending, taxation, debt and deficit proposals, future funding for the health and social care system should be put to the public at a future election. It is not something that should be agreed by insiders in a commission between now and the next election—the suggestion is that it should move quickly. That is a worrying proposal if I have understood it right. The public should decide that and it should be debated in the run-up to an election.

Mark Durkan (Foyle) (SDLP): Does the hon. Lady really believe that the public would be happier with a confused and disagreed choice that has been argued over between parties rather than an agreed and long-term choice that puts real priorities and undertakings in front of them?

Helen Whately: The public would rather be given a choice. We will have a debate about Europe in the run-up to the forthcoming referendum, which voters voted for in the election. We should respect voters and put choices to them on which they can take a view.

Caroline Flint: I understand some of the hon. Lady’s points and have heard contributions about all aspects of health this afternoon. The central point of the motion

is funding. The truth is that no political party in the past 40 or 50 years has put before the electorate a clear framework of what the state will pay out of the pooled funding we get from national insurance and income tax, and what people will add on top based on their income or assets to fund the future of social care. We have never had that proposition because it is not within the mix of a general election. In the bustle and the back and forth, a debate on that has not been allowed to happen. We, as politicians, are to blame.

Helen Whately: I agree with the right hon. Lady that it is difficult in our election cycle to think further ahead, but it is not impossible. During the last Parliament, the NHS came up with the “Five Year Forward View”, which at the time was supported by all major political parties. With that experience behind us, it is possible to go ahead and come up with further long-term views. As I said, a debate, rather than aiming for a consensus, would be helpful. That is exactly the sort of thing that think-tanks, researchers and all sorts of organisations can, are and should look into.

I want to highlight the fact that this issue is political. The right hon. Member for North Norfolk mentioned an organisation called NHS Survival. I saw on its website that lots of clinicians are involved with it. It is fabulous that clinicians are involved in this discussion about the future of the NHS. That said, the founder of the organisation was also, according to its website, the person who initiated a petition calling on the Secretary of State for Health to resign. The right hon. Gentleman called on NHS Survival as an example of a body lobbying for a commission, but it is clearly very political. There is no way of taking the politics out of this.

Norman Lamb: I totally share the hon. Lady’s view that the politics should not be taken out of health. As others have said, we spend such a substantial amount of public money on the NHS and social care that it is absolutely right it should be subject to political debate. However, as others have said, in particular the hon. Member for Leicester West (Liz Kendall) and the right hon. Member for Don Valley (Caroline Flint), we do not ultimately, in the partisan environment we work in, confront the really difficult issues. They keep being put off. This is the whole problem. However much in theory she describes a perfect democratic situation in which these issues are debated and resolved, they are not resolved. We remain drifting into crisis because we are not confronting it.

Helen Whately: The right hon. Gentleman makes an important point about the need to look at and confront the long-term future funding settlement. I just do not think a commission is necessarily the right way to do it. The fact that we are having a conversation about it now, here in this House, is in its own right a good thing.

Maria Caulfield: Does my hon. Friend agree that NHS England is non-partisan and that the “Five Year Forward View” is non-partisan? It has considered all the aspects, and the role of a political party is to decide whether to support that or not. Too often, it is the politicians making the suggestions, not the NHS.

Helen Whately: I agree with my hon. Friend that the “Five Year Forward View” was a landmark document in that it set out the NHS’s own plan for its own future,

supported by political parties. The more it can be encouraged and enabled to have that autonomy—and for organisations within the NHS to have that autonomy—to determine its own future, the better.

Another proposal is that the commission should focus on the integration of health and social care. In many ways that is already in progress, with many different models being pursued—it is one of the important features of the “Five Year Forward View”. One thing I am wary of is that the commission might come up with a one-size-fits-all model for integrated health and social care. If we have seen anything in recent years, it is that one-size-fits-all is not a good idea. One of the good things going on at the moment is the development of different models, whether in Manchester or in a local vanguard area such as down the road in Whitstable, looking at different ways of doing things. That is healthy. Each area could and should work out for itself the way to bring health and social care together. What we, and Government, should do is enable, support and encourage areas to move forwards and be bolder, and not necessarily impose a single template of how it should be done.

I am very mindful of the problems and outcomes challenges the NHS has on a national level, but in my constituency I have two trusts in special measures. My 100-year-old grandmother is, right now, in an acute hospital. If the system was working better, she would not be there. The health service has many problems, as well as many strengths. We should focus on how the NHS can get on with things that are in the pipeline. There have been many allusions to recent reports and evidence of best practice that is not being replicated enough across the system. There is a lot going on: the development of the vanguards, devolution, integrated care organisations and so on. All that good stuff is happening and we just need to get on with it.

We need to shift care, especially primary care, out of hospitals and, as people who can hold the Government to account, we need to make sure that the funding follows that shift. That is something that concerns me, and let us keep an eye on it. We also need to shift towards, and provide the funding for, parity of esteem for mental health and to improve the quality of care through transparency, technology and developing a learning culture in the NHS, with a greater focus on outcomes. This is happening, but we need more of it.

I am particularly concerned about the terrible morale among the NHS workforce. About 80% of junior doctors have said that they do not feel valued by the organisations they work in, and the figure is similar for other members of the healthcare workforce. That is an enormous problem. If I was to call for a commission on anything, I would call for one to look into why the workforce is so downbeat and demoralised. That is a fundamental but specific issue about which something could be done.

Overall, the NHS needs to get on with achieving the productivity opportunity that it identified and committed itself to in the “Five Year Forward View”. Many people are sceptical about the NHS’s ability to make £20 billion of efficiency improvements in the coming years. To do that, it needs to be bold and make the most of technology to reduce the enormous wastage in the NHS. It needs to solve the problem of patients not being discharged or coming to hospital unnecessarily. It needs to join up with the social care system around the NHS and address the shortage of nursing beds, for instance, which is an

[Helen Whately]

acute problem in my constituency and one of the major reasons patients are in hospital unnecessarily. I want all these things happening more quickly, on a larger scale and with greater boldness. The NHS and the social care system need to direct their energies at doing that, instead of being distracted by a commission covering the wide range of subjects mentioned today.

To conclude, I welcome our having a conversation that feels a lot less party political than many conversations about the NHS and which looks to the long term, as well as the near future, but I do not support the commission proposed by the right hon. Member for North Norfolk.

3.37 pm

Debbie Abrahams (Oldham East and Saddleworth) (Lab): I congratulate the right hon. Member for North Norfolk (Norman Lamb), my hon. Friend the Member for Leicester West (Liz Kendall) and the other Members who secured this debate. We have heard some thoughtful speeches and different views from both sides of the House. I reflect on the comments of the hon. Member for Faversham and Mid Kent (Helen Whately), whom it is a pleasure to follow. I, too, believe that the commission, although in principle a good idea, would be a distraction.

My hon. Friend the Member for Walsall South (Valerie Vaz) talked about what was different in 2009. In 2011, just after the coalition Government formed, we had the opportunity to hold a cross-party roundtable. It was proposed by my right hon. Friend the Member for Leigh (Andy Burnham), but rejected by the coalition. It comes down to what many people have said about the difficulty of taking politics out of such a debate. It is down to political will.

There are a few points I want to talk about. The hon. Member for Bracknell (Dr Lee) made the point—and, although coming from a different viewpoint, I fundamentally agree with him—about having different ideological perspectives. I want to focus for a moment on the Health and Social Care Act 2012. I served on two Bill Committees with the hon. Member for Stafford (Jeremy Lefroy)—who really embodies the term “honourable Gentleman”, so I am sorry I disagree with him on this point. At the time, the Opposition made real efforts to explore and provide the evidence base for the implications of the Bill and what would happen, and I am afraid that much of that has come true.

All this is based on the fact that the Government, and at that time the coalition Government, have a different view of the NHS and, I suspect—although I cannot recall whether this is on the record—how it should be funded. We believe absolutely passionately—we fought the general election on this basis, as we did on a number of issues—in a publicly funded NHS, funded through general taxation, with the NHS as a preferred provider. We have committed to repeal the Health and Social Care Act, because we believe that its basis—section 75, which compels all providers to put their contracts out to tender—is wrong, and it has been proven wrong.

Caroline Flint: My hon. Friend is right: we do support a publicly funded NHS, but it has also been Labour party policy in social care that we think people should make a contribution. The problem with the politics is that we cannot come to a defined space where we can all

agree on what is a reasonable contribution. We have to be up front about these things, because we need a system, particularly in social care, where we have to look at other models of how we provide those services and what will be expected for people to finance them, do we not?

Debbie Abrahams: I would not disagree with my right hon. Friend, but to pretend—and that is what it would be—that we could reach that conclusion on a cross-party basis would be an illusion. That does need to happen, but we come from completely different perspectives, and that needs to be considered.

In the first year of the legislation, contracts worth £16.8 billion of public money went out to tender under the Health and Social Care Act, with 40% going to private healthcare companies. We could track that because it was on Supply2Health, a public website that was taken down, which meant we could no longer monitor it. Care UK won 41 contracts worth £110 million; and again, the association of donations to different political parties is on the record. Some £5 million has been wrapped up in funding for competition lawyers. In my constituency in Oldham, my community trust, which also provides our mental health services, has said that the amount of time and money wrapped up in competing for tenders has increased inexorably. That is a distraction, and having a commission, getting away from these central points, would also be a distraction. As I say, we come from different ideological perspectives.

Mark Durkan: Given what my hon. Friend has said about the impact of the legislation in the last Parliament, does she believe that a commission would have a more adverse impact on the long-term future of the health service than that legislation is having, which is based on the old way of doing business?

Debbie Abrahams: We come from completely different perspectives, as I have just mentioned to my right hon. Friend the Member for Don Valley (Caroline Flint). My hon. Friend the Member for Walsall South said this had been mooted back in the '60s, but if we think that now, just a few months after our debate on the Health and Social Care Act, something has suddenly changed, I would respectfully ask, what has changed?

Again, a commission would be a distraction from what we really need to have our eye on: what is happening in health and social care at the moment. We know that the decisions made about staffing and training, for example, have put our workforce plans in jeopardy. One reason why we have financial problems is that three out of four trusts are now in deficit—currently a deficit total of about £840 million, which will run up to £1 billion by the end of the year.

Norman Lamb: Is there not a danger with the approach that the hon. Lady advocates? We can continue to have a go at the Government and say how awful the pressure on staff and the deterioration of services are—I accept that a lot of that is happening—but is it not better to try to achieve a solution rather than wait in the hope that at some point in the future, a Government might take a decision to provide the necessary funding and other necessary changes?

Debbie Abrahams: As I teased the right hon. Gentleman last week at a Radio 5 Live interview, “so says the former Minister who was saying something quite different

just a few months ago"! I do not want anyone to be under any illusion about this. I am not saying that we should not be planning for 30 and 40 years hence. I am saying that, given the vastly different ideological perspectives—I have provided one example, showing how much we disagree about the Health and Social Care Act 2012—trying to pretend that we can agree is naive.

In the last Parliament, I was chair of the parliamentary Labour party's health committee, and we undertook an inquiry that looked into the effectiveness of international health systems—it is published on my website for everyone to have a look at. We were particularly concerned about quality and equity in access and outcomes, because we knew there was a vast difference in both those respects. The inquiry showed quite conclusively that where there was competition, privatisation or marketisation in the health system, health equities worsened. It revealed that there was no compelling evidence to show that competition, privatisation or marketisation improves healthcare quality. In fact, there is some evidence to show that it impedes quality and increases hospitalisation rates and mortality. This was peer-reviewed evidence—a review of a review of evidence—not one-off studies. It was the strongest type of evidence showing that marketisation and privatisation worsen health equity and worsen the quality of care.

We need to take a forward view, 30 or 40 years hence, about how to continue to fund the NHS and social care. This is a distraction, however, from the crisis that we have right now. We have seen A&E waits up 34% since 2015, failure to meet cancer 62-day treatment standards up 14%, and diagnostics up 36%. It goes on and on. Mental health cuts in 2014 meant the equivalent of £600 million-worth of cuts to mental health trusts. What has changed in the last few months? Delayed discharges reflect the care crisis, with £3.6 billion taken out of the budget for social care in the last Parliament. There is supposed to be £4.3 billion and a 2% precept, but it has been rightly said that it will not make up the difference. As my hon. Friend the Member for Leicester West said, since 2010, half a million fewer older and disabled people have received state-funded support.

In my constituency, I was doing my regular door knocks when I encountered an elderly lady in her 70s. She opened the door and presented me with a bubble pack of medicines and told me that she did not know what she had to do. She had never met me before. She was dishevelled and wearing a dressing-gown in the middle of the afternoon. This was a woman who clearly needed our help and needed support. She was all on her own and did not know what the medications were. I managed to get somebody there. I wonder, though, how much more this is likely to be happening up and down the country. The system is in a crisis, which is a real concern.

Dr Wollaston: In many instances around the country, the use of care co-ordinators and the existence of a single point of contact are not only providing better care for individuals, but saving money for the whole system by avoiding the need for admissions and allowing people to go home early. We should focus on the good examples, and on how services can be made available in a more co-ordinated way.

Debbie Abrahams: I entirely agree. That was another of our manifesto pledges. I also thought that what the hon. Lady said in her speech was spot on.

Let me return to what I was saying about distractions. We also need to look at the issue of funding and resources. The hon. Member for Totnes (Dr Wollaston) said something about that as well. Real-terms growth in spending in the last Parliament was the lowest in the history of the NHS, at less than 1%, whereas between 1997 and 2009 it was about 6%. The figure in the last Parliament was about 7.5% of GDP, slipping below the European Union average. We are now moving towards the bottom of the league, which is where we started in 1997.

So far, we have not even talked about devolution. I am a Greater Manchester Member of Parliament. The devolution offer to Greater Manchester was £6 billion, although the current collective health and social care economy is worth £10 billion. There has been no talk of contingency arrangements for, say, a flu pandemic. It is an absolute disgrace.

I also agree with the hon. Member for Totnes about the lack of an evidence base for decisions. I have provided an evidence base: our committee looked into resources and funding and how both quality and equity could be improved, and found vast disparities across the country, as well as disparities in outcomes for different groups of people. We should repeal the Health and Social Care Act and ensure that the NHS is the preferred provider.

Maria Caulfield: Will the hon. Lady give way?

Debbie Abrahams: I hope the hon. Lady will not mind if I do not. I have spoken for some time, and I am being pressed by you, Mr Deputy Speaker—[*Interruption.*]

Mr Deputy Speaker (Mr Lindsay Hoyle): Not by me.

Debbie Abrahams: Go on, then.

Maria Caulfield: The hon. Lady spoke of repealing the Act. As a former NHS employee, I am frustrated by the fact that there has been too much reform, reorganisation and reinventing of the wheel. I issue this plea: please do not make any more structural changes.

Debbie Abrahams: I have chaired a trust, I am a former public health consultant, and I entirely agree with the hon. Lady. In the run-up to the election, we committed ourselves to repealing the Act without a reorganisation, because we thought that we could integrate and bring together health and social care in a better way that would not have required that reorganisation.

We need to feel confident that our NHS and care system is there for all of us, and for our parents and our children. It should be based on people, not on profit.

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. The winding-up speeches will begin in 15 minutes. I call Dr Philippa Whitford.

3.53 pm

Dr Philippa Whitford (Central Ayrshire) (SNP): I, too, attended the debate on 2 June last year, and I remember expressing my shock at the violence that was taking place between the Dispatch Boxes. I considered leaving the Chamber, because it did not seem to be a very useful debate and I did not see the point of taking part in it, but then I thought "No, let us get in and tackle this", and I did make a comment. I said that, regardless of the differences in the way in which politicians

[Dr Philippa Whitford]

would “do” the NHS, the public absolutely believed in it. We have had a fantastic debate today, because people have expressed different views and different outlooks, but have done so calmly.

As was mentioned by the right hon. Member for North Norfolk (Norman Lamb), the challenges of increasing demand caused by age and multi-morbidity are found not just north and south of the border, but throughout the developed world. We also face the challenge of not having enough doctors, in both primary and secondary care. That, too, applies throughout the nations of the United Kingdom.

There are some challenges that we do not face in Scotland. We have not experienced the fragmentation that resulted from the Health and Social Care Act 2012. Indeed, we got rid of hospital trusts back in 2004. We have gone, therefore, to geographical boards—we just have health boards—so there is no barrier between primary and secondary care, which people used to pitch across. Since April of last year our joint integration boards have become active. They ran in a theoretical way for about a year, but the vast majority of them went live last year and the last one will go live in April this year. That is putting the pot of money into a joint space where health and social care work together, break down the barriers and realise there is no benefit in sticking a person in a bed and then looking to see who should pay for it. What purse the money is in has often been the biggest problem.

We cannot develop integration if what we are actually developing is fragmentation and competition. That is why we have not gone down the route of outsourcing to private providers. It wastes a lot of money and effort, and people are competing instead of co-operating.

We obviously have different systems in Scotland. We have free personal care, the level of which has been increased to allow us to keep at home people with more complicated conditions. That is important. Since June of last year we have been going through a national conversation. Whether we have a commission, a committee or whatever, it is important that the public and the staff are involved, as well as the people who have written all the reports—Marmot, Wanless, Barker, the King’s Fund, the Nuffield Trust. There must be a way of bringing these together and picking out the good bits to get a shape. Our piece of work is looking towards 2030; that is what we are working on at the moment.

We did a piece of work that started in 2011-12 called “2020 Vision”. It was very like “Five Year Forward View” and addressed where we wanted to be and what shape we wanted. That identified that the No. 1 thing was integrating health and social care.

Talking about the money for this and where it comes from is always going to be political. At the moment national insurance is bizarre; it starts when people earn £7,000 when we would not tax them, and it stops when people retire, although they might be incredibly wealthy. I do not think people see it as national health insurance, which is how it started. Where the money comes from and what it is put towards is a political decision.

To get some kind of shared view of where NHS England and indeed the NHS in all the nations want to be in 2030 could be a useful piece of work. I totally

agree with the hon. Members who have expressed anxiety about kicking this into the long grass. I certainly do not think it needs to stop any piece of work going forward. To me, this provides a place where that can come. One of the features in Scotland in developing quality measures is bringing groups of people together for an annual conference; I am a great believer in getting people into a room—maybe not always a room like this one; maybe a more co-operative room—so that people can say “This is what we found difficult. This is how we fixed it. This is where we are stuck. I see you solved that.”

One of the projects that Nicola Sturgeon has taken forward is called “once for Scotland”. It is not eternally going through local projects and experiments that never get shared with anybody, and everyone reinvents the wheel. That is a huge waste of energy.

Obviously the Government have committed to the £10 billion and that has been welcomed, but more than £2 billion of that is already gone in the deficits. That increase is focused purely on NHS England, whereas normally funding is described in all the Department of Health responsibilities. The other responsibilities are facing a cut that is described as approximately £3 billion. The King’s Fund, the Nuffield Trust and the Health Foundation identify the increase as in fact about £4.5 billion—so not exactly the headline figure.

The “Five Year Forward View” has been mentioned, and that asks for £8 billion but it also identified £22 billion that had to be found. That is fairly eye-watering. Let us think about two of the things that were identified within that. One was a change in how people worked.

Norman Lamb: The hon. Lady is talking a lot of sense, as she always does. The “Five Year Forward View” set out three scenarios, but it did not ask for £8 billion; that is just the narrative that has developed. The efficiency assumptions on which the £8 billion—or £10 billion, or whatever we want to call it—is based are unimaginable. They are at least 2% to 3% throughout the period between now and 2020, and everyone knows that that is not going to be delivered.

Dr Whitford: I thank the right hon. Gentleman for his intervention. Even without recognising that no one has ever achieved those levels of efficiency savings, we need to acknowledge that a big chunk of this is about prevention. More than £5 billion of the £22 billion has been identified as relating to people not going into hospital and not getting sick, yet public health expenditure has been cut by £200 million in-year, with another £600 million to go. That amounts to a 3.9% cut. Lots of people will think that that just means less smoking cessation and less preventive work around alcohol, but public health should be much bigger than that.

I understand that there used to be a Cabinet Committee on public health in this place. Public health should be feeding into all the decisions that are made here. We also need to ensure that our directors of public health are strategically involved in local government, because the shape of our town centres will determine whether we have car-based or active transport, how we design our schools and whether we flog off our playing fields. All those things will interact with health.

It has been said that secondary care always gets the bigger bite of the cherry. We talk about fixing the roof while the sun is shining, but in fact, when the window

has just come in or the door has just come off its hinges, that is what we fix first. That is very similar to secondary care, which is actually the national illness service. It responds to people who are already ill. We are developing more complex and expensive treatments that allow us to keep people alive, and we need to recognise that. People talk about the catastrophe of ageing, but I would like Members to focus on what the alternative is. People used to say, "Age does not come alone, and it is terrible." In the field I worked in, however, not everyone gets old. Age is something that we should value, because wisdom and a sense of community come with it.

However, we need to be ready to develop the services around older people, and that means not always just patching things up at the end. We need more intermediate care to allow step-up and step-down beds, and we are working on that in Scotland. In particular, we need to focus on primary care, as the hon. Member for Stafford (Jeremy Lefroy) said. That is the real generalism. The GP is the person who is able to make a diagnosis because they have known the patient linearly over many years. However, GPs are on their knees and that is a UK-wide problem. They are under huge pressure because of the demand and the complexity. Within that, of course, we must talk about the lack of mental health services. They have been ignored for a long time, but that is beginning to change. In Scotland, we have a waiting time target for child and adolescent mental health services. Unfortunately, it is proving very challenging to meet that target, but we have doubled the number of staff in those services and we hope eventually to see improvements.

We need to be looking at these issues more broadly. The hon. Member for Oldham East and Saddleworth (Debbie Abrahams) and I—I am not very good at learning constituencies that have two names; I find one name a challenge with 650 people here—are members of the all-party parliamentary group on health in all policies. We have been taking evidence on the health impacts of increasing child poverty, of which we are going to see even more. We need to recognise that every decision we make feeds into whether our citizens are healthier, physically and mentally, or less healthy. That is about welfare. It is particularly about housing, which has one of the biggest impacts on health. The hon. Member for Stafford mentioned those impacts in our debate yesterday on supported care. If we lose supported care in the community, we are never going to get people out of hospital. I want to make the plea, as I did in my maiden speech, that we in this place should put health and wellbeing—meaning mental health—across all our policies and measure our decisions against those factors. Far too many decisions are made in a broken up, narrow way without looking at the ramifications for everything else.

4.4 pm

Heidi Alexander (Lewisham East) (Lab): It is a pleasure to follow the hon. Member for Central Ayrshire (Dr Whitford), and I congratulate the right hon. Member for North Norfolk (Norman Lamb) on securing the debate today. I thank all the right hon. and hon. Members who have contributed to the debate. It has been an important and well-informed one.

Many hon. Members have spoken about the seriousness of the financial challenge facing our health and care system. They are right to do so. Many hon. Members have also been right to say that we need a big, honest

national debate about what excellent care services look like and how we might pay for them. I have been the shadow Secretary of State for Health now for just four months. In that time, it has become obvious to me that the NHS and care system is facing unprecedented challenges—huge hospital deficits, care home providers on the brink of failure, older people in hospital because they cannot get the support that they need at home, more critically ill people waiting longer than ever before for ambulances and large chunks of the workforce so demoralised that they want to up sticks and leave for the southern hemisphere.

For many people who use the NHS, this picture may sound unfamiliar. For the majority, the NHS still provides excellent care and it is important to recognise that and to thank the thousands of dedicated staff who ensure that that happens. But the system fails many others, and the risk is that it starts to fail more and more people as time goes on.

When I was asked to do this job, I knew that the NHS and care system was under pressure. I knew that demographic change and the march of technology, both in and of themselves good things, were placing demands on a system designed for a different century. As a constituency MP, I have visited isolated older people, many feeling like prisoners in their own home, surviving with the help of a meagre care package or the support of family and friends if they are lucky. As a local authority councillor, I saw the soaring demand for adult social care, and the woefully inadequate budget to deal with it. Demand is growing because our population is ageing but also because advances in medicine enable babies who previously might not have survived to live not only into childhood but into adulthood.

On a personal level, I knew that in my own family, my grandmother had spent the last few years of her life in and out of hospital on an almost weekly basis, driven as much by crises of loneliness as by a deterioration of her chronic obstructive pulmonary disease. I knew that my other nan was forced to sell her home to pay for her care when she developed vascular dementia, meaning that all but £23,000 of her £140,000 estate disappeared. All these things I knew before I became the shadow Secretary of State, but it was only when I visited hospital after hospital up and down the country in the past few months that my eyes were really been opened.

The image of frail, elderly people, perched alone on beds in emergency admissions units or in rehabilitation wards is the abiding picture that stays with me following my first four months in this job. It made me feel uncomfortable. As a childless 40-year-old woman, I asked myself whether that would be me in 50 years. Was it the best place to be? Was it the best we as a country could do? The image may have been uncomfortable, but the numbers say it all. One in four hospital beds are occupied by people with dementia. Half of all people admitted to hospital are aged over 65. More than 300,000 people aged over 90 arrive at A&E by ambulance every year.

When we get older—and it will come to all of us, hopefully—hospital will sometimes be necessary, but it should not become the norm. I know that we have to address this problem. The system needs to be redesigned so that it gets the right sort of support to people at the right time and in the right place to prevent problems from escalating.

[Heidi Alexander]

We have to be honest, however, about the fact that this involves a price tag. While savings can still be made and there will be ways to make the system more efficient and less wasteful, there are simple underlying pressures that cannot be wished away. With every day that goes by, more older people are living with increasingly complex and often multiple conditions. Some say that family members need to step up and care for elderly relatives, but others say that that is unrealistic. New drugs and treatments also become available every day, yet at not insignificant cost. It might be tempting to brush these uncomfortable truths under the carpet, but we cannot, and we would fail generations to come if we were to do so.

That brings me on to the proposal that we are debating: the establishment of an independent, non-partisan commission to determine what a long-term financial settlement for the NHS and social care system might look like. I understand the superficial attraction of the proposal. I have been stopped on the street and in the gym by people I have never met who say, “Why can’t the politics be put to one side when it comes to the NHS?” I understand that sentiment, as politicians are not always the most popular bunch and we are too often seen to be advancing our own parties’ interests rather than those of the public. However, the way in which we fund elderly care is the most deeply political question that our country faces in the next decade, and it is political because it is about who pays and who benefits.

While the NHS is a universal, taxpayer-funded system that is free at the point of use, social care provision is a mixed bag. Those with money pay for care themselves, while those without rely on councils to provide what support they can. There has been a “make do and mend” approach to social care in recent times, but our changing population means that that is no longer an option.

I spoke earlier about my nan, a woman of limited means who experienced catastrophic care costs because she developed dementia. My family is not a rich family, but we are not a poor family either—we are like many families up and down the country. When I was growing up, my dad decided to take us on a two-week holiday to Spain each year instead of paying into a pension. He has never bought a brand-new car in his life, but he never let his children go without either. The costs of care faced by my nan and my family fell randomly. Is it right that a woman of limited means who dies of dementia at the age of 85 passes nothing meaningful on to her family when a wealthy man who dies of a heart attack at the age of 60 does? What about those who plan their financial futures having invested in expensive tax advice to avoid the costs of care? These are deeply political questions.

If the NHS and care system are to be adequately funded in the future, the truth is that a political party needs to be elected to government having stood on a manifesto that sets out honestly and clearly how we pay for elderly care, and how we fairly and transparently manage the rising costs of new treatments, drugs and technology. No matter how well researched, intentioned or reasoned an independent commission’s recommendations may be, someone at some point will have to take a tough decision.

Given the cross-party work that has been done in this area in the past, I think that I can be forgiven for being cautious. Let us take the discussions that took place between

by my predecessor, my right hon. Friend the Member for Leigh (Andy Burnham), and the then Conservative and Liberal Democrat Opposition prior to the 2010 election. Just weeks before the election, the Conservatives pulled the plug on those talks, and accusations of “death taxes” were suddenly being hurled around. So much for a grown-up debate to answer the difficult questions. Take also the attempt at cross-party agreement in the previous Parliament which led to some of the Dilnot proposals on capping the costs of care. Those proposals were in the Conservative party’s manifesto, but were swiftly kicked into the long grass just weeks after the election.

I am not sure that attempts to take the politics out of inherently political decisions have worked. Even in the case of something straightforward—a new runway, for example—an independent commission has not exactly led to consensus on how to proceed. It has just led to more delay. As the well-respected Nuffield Trust has said, “Experience shows that independent commissions into difficult issues can have little impact if their recommendations do not line up with political, local or financial circumstances.”

How we pay for elderly care is one of the most difficult decisions facing our generation. It will require political leadership. A political party needs to own the solutions and be determined to make the case for them. I am not ashamed to say that I want the Labour party to lead that debate. I want us to build on some of the excellent work that has already been done in this area, in particular the work of Kate Barker and the King’s Fund. I want the Labour party to spend time talking to people up and down the country about the kind of health and care service they want to see, and to have a frank and honest discussion about what some of the different options to pay for that service might be.

I must be honest, though, and say that I think it was a profoundly political decision in the previous Parliament to cut the amount of money available to councils to pay for adult social care. I say gently to the right hon. Member for North Norfolk that he stood at the Government Dispatch Box and defended the cuts that his Government were making to social care. He dismissed many of warnings that my hon. Friend the Member for Leicester West (Liz Kendall) was making when she was the shadow Care Minister about delayed discharges, cuts to home care, and reductions in other vital services, such as meals on wheels and home adaptations. It is neither realistic nor right to pretend that we do not have fundamental differences on this issue. Any attempt at finding consensus must begin with an acknowledgement of the damage done to social care over the past five years.

Dr Murrison: I am grateful to the hon. Lady for giving way, particularly as I was not in at the very beginning of her remarks. It is most gracious of her. I have been listening carefully and she is making a powerful case. Then she came over all partisan. Does she not accept that fundamental to spending on healthcare, as with the rest of our public services, is a sound economy? Does she accept that this Government have had to make some extremely difficult choices in order to get that economy back on track?

Heidi Alexander: I accept that difficult choices have had to be made, but some of those choices have impacted enormously on some of the most vulnerable people in our society. The hon. Gentleman was not in the Chamber

for the beginning of my speech, when I recognised the seriousness of the problem and the need for urgent action to tackle it. I want to find a solution that works and delivers the change that is needed.

The public are crying out for honesty in this debate. They understand the pressures created by rising demand and new technologies, and they want to be treated like adults. To suggest that this can be all neatly sewn up by an independent commission with the politics taken out of it sounds attractive, but I worry that it will not deliver. For the millions of people who depend on our NHS and social care system, I agree with the right hon. Member for North Norfolk that we cannot afford to have another Parliament where we fail to grasp the nettle. I know his proposal is well intentioned, but I fear that it is not the answer.

4.19 pm

The Minister for Community and Social Care (Alistair Burt): This has been a really great afternoon. I have thoroughly enjoyed listening to all the speeches. It has been the sort of debate that I think people outside this place appreciate. I thank the right hon. Member for North Norfolk (Norman Lamb) and his colleagues for securing the debate. I also thank him, as always, for the contribution he made when he was in the role I am now in. I thank all right hon. and hon. Members for their contributions, not least those with a medical background. We encourage them to remain in active medicine, because it brings an extra dimension to these debates. If I have time, I will address the comments from each Member. I will first respond briefly to the nub of the debate before responding to colleagues' remarks and making some comments on the structure.

The sustainability of the NHS and social care system, whether financial or operational, is a key commitment of this Government. However, we do not believe that there is a need to launch an independent commission into its future. The NHS and wider health system has already examined what needs to be done to ensure the sustainability of the health and care system. Part of the purpose of making NHS England independent was to allow it to examine the circumstances of its finances and project into the future. It did so independently and came up with a figure. The Conservative party, uniquely, met that commitment at the last election and was able to carry it into government. It is important for the House to recognise that right at the beginning.

Norman Lamb: I just want to challenge the Minister on the suggestion that NHS England came up with the figure and the Government met it, because that is not actually what happened. NHS England and Simon Stevens painted three scenarios. The scenario that the Government have met, and on which both my party and his party stood at the election, is based on assumptions that are heroic in their scale and have never been met in the history of the NHS.

Alistair Burt: If I may say so, Simon Stevens said, "Look, it needs £8 billion." It also needs £22 billion in efficiencies. We have met the challenge and put in even more than £8 billion—by 2020 it will be £10 billion. I understand the pressures in the system and fully appreciate the right hon. Gentleman's remarks. The King's Fund stated in its 2015 report:

"Business as usual' is not sustainable. But that does not mean the NHS is fundamentally unsustainable."

Simon Stevens recently said:

"The NHS has a huge job of work to do ensuring an already lean health service is as efficient as it can be—which, in my assessment, people are entirely up for."

He recently told the Health Committee, "In headline terms, £22 billion is a big number, but when you think about the practical examples and do the economic analysis, we have some pretty big opportunities in front of us." We know that the challenge is there; nobody denies that. However, NHS England put its assessment of what it needs to the political parties at the last election. We met that challenge and were elected.

We have spoken about a process, and I will return to that in a moment. What NHS England produced was developed by it, along with Public Health England, Monitor, Health Education England, the Care Quality Commission and the NHS Trust Development Authority. The Government back the plan, but we need a strong economy to be able to do that, as a number of colleagues have said. Without trespassing too much into other areas, that is the meat of political debate in this country. The public are not just asked to make a judgment on the delivery of one particular service, however precious it is. It is about whether they think that those who are promoting their view of a particular service have the economic background to deliver it. That question was also comprehensively answered at the general election. We now have responsibility for carrying that forward. People believed that we could put the money into it, and we have done so.

Liz Kendall: The Minister says that he believes that the Government have met the challenge, so does he think, with regard to funding the NHS and social care, that it is job done?

Alistair Burt: I said that we have met the challenge that was put before us, which was to support what NHS England said it needed. We have done that through the financial commitment we have made. We looked very hard in the spending review to see what social care would need, and the Chancellor came up with the £2 billion social care precept, plus the £1.5 billion from other resources, so that is £3.5 billion extra by the end of 2020. We have put in place the financing that we believe will allow the delivery of health and social care over the next few years. But—and it is a big but, which I will refer to later—it is not just about the resources; it is also about how they are spent. Most colleagues have spoken about variability and how best practice is not always available elsewhere. We have to ensure that best practice comes in, and that is not just about resources; it is also about how things are done.

Dr Philippa Whitford: Is it not the case that the idea of seven-day-a-week, 8 am to 8 pm GP practice was not included in the NHS England estimates, and therefore the cost of that has been added on top? Will the Minister commit to taking the evidence from the pilot studies on whether that is a good use of money?

Alistair Burt: I will. We had this discussion in the Health Committee the other week. I will of course look very hard at the evidence, whether it comes from Greater Manchester and shows that somebody is working effectively and appointments are being filled, or from places where that is not currently the case. We have to wait and see in that regard.

[Alistair Burt]

The spending review showed our continued commitment to joining up health and care by confirming an ongoing commitment to the better care fund. Again, the integration process is extremely important. In terms of the general argument about what should be done, a clear commitment was made, based on an independent assessment of what was required. That required a Government who were prepared to make difficult decisions, and a strong economy, and we assumed that responsibility.

Let me deal with some of the remarks made by right hon. and hon. Members during this conversation—for it is, as the hon. Member for Central Ayrshire (Dr Whitford) said, a conversation, and a really good one. If more debates about health had the flavour of this afternoon's discussion, the public might be happier. She said that her preferred method for dealing with things, as with most of us, is bringing people into the same room and having a conversation—but perhaps not this room. However, there are other rooms in this place in which to do that. Indeed, my hon. Friend the Member for Totnes (Dr Wollaston), the Chair of the Health Committee, does so regularly. This place can provide opportunities for the sorts of discussions that would be at the heart of any cross-party consideration of what we want to do. We should not neglect the fact that we can do that, and we have had a good conversation today.

I agree with the hon. Member for Lewisham East (Heidi Alexander) in that I am fundamentally shy of the idea that we can just put this on to others and with one bound we are free. I understand the sentiment that we somehow need to get, if not the politics, then the heat of the politics, out of it in order to allow for the conversation that we need to have. However, at the end of the day, that still requires a process. Like her, I believe that the process is that we discuss it, come to conclusions within our own party about what we can do, and offer it in a sensible way to the electorate. I entirely agree with those who say that there are times when we have all been guilty of the most ridiculous adverts. At the end of the last general election campaign, I was in a marginal constituency and had a piece of paper in my hand that was our last-minute leaflet. I knocked on doors and said, "Look, we have a choice—I can either hand you this leaflet, which is complete nonsense, or you can give me 20 seconds to explain why you should vote for David Cameron tomorrow and keep a Conservative Government." They laughed and said, "Go on, then", and I had my 20 seconds. We all know that we are sometimes guilty of producing material that in the cold light of day we would not wish to, and in relation to health we need to be extra-careful about that.

As the debate went on, I was concerned about whether the commission that the right hon. Member for North Norfolk and his colleagues is proposing can bear the weight of the many different things that we would like it to cover. My hon. Friend the Member for Totnes wanted it to report rapidly, but my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) intervened to say that it had to be for the longer term, so which is it to be? My hon. Friend also spoke about the problem of variation in the system, but that is not to do with resources. No commission could be so directive as to make sure that best practice is delivered everywhere. We have to do that in another way.

The hon. Member for Leicester West (Liz Kendall) in, as always, a very thoughtful and sensible speech, recognised the political problem in agreeing on this, and she was right to do so. It is very difficult for her, or any other Labour Member, to talk about the introduction of private medicine. If I did not stand here and say, with no deviation, that the Conservative party and the Government believe in a tax-funded health system free at the point of delivery, the roof would fall in. Therefore, there are constraints on what we can say politically, and we have to be thoughtful about how we deal with those responsibilities.

My hon. Friend the Member for Bracknell (Dr Lee) added more weight to the commission by talking about structure, and how we deal with these reviews of where hospital premises might be located. Again, there is this problem of politics. When approached by patients or doctors with a vested interest in keeping a physical bit of bricks and mortar and in saving "our" hospital, it would be a brave one of us who said, "Do you know what? That may not be the best thing." That difficult problem was alluded to by my hon. Friend the Member for South West Wiltshire (Dr Murrison). No commission can get us over that sort of problem.

The hon. Member for Strangford (Jim Shannon) invited me to Northern Ireland to see some integration at work, and I would be keen to visit. My hon. Friend the Member for South West Wiltshire and a number of colleagues made the point about public health. Prevention is about not just the public health budget—significant resources are still going into public health—but what we are trying to do with the shift from secondary to primary care to ensure that people are seen earlier.

The hon. Member for Central Ayrshire talked about ensuring that we keep people well longer. She said that instead of seeing the national health service as an organisation that looks after just the ill, we should consider what it can do before that, which is very important.

The right hon. Member for Sheffield, Hallam (Mr Clegg) spoke principally about mental health. As a Health Minister, I know full well what the coalition Government as a whole did in relation to mental health. They picked up a trajectory that had been disappointingly low, but we are now well on track. I wish gently to correct something that has been creeping into the narrative, which is that it was all going fine until six months ago, but it has slightly come off the rails now. It has not. It was not all sorted during the coalition, and I reject the charge that it is now all about rhetoric and not delivery. We are delivering, and making sure that CCGs spend the increased money that they get on mental health, and we are tracking it for the first time.

That £1.25 billion for children and young people's mental health, which was a very significant delivery by both the right hon. Gentleman and the coalition, has been increased to £1.4 billion, and it will all be spent in that area by 2020. We are dealing with the issue of mental health tariffs as well, and we want to have waiting and access times for children and young people's mental health services.

I encourage the right hon. Gentleman to see, at least in this part of my portfolio, that what I seek to do is to build on what the right hon. Member for North Norfolk did in my role. I would rather that the right hon. Member for Sheffield, Hallam did not talk in that manner and

think that it has all come to a halt, because it has not. We are having to repair one or two things, such as perinatal mental health, in which we have put significant resources. The conversation has been advanced enormously in exactly the right way by consensual discussion, and we will certainly carry that on.

Mr Clegg: The right hon. Gentleman is being a little over-sensitive. I bent over backwards to say that it is entirely understandable that there is always a lag of time between rhetoric and delivery. All I will say, in the most consensual, cross-party, non-finger-pointing way, is that there is a real delay now between the pilots that were started back in 2012 and the paucity of the number of mental health trusts that have placed their financial arrangements on the new non-block grant system. That is the urgency with which we must deal.

Alistair Burt: I accept that. I was not in this post in the period from 2012 to 2015. I am certainly ensuring that we are progressing. I am glad that we have sorted that out. The coalition's involvement with and commitment to this issue have been immense, and I am very proud to carry that on in the way I am doing.

My hon. Friend the Member for Lewes (Maria Caulfield) brought her experience to this debate. She spoke about the integration of budgets for social care and for local authority expenditure in the national health service, which is absolutely crucial. For me, integration is not about getting two groups of people to sit down in the same room every few months or so to have a discussion. It really cannot be done without a combined budget. So long as there are perverse incentives for one budget or another, it will not work.

We are making progress on that and have clear plans to get it done by 2020. We will follow our progress with a scorecard to find out where we are. We have spoken for too long about finding the holy grail, but we are further towards it than anyone has been before. That is not a bad place to be, but we must ensure that we make progress. A lot of this is about relationships; it is not just about organisations being in the same room. Unless people really talk to each other and have a real sense of what can be done collectively, we will not get anywhere.

My hon. Friend made the heartfelt plea, "Leave us be from time to time." That would certainly be echoed by virtually everybody I have ever been involved with in the public sector during the past 30 years. They just wish we would decide what is to be done and let them get on with it for a while before changing it again. I am quite sure that this Government have absolutely absorbed that lesson.

The hon. Member for Don Valley—[*Interruption.*] Will she forgive me? Once I have been in the House for a few years, I will get all such distinctions right. The right hon. Member for Don Valley (Caroline Flint) speaks from a position of great experience and great success. She spoke about the successes and the failures in the system, which we all know about, and about how the commission could look at them. Again, I am not quite sure that it could bear the weight of doing so.

The right hon. Lady addressed the political issues and how difficult some of them are. If she will forgive me for saying so, she made an intervention on the hon. Member for Oldham East and Saddleworth (Debbie Abrahams) that exemplified the point. There are difficult

political challenges within parties as well as between parties across the Floor of the House, and I noticed the little challenge that was made.

I must say to the hon. Member for Oldham East and Saddleworth, who spoke with great passion about her party's commitment to a publicly funded or taxpayer-funded NHS with no deviation from the line, that that is simply not true. It suits her to say it, but it is not true. Let me quote from an article from the *New Statesman* of 27 January 2015, under the headline "Labour can't escape its Blairite past on the NHS, so it should stop crying 'privatisation'." It said that Alan Milburn

"serves as one of many reminders that not so long ago, during the New Labour years, the Labour party was driving through dramatic reforms in the NHS and did not shy away from private money in doing so."

There are variations on a theme, even for the hon. Lady, and she perhaps protested about the public nature of the NHS a little too much.

Debbie Abrahams: I am grateful to the Minister for giving way as he did not challenge me when I made that point. Does he, however, accept that Labour stood on the platform of saying that the NHS should be the preferred provider? As other hon. Members have said, we have learned how important it is that policy driving the NHS should be based on evidence. We now have evidence that a health system with an internal market, or a marketised or privatised health system, which is what this Government are seeking, does not help to improve quality or to reduce inequity in healthcare. That was our platform.

Alistair Burt: Well, the platform was clearly stunningly successful. I am not embarrassed by being reminded of the Labour party's NHS platform at the last election, because it did not succeed. For one reason or another, the public did not believe the stories run about us and the NHS, and they did not believe in Labour's competence to handle the NHS. As we know, the amount of private sector involvement in the NHS is extremely small, and I am not sure that I accept the hon. Lady's description of how it has all turned out. This is an example of how careful we must all be in dealing with such issues. We must not pretend to our publics that we are something we are not and that our opponents are something that they are not.

My hon. Friend the Member for Stafford (Jeremy Lefroy)—he has great experience, given the work he has done with the NHS—spoke about best practice. He wanted the commission, but again added more pressure in the things it would be doing and considering. I would make the point that such a commission happens at a point in time. I know that it would be designed to look ahead, but it would inevitably consider the circumstances pertaining at the time. We need a process for discussing the NHS and its funding—where the money is coming from and how it is spent. We need to make the process work, rather than thinking that one push into the grass will do the job. Again, I am not sure that the weight will be borne in that way.

Dr Murrison: Earlier in his remarks my right hon. Friend talked about having a discussion within the confines of the Palace of Westminster. He appears to be moving in that direction again. Does he agree that there is a need for a more iterative process with the public at large?

[Dr Murrison]

A commission of the sort that the right hon. Member for North Norfolk has proposed might go some way towards that.

Alistair Burt: I think that engagement with all involved is essential. When I am away from Westminster, engaging with patients, the public and staff is fundamental to the visits that I make to the services for which I have responsibility.

There is nothing to stop any of the work that the right hon. Member for North Norfolk is suggesting from starting. It is essential that everybody is fully involved. I do not think that the Government or the Opposition will make any of their decisions on the NHS or its expenditure by excluding anyone.

The hon. Member for Walsall South (Valerie Vaz), in a turbo-charged contribution, also spoke of the importance of getting integration right. She reminded us that Dick Crossman started it all off. I am sure that we have all had election manifestos that have spoken of an integrated transport system and integrating health and social care. Now we just have to make sure it happens. She made the point that no amount of talk or number of recommendations relieves someone of the burden of doing it. At the end of the day, it is doing it that counts. That is the role of the Government, while being appropriately challenged by all others.

I am delighted that my hon. Friend the Member for Faversham and Mid Kent (Helen Whately) spoke of the importance of the workforce, particularly the workforce in social care, who have a very difficult time of it. They have great skills and need to be on a career pathway where they can acquire more. They also need to be valued. Again, my hon. Friend believed that the current mechanisms were better than others for dealing with these difficult problems.

To conclude, I will give my sense of the debate. I found it slightly hard to distinguish what the foundations of the debate were—whether it was about the quantum of funding or how the funding was gathered into the health budget in the first place. The commission is expected to cover a breadth of issues, but I am not certain that it can bear the weight. Decisions need to be made, no matter how the information comes forward.

We do not need a commission to deliver the process or to take the heat out of the debate. We have to be careful about how we speak about these subjects. By and large, what happens upstairs gives the public a good sense of how we deal with witnesses who come in from outside, members of the public and each other. We can do much more of that without the need for a commission. We must remember to handle things carefully.

I am not sure that structural change could be handled through a commission. That is very much a local decision. This is not all about funding; it is about how the funding is used. We have to ensure that we do not get into the trap of measuring everything by what we put in, rather than by output. One of the most telling points was when the right hon. Member for North Norfolk said that in the Commonwealth Fund analysis that gave the NHS such a good rating, the one thing it dropped down on was outcomes—treating people and whether people stayed alive. To most people, that is probably the most important outcome of all. We have to make sure

that, for all the other good things that we are doing, such as the work the Secretary of State is doing on transparency and all the efforts we are making to give people more information, we recognise the importance of that.

Dr Philippa Whitford: Just on the Commonwealth Fund analysis, the standard that the UK did badly on was actually healthy life expectancy. That is not the same as an outcome in hospital. We may have successful operations, but we have underlying deprivation and ill health.

Mr Deputy Speaker (Mr Lindsay Hoyle): I just say to the Minister that I did give him the nod. I have been very generous. When we say that he has “up to 15 minutes”, he is meant to take 15 minutes. As he can see from the clock, he has taken a lot longer.

Alistair Burt: I beg your pardon, Mr Deputy Speaker. I have tried to accommodate interventions but I entirely take your point. I am just about to finish and am grateful for your generosity.

I take the hon. Lady’s point, but in conclusion, the Government take advice from a lot of sources on everything connected with health. If the right hon. Member for North Norfolk wants to do exactly what he suggested, he can do it, and we will listen very carefully to him, as we do to others. However, I am afraid that, at the moment, I cannot see a Government-sponsored commission. If we have more debates such as this one, the public will be better served and the House will have done its job.

4.45 pm

Norman Lamb: After your intervention on the Minister, Mr Deputy Speaker, I will ensure that I keep my remarks extremely brief. For those who have been here throughout the duration of the debate, it is probably time to have something to eat.

This has been an extraordinarily good debate and we have heard very well informed contributions. I absolutely agree with the hon. Member for South West Wiltshire (Dr Murrison) that we should be ambitious and that we should have the mindset that what happens at the moment is not good enough. We should aspire to have the best health and care system imaginable and in comparison with other European countries.

I suppose that what is behind my plea for a commission, which I will continue to make, is the brutal truth that our political process has let people down. The hon. Member for Leicester West (Liz Kendall) made the point that an elderly person who does not get the care they need suffers when the political process fails. In a way, partisan politics has ducked the big issues, despite what some hon. Members have said about big political issues being determined in a partisan way. That has failed and let the people of this country down.

The shadow Secretary of State, the hon. Member for Lewisham East (Heidi Alexander), in many ways gave a thoughtful speech, much of which I completely agreed with. She had a little go at me about social care funding, but the truth is that none of the political parties confronted the funding needs of social care at the general election. There was a bit of a race over health funding, but social care was neglected, as it has been again and again. Until we confront that, people in this country will continue to be let down.

Opposition Members can choose to say, “It is all the Government’s responsibility.” The Minister clearly wants to keep it that way, and we could just attack for the next five years. When things get really difficult, we can go for the failures of the system. Alternatively, we could adopt a different approach and recognise that these are profound issues that, in a way, have not been thought about comprehensively since the foundation of the system back in 1948. In ’48, there was a process that garnered cross-party support, despite what the shadow Secretary of State said about that being impossible.

Sometimes, this country needs to reach big decisions together, whether it is about pensions or climate change, as my right hon. Friend the Member for Sheffield, Hallam (Mr Clegg) was saying, or about how we cope with an ageing population. I believe that this is the moment when it is necessary for us to come together to confront those issues. It is in the Government’s interest to think again and embrace the proposal. It is foolhardy to reject it, because I suspect that, with the projections that we all know about, during this Parliament, things will get very messy.

I will continue to campaign and I am very grateful to Members on both sides of the House for supporting that proposition. I thank all hon. Members for their contributions to the debate this afternoon.

Question put and agreed to.

Resolved,

That this House calls for the establishment of an independent, non-partisan Commission on the future of the NHS and social care which would engage with the public, the NHS and care workforces, experts and civic society, sitting for a defined period with the aim of establishing a long-term settlement for the NHS and social care.

Mary Creagh (Wakefield) (Lab): On a point of order, Mr Deputy Speaker. In the past hour, we have had the news that the Lord Chancellor has scrapped the Government’s proposed legal aid reforms, which had drawn such huge protests from criminal solicitors across the country, including in my constituency. We had a debate on prison and justice issues for three hours yesterday, which would have given him ample opportunity to tell the House of the news. May I use your good offices, Mr Deputy Speaker, to ask whether it would be appropriate for the Lord Chancellor to come and make a statement to the House tomorrow, which is a sitting Friday?

Mr Deputy Speaker (Mr Lindsay Hoyle): I have been given no notice today of any statement, and it is very late in the evening and we are about to finish. What I can say is that it is certainly on the record and the Government are certainly able, if they wish, to make a statement tomorrow. The hon. Lady is able to put in for an urgent question if she feels it is appropriate. I cannot promise anything, but those avenues are open to the Government and to the hon. Lady.

Southeastern Rail Services

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

4.50 pm

Robert Neill (Bromley and Chislehurst) (Con): On one level it is a pleasure to raise this issue, but on another it is a great sadness. It is a pleasure to have the opportunity to put the issue forward and a pleasure to have you in the Chair, Mr Deputy Speaker. It is a great sadness, because frankly the debate should not be necessary.

Bromley and Chislehurst is quintessential London commuter-land. A very high percentage of its working population travels up to London to earn its daily crust. They are dependent entirely on Southeastern trains. We have no underground as an alternative. There is, in effect, a monopoly supply. People in Bromley and Chislehurst, as in other parts of south-east London, are being badly let down. It is significant that a number of Members of Parliament served by the Southeastern trains franchise are here in the Chamber today. I note in particular my right hon. Friend the Member for Bexleyheath and Crayford (Mr Evennett), whose constituents have suffered appallingly recently, following the landslide at Barnehurst. That demonstrated the complexity of the issues and the delay in putting them right—it was a long time before his constituents knew what was happening. It also demonstrated the fact that there is a shared responsibility between the train operator, Southeastern, and Network Rail, the owner and provider of the infrastructure. Both have failed woefully.

Bob Stewart (Beckenham) (Con): I agree with my hon. Friend’s opening statement. It is not entirely Southeastern’s fault: Network Rail is pretty abysmal too. Whoever takes over the franchise will still have the problem of Network Rail to sort out.

Robert Neill: That is perfectly true and that is an important point. In terms of responsibility, the split is about 70:30. A lot of the problems are down to Network Rail and signalling, but there are real failures with Southeastern relating to the passing on of information and other issues, including poor areas of customer service, which I will come on to. I know my hon. Friend’s constituents have the same issues.

Passenger ratings show how bad the situation is. Key figures from Transport Focus show satisfaction ratings for Southeastern on value for money at 35%. Satisfaction ratings for how the company deals with delays are at 31%. Southeastern is ranked the second-lowest for overall satisfaction in the country, at 75%. If we look at the London commuter part of the Southeastern trains franchise, the figures are even worse—at about the mid-60s. I suggest even those statistics do not break it down. If we took off rush hour commuters from that, where the delays and knock-ons are often more acute, the satisfaction rate would go down even further, demonstrating the real difficulty.

Helen Whately (Faversham and Mid Kent) (Con): My constituents also use the Southeastern network. Day after day their trains are being delayed, particularly at peak times. This morning all trains between Maidstone East and London between 6.30 am and 7.30 am were, according to a message I received from a constituent, cancelled. These are unacceptable levels of service. I have

[Helen Whately]

asked the Secretary of State to let us know whether Southeastern is compliant with its franchise. Will my hon. Friend join me in asking the Secretary of State to respond to that request, and, if it is not compliant, in calling for action?

Robert Neill: I am sure we would all echo that. My hon. Friend is quite right. According to my information, well over 20 rush-hour trains from Kent to London were cancelled because of overrunning engineering works. Sometimes, the delays were over two hours, which affects my constituents at Bromley South station, many of whom use those trains into London. So there is a real problem here.

I have quoted from the official statistics, but people sometimes think them dry and remote, so I want to read out some of the experiences put to me directly, either on Twitter or by email, which I think capture the problem. These are people talking about their problems on Southeastern trains. In my constituency, people pay £1,600 to £1,700 a year for a season ticket. One reads:

“People’s lives are literally being made a misery by Southeastern trains”.

Another reads:

“The service I have personally experienced this month has been shocking, almost daily delays”.

A third reads:

“I got to the train on time, but the train itself seldom runs on time because of track problems, congestion, lack of stock, no drivers—not on”.

I cannot disagree with that. I use the service myself on an almost daily basis to come to Westminster, and I now factor delays into my journey. It is absolutely ludicrous.

A fourth quote reads:

“Weekend engineering works mean no trains and earliest bus doesn’t get me to work on time so no overtime for 5 weeks”.

This is somebody on low pay whose job is being made a misery by this poor performance. “Not value for money” says another—well, you can say that again! Another reads:

“There is not enough time to write all that is wrong”.

Even this Adjournment debate is not long enough to expand on all that is wrong.

I have two final quotes. The first reads:

“The delays happen on a daily basis. My train is delayed again...use the Hayes line for a week, you’ll see.”

That is in the constituency of my hon. Friend the Member for Beckenham (Bob Stewart), and is wholly within Greater London. One final quote, for those further into Kent:

“7.40 Dunton Green to London delayed this morning to let 2 fast trains through. Are Metro customers 2nd class citizens?”

That is the feeling actually. There is an inherent conflict or tension in the Southeastern trains franchise, as currently constructed, between the high-volume and frequent demands of the inner-suburban services, such as in my area, and the demands of those coming from further into Kent.

Tom Tugendhat (Tonbridge and Malling) (Con): I assure my hon. Friend that the frustration of the inner-London customers is shared entirely by those a little

further out. I have the great privilege of representing people who use the Tonbridge line, the Maidstone East line and the Medway Valley line. All three have had a woeful service for as long as I can remember. A survey I put out recently found that nearly 90% thought the service had gone downhill since Christmas, which is really saying something, because it was hardly uphill before then. I urge the Minister to do exactly what she has been talking about, which is to hold these people to account, get the money back off them when they fail and make sure that privatisation works by making the companies pay.

Robert Neill: My hon. Friend is absolutely right, although it is worth stressing that the failures are not just with the privatised train operating company, but with the publicly owned Network Rail. I draw a contrast between this line, which I now use, and the line I used before I moved to south-east London, the c2c line, which is also privatised but which has hugely improved its performance and satisfaction levels since it was privatised. So this is not an ideological issue; it is about sheer competence, and that involves enforcing the terms of the contract.

Bob Stewart: Will my hon. Friend give way?

Robert Neill: Once more, but then I must press on.

Bob Stewart: My hon. Friend has made the case for what we have all been asking for—Transport for London to take over as fast as possible.

Robert Neill: That is entirely right, and I am sure that my right hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire), who is also present, would share that view too. We welcome that decision by the Department, but it is not going to happen until 2018. What we are concerned about is what will be done in the interim. For a start, when Southeastern is posting doubled profits, it sticks in the craw of my residents and commuters that they are paying a premium price for what is not an acceptable and not even a remotely premium service. There is plenty of money to pay the genuine financial penalties that are necessary if a private contract arrangement is to work. I hope it could be used to offer some form of reimbursement or remission of the fare increases for our commuters, who are simply not getting what they have paid for. That is a basic failing, and I hope the Minister will—

5 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—(George Hollingbery.)

Robert Neill: A sense of déjà vu has arrived, and probably rather more swiftly than the 7.39 at Waterloo East did last night as I was going home. That minor delay did not even warrant an explanation, which is another issue.

Punctuality is a real issue, as is overcrowding, which has been made worse by the timetable changes caused by the engineering work at London Bridge. That is necessary work, but there are some basic things that Southeastern can get right. More people from my

constituency stations use the Cannon Street service in the rush hour than use the Charing Cross service, because it stops at London Bridge, which has the interchange for the Jubilee line, Canary Wharf and whatever. There are generally fewer carriages on the Cannon Street trains than on the Charing Cross trains, which is the complete reverse of where the demand is. That is a basic failure that could be put right now.

I know that Southeastern is talking to the Department about being able to transfer stock from other parts of the network. That needs to go ahead swiftly, because so far the new trains that have been produced on the franchise have tended to go on the high-speed link trains and have not benefited those of us on any of the commuter services. That needs to be taken on board straightaway. I would welcome the transfer of the franchise, because London Overground has a good track record of performance, but in the interim I hope the Minister will sit down and instruct Southeastern and Network Rail to work with the Mayor's office and Transport for London immediately to talk about transitional phases, to see whether it is not possible by agreement to speed up the transfer of the franchise and certainly, as has been said, to enforce rigorously the contractual terms to the benefit of passengers and customers in the balance of the franchise.

Finally, let me highlight some other failings. I have talked about timetabling issues, such as the nonsense of the mismatch of rolling stock between Charing Cross and Cannon Street services. Even with the changes in the timetable, it is pretty bizarre that the interchange at Grove Park for the Bromley North service—a small spur line—was almost deliberately timed to miss the most convenient connecting train, which means people have to hang around for perhaps another 15 minutes or more. That is basic. Why can Southeastern not get that right?

Charing Cross station is in the heart of London's theatre-land. Many London commuters, certainly from Chislehurst in my constituency, will go up to the theatre from time to time. The last direct train to stations such as Elmstead Woods and Chislehurst leaves at 10.36 in the evening. Otherwise, anyone who has gone to a show in town will have to wait until gone midnight. That puts huge pressure on them, because otherwise they will have to cart around on the District line to Cannon Street, when there is a station just down the way, or fork out for a taxi to come back from Orpington. The engineering work at London Bridge cannot be an excuse for that. That is just a clear lack of customer care.

On the most basic level, the staff at our local train stations are excellent. They cope with a pretty poor situation very well and sometimes they get it in the neck when it is not their fault. The people I regularly deal with at Chislehurst and Elmstead Woods are part of the community and they work really hard, but they are not given the information to deal with things and when they try to help, it is not taken up by the management.

Chislehurst—not the busiest station on the network, but a pretty busy commuter station, as most would imagine—has one automatic ticket machine. It is pretty busy in the rush hour. For the last four weeks, that automatic ticket machine has been unable to take credit cards. Despite daily reports by the station staff that that is a problem—one can imagine the queues it is causing, with people trying to fork out cash-only at that time in

the day—it has still not been put right, and it was still not right this morning when I went there. That is a basic failure, and those are the sorts of things that ought to be jumped on from a great height by the operator.

The level of repeated delay is the issue that really irritates my constituents, but the issue of compensation is also raised. People can claim compensation, but it is not a lot of help on a London suburban network, because the delay has to be 30 minutes. If a journey is supposed to take only 25 minutes, it will have to be doubled or more before anyone is entitled to compensation, which will not matter, because the start of their day's work will have been mucked around no end in any event. That does not work effectively for suburban commuters—another strong reason why it is better to split the franchise and put short-journey but high-frequency services under the Mayor's office. Perhaps we could have a better compensation scheme to reflect those commuters' needs more effectively.

Against that context, I hope that I have taken the chance to ventilate my constituents' concerns. It is not good enough if large public bodies or current privately owned bodies acting under contract are persistently unresponsive. I give credit to the Minister for taking steps and holding summits with local MPs and the top management of both Network Rail and Southeastern—an initiative that we had not seen before. I am grateful to my hon. Friend for that. She also warned that when the franchise was renewed, it was the last chance. I am sorry, but they have drunk the last-chance saloon dry by now, and it is about time to start calling time on their franchise.

I hope that the Minister will continue to press on these issues and provide us with a detailed timeframe for when she is next going to meet the management. Will she undertake to meet me to discuss the specific concerns I have raised on behalf of other Members in the area and ensure that all Members are kept briefed on what specifically is happening? We need to be able to see the whites of the eyes of the management, which does not always happen. More initiatives have to be followed up with real measures, which hurt any company where it normally hurts—in the pocket—and we need to look more rigorously at the publicly owned entity Network Rail, which is responsible for a very great deal of the problem, but basks in comparative protection in contractual terms. It should not be allowed to do so. That needs to be thoroughly investigated. Frankly, in the private sector, heads would be rolling if services were run in the way Network Rail and Southeastern run them. There would be proper accountability to customers and shareholders.

I am grateful for the opportunity to have trespassed on the House's time, and I believe that my constituents and those in neighbouring constituencies are still more grateful for that opportunity.

5.6 pm

The Parliamentary Under-Secretary of State for Transport (Claire Perry): I have had a dry January, so I have not been in the last-chance saloon once, but it has enabled me to have a clear head and to look carefully at the issues that my hon. Friend the Member for Bromley and Chislehurst (Robert Neill) has raised—and this is not the first time they have been raised. Indeed, silenced on the Front Bench next to me are my right hon. Friends

[*Claire Perry*]

the Members for Bexleyheath and Crayford (Mr Evennett) and for Old Bexley and Sidcup (James Brokenshire). They, and many others who are able to speak, have left me in no doubt of the concerns of their constituents. These are daily concerns, because many people use these trains on a daily basis.

I welcome the opportunity once again to express my concerns about some of the issues raised, to talk a bit about what the Government are doing and to try to offer some bright spots. We have talked a bit about *déjà vu*, and I am happy to keep talking about these matters for as long as it takes to get these services fixed. These are vital services that are delivering people to high-value jobs, and not necessarily just to high-earning jobs, but to lower-income jobs. These jobs are vital in the most dynamic part of the UK economy. It is absolutely right that those people have the transport investment that they need.

I do not defend the current system in any way, but my hon. Friend knows very well that these lines have been neglected for many a long year. It has been a failure of successive Governments to invest. In some cases, the tracks these trains are running over date from the 1930s and have not had proper investment subsequently. It was always going to be a challenge to deal with what is the busiest part of the railway, with 23% of this country's railway journeys made under the Govia Thameslink Railway and Southeastern franchises, and to keep this huge number of people moving. It was always going to be a challenge to do the required improvements for the Thameslink works and the London Bridge investments without creating disruption. I want to thank passengers who, I know from my many visits to the station, get that and are very forgiving about the need for that investment.

I know my hon. Friend will be pleased to be reassured that I have made sorting this out an absolute priority. The return of services to a high-performing railway on this franchise and indeed on GTR has been my No. 1 priority since May. He may well say, "What have you achieved over all this time?" What I will say is that we have had Network Rail, the operators, Transport Focus and anyone who needs to be there down in the weeds of the problem.

Although I am interested, I do not think customers are interested in whose fault it is. They do not need to know that engineering works overran this morning, or that a tamping machine broke down. All they care about is that 20 of their services from my hon. Friend's constituency were cancelled. We are not in the business of finger-pointing; we are in the business of working together to solve the problems as these necessary engineering works proceed.

Passenger numbers have more than doubled since privatisation, and, indeed, the number of passengers trying to travel on Southeastern's trains has increased by 30% since it took over the franchise. As we know, investment has not kept up with that level of demand.

My hon. Friend mentioned crowding and rolling stock, an issue on which we have specifically focused. I am determined to review the business case for running the additional, bigger 12-car trains on the metro service in particular. I give the House an undertaking that there will be a decision on that in the next couple of months.

If we decide to go ahead—if the business case is favourable—Southeastern will put additional trains on the tracks late in 2016.

Robert Neill: I am grateful for that assurance, but will my hon. Friend also undertake to provide my colleagues and me with a timeframe for that process in due course, along with the precise details of how it is to be achieved? All too often, Southeastern has made promises, but the deadline for delivery has been extended.

Claire Perry: I shall be happy to do that, but I want to ensure that Southeastern gets the best possible deal for those trains. They would be provided by a third-party rolling stock company, and I do not want to prejudice the negotiations. As I said, I want the trains with the additional carriages to run on the metro service, because there has been so much overcrowding.

Teresa Pearce (Erith and Thamesmead) (Lab): It would not be possible for 12-car trains to run on my line, the Greenwich line, because one of the stations is very short and there is no alternative door-opening facility. Will the Minister commit herself to having a conversation with Southeastern to ensure that it fits the software that will enable the right doors to open at the right station?

Claire Perry: I shall be happy to have that conversation. The hon. Lady probably finds it as frustrating as I do that selective door opening works perfectly well in some parts of the country and not in others. There may well be very good operational reasons for the need for a software change. I will certainly look into the matter.

Tom Tugendhat: The Minister said that Transport for London might take over some metro services. I understand that, but my constituents are rightly concerned about the fact that we do not have a vote on the mayoralty of London, and therefore have no democratic control over Transport for London. They fear that Transport for London would ignore our area in favour of those who would—how can I put it?—benefit more electorally from the change in service.

Claire Perry: If my hon. Friend will bear with me and can spare the time, I will say a couple of words about the genuine consultation that we are running. The change could indeed solve some problems, but I know that constituents outside the London boundary have real concerns.

The intention is to complete the review very quickly and secure a final decision on the business case in the next couple of months, so that, if it makes sense, the extra capacity can be put on the metro services by the end of the year, with an additional slug of capacity to come in 2018. Southeastern has already added 95,000 seats to the network, although it is a bit like the M25: as soon as the seats are provided, people travel, because they feel that they can now get on to the trains. In some instances, we are running to stand still.

Southeastern has also refreshed and improved its trains. I sometimes get on to a train and think, "This looks nice", and then remember that it is a 40-year-old train that has been repainted. What we want are trains that look good, provide capacity, and have state-of-the-art toilets, and some of that has been achieved on this line.

Let me now deal with the issue of performance. Basically, people can tolerate a great deal if their trains run on time, but I know that my hon. Friend shares my disappointment at the fact that this franchise holder has not met its public performance measure targets at any time over the last year—well, it may have done so on a daily basis, but not on a monthly basis. I can tell my hon. Friend that 60% of that failure is infrastructure-related, about 25% is the fault of Southeastern and involves issues related and unrelated to trains, and the rest is “train operator on train operator” stuff. I do not think customers care about that. My hon. Friend is right to say that we can demand improvements through the franchising programme, we can hold operators to account, we can demand plans and we can issue financial penalties, but what we actually want to do is run a reliable railway. I also make the following commitment to my hon. Friend and the House. Although the quadrant taskforce has been running and there has been an unprecedented level of co-operation between the operator and Network Rail, the industry needs to do more. I will be having that conversation with it in the next few days.

It is crucial, not least for the delivery of the Thameslink service which is so important in increasing the number of journeys through the core of London, that the outer bits of the track work effectively. Not only are the current levels of delays unacceptable, and in some cases inexcusable, but we have to get this working right to get the benefit out of the £6.5 billion the Government are investing in Thameslink. We have to keep demanding that Southeastern and Network Rail work together to keep the disruption to a minimum.

There have been some changes, although that is not always obvious. There have, for example, been small changes such as putting relief drivers at Cannon Street, so if there is a delay drivers are quickly on hand and do not have to move around; continuing to review the timetable to make sure there is resilience should there be a delay; and making sure trains leave the stations and the depot exactly on time—not 10 or 20 seconds late—because in a busy stopping service all that builds up.

I am very sorry to say one of the great causes of delay is trespass and suicide on the line. Someone takes their life every 30 hours on the national rail network. That causes an immense amount of delay and is, of course, often a dreadfully distressing experience for the staff and train drivers, as well as there being the tragedy of the loss. I know that Southeastern and the whole industry are working closely with the Samaritans to try and reduce that.

On compensation, in an ideal world we would not be paying it at all because the trains would be running perfectly on time. I am keen, however, to reform the delay repay scheme. It is already among the most generous in Europe; train users in other countries do not get a lot of money back. However, although in delay repay we have one of the most generous compensation schemes, we want to go further. As the Chancellor said in his autumn statement, we want to take the time at which the clock starts ticking from 30 minutes to 15 minutes, which will start to address some of my hon. Friend's constituency problems. I expect to make announcements on that shortly. We are gearing up to reform that and I will have further details on it.

I also want to point out to the House the London Bridge improvements. There is light at the end of the tunnel. Part of that station will be open in August of

this year, although there will be continued disruption to some Southeastern services. I urge the operators and all Members to make sure everyone is fully aware of those changes. By 2018, when this station opens, it will be a brand-new, state-of-the-art station with much more capacity, able to run many more services through the core of London.

Robert Neill: I welcome the Minister's comments on the compensation scheme. When she discusses, with her right hon. Friend the Secretary of State, funding issues with the Treasury, might she bear in mind that, while London Bridge improvements are critical in the long term, the price of that has been that my constituents and those in the surrounding areas have been deliberately given, in effect, a substandard service for the better part of four-plus years or so? That should be reflected in any future fare increases and in making sure that there is proper generosity in future compensation schemes.

Claire Perry: My hon. Friend raises a good point, and it was exactly that conversation which led to the decision to cap fare increases at RPI plus zero for the whole of this Parliament. We effectively now have rail fares going up at the lowest level, certainly relative to wages, in over a decade. We will continue that cap, which is costing the Government about £700 million a year, precisely because we do not think that fares should be going up at a time when we are doing engineering works and causing disruption, not just at London Bridge but right across the country. We have a £38 billion investment programme and we cannot deliver that without some disruption. That cap is worth about £425 to the typical commuter on a season ticket over the course of this Parliament.

My hon. Friend raised the question of customer service levels, and he was right to say that Southeastern was not at the top of the list for overall satisfaction. It is not quite at the bottom, but it is not at the top either. I know that there are many people out there who are genuinely in despair about their journeys. Nothing could be more dispiriting for them than showing up at the station only to find that their train is delayed, or being unable to get home to pick up their children from day care at the regular time. That is incredibly dispiriting, and that is why we need to make these investments. However, 75% of the users of Southeastern say they are satisfied with their journeys. There might be pockets of dissatisfaction, but overall, three out of four users are satisfied. We would clearly like that figure to be higher, of course.

I can tell the House that we included in the franchise agreement some specific improvements to customer services that we wanted the operator to make. My hon. Friend talked about information systems, and they are not always perfect. However, the company has made a considerable investment in better information systems, including through giving its staff real-time devices. Drilling through the numbers, I was interested to note that the score for how well Southeastern deals with delays has gone up by 9 percentage points in the past year. Similarly, the score for the attitude and helpfulness of staff has gone up by 4 percentage points, so it looks as though some of the improvements are starting to bear fruit. The company has also made a £5 million investment in stations, which has included deep cleans at Bromley South, Bromley North and Chislehurst, which I hope

[*Claire Perry*]

my hon. Friend has noticed. I do not have the numbers on station improvements, but I think that passengers are starting to recognise that they are taking place.

I understand the concerns and I know that the industry has to do more, particularly on the infrastructure side, to stop the delays. My hon. Friend is a long-standing campaigner on these matters, and I want to draw his attention to the proposals for London Overground to take control of some of these metro services. This is in response to tireless campaigning on the part of my hon. Friend the Member for Richmond Park (Zac Goldsmith)—for obvious reasons—and the prospectus sets out some thoughtful questions that need to be answered. Clearly, some hon. Members will think that some of the services involved should go into a TfL-type service, although others might wish to raise concerns about that, particularly in relation to democratic accountability. I believe that there is a solution out there. This kind of devolution of service has happened before.

The new partnership is designed to give passengers what they need. We are trying to design the industry around passengers and customers. This proposal could deliver more frequent services and more reliable trains. It would also move the decisions on stations and stopping patterns away from Horseferry Road—much as I have fantastic officials—and closer to the people who actually use the services. This will be similar to the devolution process that we have seen in relation to transport investment in the north, as well as the support for TfL. I urge all

Members who have an interest in these devolution proposals to stand up and ensure that their voices and those of their constituents and transport users are heard. The deadline is 18 March.

I would be the first to acknowledge that the system is not delivering for customers at the moment. When we talk to commuters, we find that they have been incredibly tolerant and understanding. They welcome the investment, and they want to see a joined-up industry that can respond to their needs, particularly when there are disruptions and delays. It is my Department's job to facilitate that, either through the contracting process or, as my hon. Friend rightly says, through conversations with Network Rail, which is indeed an arm's-length public body. I give the House my full commitment to ensure that this happens.

The aim is to return these vital parts of the railway, which move people around the busiest parts of the network, to high performance by 2018. If the results of these unprecedented levels of investment cannot be seen and felt by passengers, we will need to do better, and I offer the House my full commitment on this. I thank my hon. Friend once again for providing this opportunity to discuss these matters. He asked whether I would agree to meet him to discuss what is happening, and of course my door is always open.

Question put and agreed to.

5.24 pm

House adjourned.

Westminster Hall

Thursday 28 January 2016

[MR ANDREW TURNER *in the Chair*]

In-work Poverty

1.30 pm

Carolyn Harris (Swansea East) (Lab): I beg to move, That this House has considered in-work poverty.

It is a pleasure to serve under your excellent chairmanship, Mr Turner. This Government are failing to make work pay, and their cuts to in-work support risk increasing the number of working families in poverty even further. Over the previous Parliament, average real wages fell by more than £1,000 a year. Furthermore, 2010 to 2020 will be the worst decade for pay growth in almost a century and the third worst since 1860.

Cuts to universal credit that begin in April will make 2.6 million working families £1,600 a year worse off by 2020, making it almost impossible for families to work their way out of poverty. The Government's advice to working families set to be hit by those cuts is to work an additional 200 hours a year to recoup the losses. That is neither fair nor practical for millions of low-paid families who are already working full time. I am delighted to have secured this debate, so that we in the Opposition can bring forward the reality of those in our constituencies who are experiencing high levels of in-work poverty and to call on the Government to scrap their cuts to universal credit before the cuts take hold in April.

We know from the Social Mobility and Child Poverty Commission that 1.5 million children are in poverty because their working parents do not earn enough to secure a basic standard of living. Four out of 10 children in working poor households live in families where parents might be expected to enter work or work more hours. Owing to high levels of in-work poverty, the commission has warned that the cuts to universal credit will—in its words, not mine—

“make many working families significantly worse off.”

The commission has recommended that the Government reverse their cuts to universal credit, saying:

“These changes would have resulted in millions of families in low-paid work who are ‘doing the right thing’ and working as much as society expects them to, seeing their annual income fall by thousands of pounds on 1 April 2016.”

Despite the fears, the cuts to universal credit are still going ahead. It will be very difficult for many affected families to increase their hours of work and hourly pay to avoid big cuts to their incomes.

Christina Rees (Neath) (Lab): Does my hon. Friend know that 167,400 working families in Wales will be impacted by these cuts and that 134,600 of them are families with children?

Carolyn Harris: I do, and not only Wales is affected; this affects every constituency in the country.

Neil Coyle (Bermondsey and Old Southwark) (Lab): Would it surprise my hon. Friend to hear that, under universal credit plans, some 116,000 disabled people

who are in work—and therefore doing the right thing, according to the Government's narrative—will be £40 a week worse off under the Government's proposal?

Carolyn Harris: That is a shocking indictment of the low consideration the Government have for people in need. For example, a lone parent working full time on the minimum wage who receives no support for their housing costs will experience a reduction of £2,600 a year—that is £50 a week. Nobody can afford to lose £50 a week.

The combined effect of income tax, national insurance and the universal credit taper will mean that universal credit claimants who pay income tax will keep only 24% of any increase in their earnings. They will have to increase their earnings by £210 a week—or, to put it in percentage terms, 72%—to make up the income loss they will face as a result of the reduction in support.

Nick Thomas-Symonds (Torfaen) (Lab): It is a pleasure to serve under your chairmanship, Mr Turner, and I congratulate my hon. Friend on securing the debate. She has given some figures about single parents, and this shows the full extent of the policy: for a single parent—say, a mother with one or more children—the work allowance of universal credit will be halved from this April, going from £8,808 to £4,764. In cash terms, that is a loss of £2,628 a year. Does that not show the stark reality of this policy?

Carolyn Harris: I thank my hon. Friend for his intervention, and I agree. That is a reality people face every day, and it can only get worse.

The short-term effect for current claimants of universal credit is that they face huge losses to income come April 2016. There are currently 155,000 recipients of universal credit, and the number is increasing every week, with an aim of there being 500,000 recipients by April this year.

During Work and Pensions questions recently, the Secretary of State claimed that the flexible support fund will act as transitional protection for current claimants and said that

“those who are on universal credit at present will be fully supported through the flexible support fund, which will provide all the resources necessary to ensure that their situation remains exactly the same as it is today.”—[*Official Report*, 7 December 2015; Vol. 603, c. 688.]

However, that existing fund is used for a different purpose. Its budget last year was £69 million, but the Office for Budget Responsibility estimates cuts to working families of £100 million next year, rising every year until they reach £3.2 billion in 2020.

Neil Coyle: I apologise for not thanking my hon. Friend for securing the debate in my previous intervention or saying what a pleasure it is to serve under your chairmanship, Mr Turner. The Secretary of State was referring to the number of people currently receiving universal credit who will be protected by some measure, but is that not a little disingenuous given that the Government are about 1,000 years behind schedule on delivering universal credit? They had expected some 2 million people to be on it by now. Should the Government not be a bit more embarrassed about mentioning the small number who are already receiving universal credit?

Carolyn Harris: I agree entirely, and I will touch on that later in my speech.

When transitional protection is introduced for current tax credit recipients, the Government will bring in regulations to put that protection into law. Opposition Members are calling for the same guarantees—full transitional protection—to be put on a legal footing for current universal credit claimants. The medium-term effects of the cuts to universal credit will effectively create a postcode lottery or, as my hon. Friend the Member for Pontypridd (Owen Smith), the shadow Secretary of State for Work and Pensions, quite accurately described it, an “IDS lottery”. I doubt, however, whether those ticket holders will have a magic washing machine and end up as big winners. New and existing claimants of tax credits will receive far greater support than new and existing claimants of universal credit.

The longer-term effect by 2020 will be massively reduced support for working families. The Institute for Fiscal Studies estimates that by 2020, due to the £3.2 billion cut to the work allowance having been fully phased in, 2.6 million working families will be an average of £1,600 a year worse off. The Resolution Foundation found that when these cuts fully take effect by 2020, low and middle-income working families will lose an average of £1,000 a year, rising to £1,300 a year for those with children.

This is a political choice by this Government—a deliberate act to reduce drastically support for working families, at a time when the Government are cutting inheritance tax for homes worth more than £1 million. The contradictions in that comparison are frightening, to say the least. How can it be right to offer enhanced protection for those with wealth and catastrophic consequences for those who currently eke out a living on low pay? It cannot be right to reduce in-work support.

In my constituency office, we act as an agent for both the Trussell Trust food bank and the local Eastside food bank in Bonymaen, Swansea. We receive donations but also give out parcels in emergencies. Some 85% of the parcels given out are to families who are in work but struggling to make ends meet.

Further examples of the impact on working families from a detailed analysis by the Library show that a single parent of two children with gross earnings of £18,000 a year will experience a net reduction in their income of £2,601 next year, as a result of measures announced in the summer Budget that are still due to take effect in April 2016. For example, a single parent of one child who is earning the living wage will only increase their income by £40 for working an additional 12 hours. That compares with an increase of £92 for an additional 12 hours before the cuts to the work allowance were introduced.

It is time for the Secretary of State to stop playing cat and mouse with the real people of this country. The lack of Government Members here today indicates that they have bought into the Government’s rhetoric that in-work poverty is a myth and that they support the Government’s propaganda that it is of no real concern. However, the reality is that ordinary working people are continually playing catch-up, and all the Government want to do for them is to watch them run around chasing their own tails. It is immoral, irresponsible and reprehensible.

I am very proud to represent real people who are paying the cost of this Government’s arrogance, and I will fight to ensure that their voice gets heard. We are led to believe that the Secretary of State for Work and Pensions has threatened to resign if his masterplan is not followed through. If cuts to universal credit really were an issue to resign over, he would be long gone, and if he was, many thousands of decent, hard-working people across the UK would be celebrating both his resignation and the moral victory.

1.41 pm

Gerald Jones (Merthyr Tydfil and Rhymney) (Lab): It is a pleasure to serve under your chairmanship this afternoon, Mr Turner, and I congratulate my hon. Friend the Member for Swansea East (Carolyn Harris) on securing this important debate.

It is hard to justify why so many people live in poverty in a country as wealthy as the UK. I believe that one of the key explanations is that the welfare state, designed to protect us all against risks such as unemployment, illness and old age, simply fails to provide an adequate income for families and others when they are unable to support themselves fully.

It is truly shocking that in 2016, in-work poverty is growing. In some areas, the number of working households in poverty is greater than the number of non-working households. Major factors appear to be low pay and part-time work, and zero-hours contracts are also a major contributory factor.

Christina Rees: It was remiss of me not to say in my earlier intervention what a pleasure it is to serve under your chairmanship, Mr Turner.

Does my hon. Friend agree that although responsibility for tackling in-work poverty in Wales is a devolved issue, the levers for tackling it lie mainly with the UK Government? He mentioned zero-hours contracts, but I add to that the minimum wage, welfare benefits and, of course, the tax system.

Gerald Jones: I could not agree more. Both the Welsh Government and local government have tried to mitigate those circumstances, but the major levers lie here at Westminster.

Neil Coyle: May I add a London voice? Specific costs include much higher accommodation costs for many in London, which contribute to in-work poverty. However, the last Government hit something like 30,000 working people in Southwark with reductions in support and left 700 people in work using the local food bank, according to figures from Pecan, which is part of the Trussell Trust network.

Gerald Jones: I could not agree more with my hon. Friend, and the situation he describes is replicated in many areas across the UK.

Can it be right in 21st-century Britain that many people are working hard and cannot afford to live above the poverty line? As my hon. Friend the Member for Swansea East outlined, 85% of people receiving support from the food bank in her constituency are working people. In my constituency, many working families rely on food banks to be able to put food on the table. That is clearly not acceptable.

Years of below-inflation wage increases, particularly in the public sector, have taken their toll on people's incomes. In-work benefits such as tax credits are meant to support families against the worst effects of in-work poverty. The current proposals to change universal credit will clearly make matters worse for millions of working families. In Merthyr Tydfil and Rhymney alone, about 10,000 working families are likely to be adversely affected by the Government's universal credit proposals by 2020.

Jobs must be a clear and critical part of any programme to end poverty. Access to jobs, and the quality of those jobs, must be addressed if families are to be able to work their way out of poverty. Low pay is a major factor in in-work poverty and is unfortunately a routine feature of much of the work available to poorer families. The national minimum wage sets a floor for pay levels, but one report shows that a couple with two children would need to work 58 hours a week at the minimum wage to lift themselves out of poverty.

As a county councillor prior to being elected to this place last May, I was proud to be associated with the introduction of the living wage at Caerphilly county borough council, one of a growing number of Labour councils in Wales that pay the living wage. I am proud of the many former colleagues in local government across the UK who are championing the true living wage, as promoted by the Living Wage Foundation, not the gimmick national living wage that the Chancellor has announced.

The low-paid sector is characterised by jobs that often do not provide steady employment. Moving in and out of work on a regular basis is common for lone parents and generates grave financial uncertainty for many families. Limits on the number of hours worked and zero-hours contracts mean that many people might work full-time one week, part-time the next and have no work the following week. Even if they have reliable employment, many find it hard to work enough hours, given their caring commitments and other barriers to employment.

Such situations can also compound problems with in-work benefit entitlements, such as housing benefit. The process for benefit assessment cannot be done efficiently, leaving households falling into rent arrears while things are readjusted and threatening the security of their tenure. Often, due to barriers to employment, people do not have the opportunity to increase their hours and therefore their income. As a result, many low-paid jobs are nothing more than poverty traps.

It is not just a lack of income that causes hardship in poorer families. Evidence shows that they also pay higher prices than others for many essential goods and services. Low-income families are often unable to take advantage of the cheaper prices that are routinely offered to customers paying by methods such as direct debit. The situation has been exacerbated by rising utility bills. With fuel prices coming down, the Government should bring more pressure to bear on utility firms to ensure that they do more to pass savings on to customers.

Finally, many people who are in work discover that their jobs are so low paid or insecure that they are unable to provide an income sufficient to lift themselves and their families out of poverty. The Government appear reluctant to reconfigure the tax system so that the richest households pay more of the burden.

Policy changes such as the changes to inheritance tax, the reduction in the 50p income tax rate to 45p, the retention of the bedroom tax and the changes to universal credit mean that poorer families will continue to pay more than their fair share of tax.

To make a positive impact on tackling in-work poverty, the Government have to take action on the issues raised during this afternoon's debate. Unfortunately, we are seeing very little evidence that they are serious about tackling in-work poverty. In fact, some of the Government's proposals risk making matters worse. Will the Minister outline what the Government are doing to tackle urgently the unacceptable scale of in-work poverty facing people across our country?

1.48 pm

Mark Durkan (Foyle) (SDLP): It is a pleasure to serve under your chairmanship, Mr Turner, and I congratulate my hon. Friend the Member for Swansea East (Carolyn Harris) on securing this important debate.

Like my hon. Friend the Member for Merthyr Tydfil and Rhymney (Gerald Jones), I want to address these issues, first of all, based on the experience of people in my constituency. I represent the city of Derry—or Londonderry—which has very high unemployment. The constituency of Foyle ranks No. 1 for unemployment of all the constituencies in the House of Commons. As well as having very high long-term unemployment and very high youth unemployment, it also has a lot of underpaid employment. It is a border city, with all the challenges that that brings for our regional economy, and obviously it has suffered the impact of conflict. Every day, families and working people there contend with the same economic challenges that hon. Members throughout the House have mentioned, in an economy that has structural weaknesses. It is clear that for people in my constituency, the problem is not lack of work ethic but a lack of work. Much of the Government's agenda and purpose, in the welfare reforms and other measures they have introduced in the last Parliament and this one, seems to be fixated on work ethic rather than availability of work.

That is why I have found myself in opposition to so many of the Government's reforms and why, along with so many others—I was glad to see that they included Conservatives MPs—I challenged the Government's proposals on tax credits. They would have hurt people who are in work but coping with marginal incomes given their family, work-related and other living costs. Those changes have been parked, but there has not been a complete U-turn. There has been merely a J-turn, which has gone part of the way. The Government intend to apply the same logic to universal credit, we are just not getting the early implementation of the plan for those still on tax credits. That plan will clearly increase working poverty. We have seen in the various figures that have been quoted—I will not rehearse all the figures from the Institute for Fiscal Studies and others—that there will be a real impact on the family income of people in work.

Christina Rees: As the hon. Gentleman knows, new claims for legacy benefits will cease by June 2018 and migration to universal credit will be completed by 2021. As the Department for Work and Pensions says it cannot estimate the number of people who will be on

[Christina Rees]

universal credit by the time the roll-out is complete, does he agree that it is difficult for us to deal with the problem in our constituencies?

Mark Durkan: I thank my hon. Friend for making that point. That is part of the conundrum that we have. On one hand, DWP tried to offer all sorts of assurances that the change had been platformed and well modelled and would be sound. On the other hand, we know that, to date, many of its assurances and plans have come to little. On other things, it says it does not have a basis for some of its contentions. We get into a circular argument, so we cannot accept its assurances or try to persuade others about them.

Let us be clear. The changes being made are not just those to work allowances, which are part of the Welfare Reform and Work Bill. The hon. Member for Neath referred to when DWP plans to roll the changes out. I will not go into all the administrative and political differences in welfare reform in Northern Ireland, but implementation there has been different so far. The decision has effectively been made to give Westminster direct rule powers on welfare reform, including on the provisions in the Bill. That will obviously have a long-term effect. Although the direct rule powers applying to Westminster include a sunset clause for the end of this year, the legislation passed under those powers will have an impact on my constituents for many long years.

On the impact of working poverty, we need to consider not just the changes to universal credit and how they will affect people who have made the transition to work and meet all the Government's oft-quoted tests—being hard-working families, not being workshy and so on—but the fact that people will be subjected to invidious treatment in the levels of support they are allowed.

Let us consider the Government's plans for universal credit and, in the longer term, tax credits—for example, how the two-child rule will affect working families. Let us compare that rule with what was passed in the last Parliament in a blaze of glory. The Minister was one of those who took the Childcare Payments Act 2014 through the last Parliament. The Government boasted that under Bill, parents would be able to claim up to £2,000 a child in childcare support, on the basis that it would be up to 20% of costs of up to £10,000. Let us think about what income bracket parents would need to be in if they were spending £10,000 a child on childcare and claiming up to 20% of that as childcare allowance.

That allowance was going to be bankable. People were going to have discretion to do what they wanted with it, but under universal credit they must claim the childcare element after the event and show the actual cost. They must spend the money before they get it back. That is not so for those who are better off and claiming childcare allowances, and of course they are not subject to a two-child rule. The plan is for one law for the working rich and one law for the working poor. That is why we must speak up about working poverty.

Those policy contradictions are not the only ones we need to raise with the Government. We all have a responsibility to think through the other implications for people working in our constituencies. There will be future liabilities from pension contribution changes, and student loan payments will have to be made through

people's income. The changes in the Housing and Planning Bill will have an impact on who is eligible to remain in social housing. There will be a cliff edge for families, who will face additional housing costs if they remain in employment with a certain income. All those issues will bite on family budgets and make a material difference to the worth of people's earnings. We should address working poverty much more holistically and not on the basis of some of the more pretentious and specious claims that the Government make.

1.58 pm

Marion Fellows (Motherwell and Wishaw) (SNP): It is a pleasure to serve under your chairmanship, Mr Turner. I thank the hon. Member for Swansea East (Carolyn Harris) for securing the debate. I congratulate her on her passion, her facts and her real commitment to her constituents. It is sometimes refreshing to hear how it really is on the ground in the constituencies and how real people who work hard will suffer more and more because of the Government's actions.

I commend the contributions of the hon. Members for Merthyr Tydfil and Rhymney (Gerald Jones) and for Foyle (Mark Durkan). The hon. Member for Merthyr Tydfil and Rhymney mentioned the problem of zero-hours contracts. "Making work pay" or "Work is the best route out of poverty" are great catchphrases, but people do not have a route out of poverty if they are working on zero-hours contracts and do not know from one week to another whether they will be earning or how much they will earn.

The hon. Member for Foyle gave us, as usual, some wonderful quotes. For example, he said that it is not a lack of work ethic that prevents people from working; it is a lack of work. That is true of many places across the country. He also said that there now seems to be one law for the working poor and another for the working rich. That will lead to even more social division across the United Kingdom.

Hon. Members may well be aware that last week the independent adviser on poverty and inequality, Naomi Eisenstadt, reported to the First Minister of Scotland on tackling poverty and she recommended that we build on living wage accreditation, which has been touched on in the debate. The new national living wage that the Conservative party is touting is not actually a new living wage. It is simply a small increase based on the national minimum wage; it is not much higher. It does not involve looking at actual household expenses and relating it to them. In Scotland, the Government have done a lot of work on trying to increase people's income—maximise their income—and trying to support people in work. One thing that they have done is in the area of procurement. They have ensured that no firm can now get a contract in Scotland that does not pay the national living wage. It is £8.25 in Scotland and should be much higher.

Neil Coyle: Does the hon. Lady share our concern that this Government are even trying to scrap the measures of in-work poverty, and are the Scottish Government committed to keeping them?

Marion Fellows: The Scottish Government would actually like to have more powers over all this area, but unfortunately the Smith commission agreement or recommendations have not given the Scottish Government

that amount of power. However, within what they are allowed to do, they are maximising, as far as they can, the wages that people get and the amount of work that they are able to get.

Another recommendation and another thing that the Scottish Government have been trying to do is to look at more family-friendly policies. A lot of in-work poverty affects women even more than it affects men. One recommendation and one thing that the Scottish Government will try to move forward is more free childcare to allow women to go to work. It is all very well being able to work, but what if people cannot afford the childcare? Again, that affects family incomes, and more and more children are being affected by that.

Scotland has the second highest proportion of employees paid the living wage—about 80%. The highest proportion is in the south-east of England, where it is 81.6%, but that is a function of the fact that there are many jobs in this part of the United Kingdom and employers have to compete in paying people. If there is high unemployment, there is no competition to raise wages. That has to be addressed.

Opposition Members really do believe that work is a good route out of poverty—indeed, it is the best route out of poverty—but we cannot ensure that that is the case unless we support people, and this Government are attacking the lowest-paid people in our communities, the poorest in our communities and the ones who have to work the hardest.

The hon. Member for Swansea East referred to the Minister saying that, because of the cuts that are going to happen and the reduction in the work allowance, people will just have to work longer. That is, in this day and age, an absolutely scandalous thing to say. We totally refute it, because making people work more and more will only make them ill and less able in the long term to provide for their families.

Neil Coyle: I thank the hon. Lady for giving way again; she is being generous about allowing interventions. Another group of working people may not be able to take on additional hours as a result of ill health or impairment. I do not know whether she is aware of the case of Denise Haddon, which was covered in the *Daily Mirror*. As a direct result of this Government's introduction of personal independence payments, thousands of disabled people who are already trying to work and are supported through Motability vehicles will have them withdrawn and may not be able to continue in work.

Marion Fellows: I thank the hon. Gentleman for his intervention. Fortunately, I do not always get to read the *Daily Mirror*; it is not top of my reading list, as people can imagine. However, I am aware, as a constituency MP, of people who are losing PIP or who are being transferred to universal credit and who are suffering real hardship. There is a constant stream of constituents into my office, and I am obviously trying to help them, but it is hard when Government Members are absolutely determined to come down hard on the working poor by cutting some of the benefits that those people rely on to support their families.

This debate has shown that, again, there are real issues that Opposition Members are very keen that the Government should change track on. Whether they will listen I doubt, but it is very important for our constituents

that the Government understand the real damage that they are doing to families, especially children and women, with this move. To ask a family to lose £1,300 to £1,600 a year when they are already on minimum wage and have no hope of getting more money is nothing short of disgraceful. It is totally abhorrent, and I hope that the Government will think again about introducing the cuts that they are proposing in April this year.

Mr Andrew Turner (in the Chair): I should apologise for not telling Members that the monitor was not working. However, you have about 10 minutes each.

2.6 pm

Nick Thomas-Symonds (Torfaen) (Lab): I again reiterate my pleasure at serving under your chairmanship, Mr Turner. I congratulate my hon. Friend the Member for Swansea East (Carolyn Harris) on securing the debate.

For the second time this week, I appear opposite this Minister in this Chamber. I am starting to get very worried about her and the hon. Member for Macclesfield (David Rutley), because they must be becoming extremely lonely. This is the second time this week that they have appeared in this Chamber without one Tory MP coming along to support them. Not one came for the child poverty debate on Tuesday or has come for this debate today. “Now why is that?”, I ask myself. I cannot believe for a moment that it is anything personal towards them. Nor can I believe that the Tory Whips Office has become so incompetent that it cannot even encourage hon. Members to attend a debate such as this. The Chancellor of the Exchequer's leadership bid is already so long gone that I cannot believe that he has got them round to the Treasury to glad-hand them. It cannot be that, so why exactly is it?

I can only draw the conclusion that both child poverty and in-work poverty simply are not high enough on the Tory agenda for their MPs to come along here this week. That is the only explanation, and perhaps we should not be too surprised about it, given what the Secretary of State for Work and Pensions said—he does speak occasionally. Indeed, he was in the main Chamber this morning. He came to watch one of his Ministers, as he usually does. I think that he is trying to live up to the reputation of being the quiet man that he got when he was Tory party leader, because he does not say very much, although perhaps in some cases less is more. But he actually said, at the Tory party conference back on 6 October 2015, that he thought that tax credits were a “bribe”. That is how the Secretary of State sees support for people in work, so perhaps it should not surprise us that no Tory MPs are here to support the Minister and the hon. Gentleman.

Neil Coyle: Is my hon. Friend aware that in Bermondsey and Old Southwark 6,100 working families were claiming the tax credits that the Secretary of State apparently referred to as a “bribe”? I hope that the Minister will give some reassurance that those families will not be adversely affected by the introduction of universal credit.

Nick Thomas-Symonds: I, too, hope that that reassurance will be given this afternoon.

In contrast to the absence of any contribution from Conservative Members, we have heard passionate contributions from the Opposition. My hon. Friend the

[Nick Thomas-Symonds]

Member for Swansea East spoke with her usual verve and passion both on the issue and for her constituents. What a telling statistic it is that wage growth this decade is the third worst since 1860, when Palmerston was Prime Minister. That is an incredible and shocking statistic.

My hon. Friend the Member for Neath (Christina Rees) made several very good interventions, and her passion for Wales, in particular, shone through in what she said. Similarly, my hon. Friend the Member for Bermondsey and Old Southwark (Neil Coyle) put his finger on several crucial points, including the delays to universal credit. To be clear about this, I will quote from a press release of 1 November 2011 from the Secretary of State. What did he say? He said:

“Over one million people will be claiming Universal Credit by April 2014”.

Neil Coyle: He said it very quietly.

Nick Thomas-Symonds: Indeed, he would have been better off saying it quietly, because in November 2015, the actual figure was 155,568. He should be sanctioning himself, on the basis of such a performance. It shows an absolutely dreadful level of incompetence.

I congratulate my hon. Friend the Member for Merthyr Tydfil and Rhymney (Gerald Jones), who drew on his experience as a county borough councillor, and set out well the measures that Labour councils in Wales are implementing to try to deal with wage levels. My hon. Friend the Member for Foyle (Mark Durkan) spoke, as he always does, with great authority on the matter. His point about the availability of work, and his quote about there being one rule for the working rich and one for the working poor, really resonated in the context of the debate. I congratulate the hon. Member for Motherwell and Wishaw (Marion Fellows) on her speech, which was delivered with great passion.

Let us remind ourselves of what the Chancellor—his must be the longest leadership bid in recorded history—said on the “Today” programme on 8 October 2012:

“It is unfair that people listening to this programme going out to work see the neighbour next door with the blinds down because they are on benefits.”

I fundamentally disagree with that statement. The person behind the blinds could be disabled or vulnerable. Dare I say it, they might even have just worked a night shift, although that is something that seems to be lost on the Chancellor of the Exchequer. The Chancellor has been trying to draw a division between those who work and those who do not. He is not the only one who has a problem with the language that has been used in the debate. In September, the Secretary of State said, in answer to the hon. Member for Gloucester (Richard Graham), that

“the most important point is that we are looking to get that up to the level of normal, non-disabled people who are back in work.”—[*Official Report*, 7 September 2015; Vol. 599, c. 6.]

Normal, non-disabled people—what kind of language is that? What does that say to somebody who is disabled? I hope that the Minister will take the opportunity this afternoon to distance herself from such shocking remarks.

Even if we accepted that distinction between those who work and those who do not, the Secretary of State is now in such a mess that he is on the wrong side of his

own dividing line. It is all very well to say that work is the route out of poverty, and of course we want to see more people in work, but the kind of poverty that we are talking about affects people who have jobs, and who go out to work. As the smoke lifts from the Chancellor’s U-turn on tax credit cuts, it has become clear that he is simply going to make the same £12 billion of cuts to universal credit. No one can tell me that when the Tories were going around during the election campaign and talking about their £12 billion of welfare cuts, people such as cleaners seriously thought that they would be affected.

Let me give another couple of examples. I gave the statistics for single parents to my hon. Friend the Member for Swansea East.

Christina Rees: Does my hon. Friend recognise that lone parents are already twice as likely as two-parent families to be in poverty? Single parents are worse hit in the combined reforms; as a share of income, they lose seven times more than two-parent families. By 2021, single parents will lose £1,300 a year, on average, even after taking into account wage increases and tax concessions.

Nick Thomas-Symonds: Single parents could be forgiven for thinking that the Government have a tin ear, as far as their needs are concerned. Let me give the example of a couple who live and work together, one or both of whom have limited capacity to work, because they are disabled. Work allowance will be cut from £7,700 to £4,700 this April, which will mean a loss of income of £3,000 a year. Single individuals will essentially lose everything, with a reduction of £1,332 and a net loss to income of £865. My hon. Friend the Member for Swansea East has mentioned the Social Mobility and Child Poverty Commission; its latest report was published as part of the glut of data that the Government put out just before Christmas, on 17 December. I quote from the commission:

“The immediate priority must be taking action to ensure that the introduction of Universal Credit does not make families with children who ‘do the right thing’ (in terms of working as much as society expects them to) worse off than they would be under the current system. That means reversing the cuts to Universal Credit work allowances enacted through the Universal Credit (Work Allowance) Amendment Regulations 2015 before they are implemented in April 2016.”

The commission is asking the Government to do that, and it is precisely what they should do.

What is the Government’s answer to the claim that they are attacking working people? At least the Ministers in the team are not shy about coming forward with the odd suggestion of what people should do to help themselves. We have heard the one about working more hours. I am not entirely sure how single parents are meant to do that, but perhaps the Government will explain that to us in due course. My particular favourite was the suggestion made by the Under-Secretary of State for Work and Pensions, the hon. Member for North West Cambridgeshire (Mr Vara), in the House on 6 January 2016. When he was asked about mitigating the effects of the social security changes, he said that we should not forget

“the fact that every time we fill up our tank with petrol there is a saving of £10 because of the freezing of the fuel duty.”—[*Official Report*, 6 January 2016; Vol. 604, c. 342.]

In the 1980s, the unemployed were told to get on their bikes, but in 2016 the advice is to fill your car. If that is the best that the Government can offer the working people of this country, it shows the position they have reached.

The Government are in the worst of all worlds. Universal credit is the Secretary of State's passion. The policy is his baby. He allegedly fights the Chancellor around the Cabinet table so that he can keep it going, although we might draw the conclusion that he is not doing so very effectively. We will have to wait until, I think, 2021 to see the full effects. The Secretary of State seems to be going for some kind of record for how long it takes to implement change at the DWP. The Government are in the worst of all worlds, because they lack both compassion and confidence.

2.16 pm

The Minister for Employment (Priti Patel): May I say what a pleasure it is to serve under your chairmanship, Mr Turner? I thank all Members for their interesting and lively contributions. As the hon. Member for Torfaen (Nick Thomas-Symonds) has said, this is our second debate on the topic this week. I will not respond to all his comments, because I have heard him make some of them before, especially those about my right hon. Friends the Secretary of State and the Chancellor. I recall commenting—not in the debate two days ago, but possibly two weeks ago—on some of the language that has been used when it comes to supporting work, supporting those who are in work and reforming our welfare system so that it supports people into work.

I recognise that this debate is about in-work poverty, although it has been quite broad. In the last five years, we have seen the movement of more than 2 million people into work and an employment rate of 74%, which is the highest since records began. Many of the generalised assumptions that have been raised in the debate are simply wrong, particularly given what we inherited in 2010. That movement of people into work came after the previous Labour Government had presided over the longest and deepest post-war recession, which wiped out nearly 6% of our economy. That did much to hurt people, who were put into poverty and saw their earnings decline, and it had a devastating impact on the country's economy and resulted in the loss of jobs.

Three hon. Members from Wales spoke in the debate. If I recall correctly, the Office for National Statistics on employment, which were published last week, show that over the last year the number of people in work in Wales rose by 48,000, bringing the employment level up to 1.4 million—close to its highest ever level—with a rapidly growing employment rate. We have also seen an increase in the number of jobs in Swansea, Cardiff and Newport, and across Wales. New jobs were announced last week in Wales by major employers including BT, Admiral and General Dynamics.

Nick Thomas-Symonds: Will the Minister simply confirm that wage growth this decade is predicted to be the lowest since the 1920s? Does that not say everything about the wasted Tory decade?

Priti Patel: On the contrary. Average weekly earnings have grown consistently in the past year—

Carolyn Harris: Will the Minister give way?

Priti Patel: Let me finish my sentence and I will. Wages have been growing faster than inflation for 14 consecutive months and, as much as the Labour party has been utterly disparaging about the introduction of the national living wage, which says a great deal about its attitude to pay increases, we know for a fact that when the national living wage is introduced later this year, we will see an enormous—

Carolyn Harris: Will the Minister give way?

Gerald Jones: It is a long sentence.

Priti Patel: I will give way in a moment. I have been very respectful by listening to and not intervening in the contributions of Opposition Members. More people will benefit when the national living wage is introduced in April.

Carolyn Harris: I feel suitably chastised. The Minister gave a list of job increases but she left off Tata Steel, where there have just been 750 job losses very close to my constituency.

Priti Patel: Tata is not a particular case study for Wales or the United Kingdom. I hope that the hon. Lady recognises that the steel industry faces huge challenges around the world. In China, people are also losing their jobs because of what has happened in the steel industry. Jobcentre Plus and the Department for Work and Pensions have been there from the outset to support people who have lost their jobs in the steel industry by helping their families at this very difficult time and supporting them to find work. The marketplace is challenging, but the hon. Lady is the Member of Parliament for a Welsh constituency and she has a duty to acknowledge the support that is being given—the work that Jobcentre Plus staff in her constituency are providing—to individuals and families who have lost their jobs.

Christina Rees: Surely the increase in jobs in Wales is down to the excellent policies of the Welsh Labour Government and schemes such as Jobs Growth Wales with EU investment.

Priti Patel: If it were not for the fact that this Government picked up the shambolic legacy of the Labour Government in 2010, rebalanced the economy and, importantly, created the right environment for the creation of new jobs, those new jobs in Wales would not exist today. We have supported lower corporation taxes and lower taxes for businesses to come to the UK to make the UK a much more competitive place.

We have heard voices from around the UK in the debate, including the hon. Members for Foyle (Mark Durkan) and for Motherwell and Wishaw (Marion Fellows). A record number of jobs have been created in Scotland and wages in Scotland are going up as a result.

Neil Coyle: The Minister seems to have the utmost confidence in the economic growth, which does not appear to have been shared in the latest survey of business leaders. Is their nervousness about the current

[*Neil Coyle*]

state of the economy perhaps to do with the fact that the Chancellor seems set to take over from the lame duck Prime Minister?

Priti Patel: That intervention does not befit the hon. Gentleman.

Neil Coyle: That is up to the Chair.

Priti Patel: No—I have served with the hon. Gentleman on a Bill Committee in which he has made some valuable contributions. This is not about individuals. We live in a global world. Look at what is happening with the international economy right now. Stock markets around the world, including the UK, have faced a challenging start to the year. Business is right to be sensitive to global factors. I come back to the point that the UK has a highly competitive economy thanks to many difficult decisions undertaken by the Government in the previous Parliament, and we continue to make difficult decisions in this Parliament.

All the contributions this afternoon are valid. The hon. Member for Motherwell and Wishaw mentioned that individual constituents come to her on a weekly basis. If she would like to share with me her casework examples regarding universal credit, I would be happy to take them up. When it comes to stability, we have made choices. None of the opposition parties has presented solutions to the House this afternoon. Hon. Members said that universal credit should not exist and that they want to scrap it, but they have no alternatives for welfare reform or changes to the welfare system. As we heard in earlier debates today, to govern is to choose. Our choice is to reform welfare and to ensure that we support people into work.

Nick Thomas-Symonds: The Minister is generous in giving way. Will she clarify something on the Government's welfare reform? Lord Freud said that the move from tax credits to universal credit will happen in the event that someone re-partners and in the event that there is a new member in the household. Is the modern-day Tory party really providing disincentives to marriage and having children?

Priti Patel: The hon. Gentleman is taking the noble Lord's suggestion out of context. There was quite a substantial discussion about universal credit including a gross representation of the roll-out—the hon. Member for Bermondsey and Old Southwark (Neil Coyle) said, in jest, that it would be “a thousand years”. All hon. Members know, because they have heard it from me previously, that universal credit is now in three quarters of all jobcentres and will be in all jobcentres by April 2016, so the roll-out will take a few more months and certainly not a thousand years as the hon. Gentleman suggested.

I come back to the principle of the reforms. Universal credit transforms the welfare system and has been designed to ensure that people are supported in work. It is a subject of many discussions I have had with the hon. Member for Bermondsey and Old Southwark in previous debates. Yes, there is a financial safety net and support through universal credit but, importantly, the universal credit system is designed to support people to progress in work. Jobcentres deliver support, providing a single point of contact with much more personalised support, advice and guidance from a dedicated work coach.

The concept of the work coach is working. I have sat in on many interviews when I go to see our colleagues—particularly work coaches—working in jobcentres and helping people to develop in their roles, especially people who are moving from part-time to full-time work or who are seeking to work more hours depending on personal circumstances. Work coaches help them to develop the right kind of skills and confidence to secure employment. Surely hon. Members cannot disagree with the fundamentals of supporting people into work, giving them confidence, and helping them to develop new skills, should that be the appropriate route for them.

I am proud of way in which we work with other aspects of the state when we look into co-locating our services with housing associations, further education colleges and local authorities. We have 30 fully co-located sites, where we can join up and bring public services together to ensure that we have the right kind of service delivery for individuals.

I am conscious of time as I can see the clock ticking, but I want to emphasise that the Government are fundamentally focused on providing in-work support through stronger local partnerships in constituencies to ensure that we support individuals on universal credit or benefits, help them to get back into work, and secure better employment outcomes and better futures for them in the long run.

2.29 pm

Carolyn Harris: Thank you for your excellent chairmanship, Mr Turner. I sincerely thank all Opposition colleagues for attending this debate on a day when they could be at the coalface addressing the problems caused by this Government's policies. I thank the Minister for her response, and I would have liked to thank her for her warm words, but “condescending” and “passionless” are probably better descriptions. I leave here no wiser than I was coming in, except now I know that there is a total lack of understanding and passion for what is really happening in the UK in 2016. I urge the Government to rethink.

Question put and agreed to.

Resolved,

That this House has considered in-work poverty.

2.30 pm

Sitting suspended.

Basic Payment Scheme

[MR CLIVE BETTS *in the Chair*]

3 pm

James Heapey (Wells) (Con): I beg to move,

That this House has considered the Basic Payment Scheme.

It is a pleasure to serve under your chairmanship, Mr Betts—I believe it is the first time. I thank the National Farmers Union, its members and officials back home in Somerset and its team nationally. They have been helpful in pulling together my thoughts, and I know that they are keen that the issues are heard in Parliament and responded to by the Government. I am grateful to the Minister for coming to hear the concerns and respond to the issues that are raised.

I also thank the many farmers and colleagues who have been in touch to share their thoughts on this important issue. Although we hear a great deal from other parts of our community through third-party campaigns and our email inboxes, farmers are not the sort to do that sort of thing. It is easy to think that because we have not had hundreds of farmers emailing us with their concerns, the basic payment scheme is not an issue, but that is simply not the style of farmers. Frankly, they are too busy out on their farms doing other things to write to their MP, so it is important that we act on the murmurs that we pick up on by debating them here.

There has been real anger and uncertainty in the farming community over the basic payment scheme. I well remember the Secretary of State's visit to the Bath and West show last year. It was apparent even then that farmers were somewhat sceptical about the introduction of the new payment application scheme. They were nervous that it might not go well and were pushing her for assurances that payments would be delivered on time, as usual. There is a long tradition of British public sector IT projects not going too smoothly, so their scepticism was perhaps well founded, but it was absolutely crucial that we got it right given all the other pressures on the farming industry at that time and now. The problem is that we did not.

We should not underestimate the importance of our agricultural sector. We live in a global market. Food comes into this country from all over the world, but if we do not support our agricultural sector properly, both in how we subsidise it and in how we administer the subsidies, we are causing a real challenge for our nation's food security. Farmers have irregular cash flows over the course of a year, and the basic payment scheme payment, which comes in the middle of winter, is a vital part of seeing them through the lean winter months.

Sir Henry Bellingham (North West Norfolk) (Con): I congratulate my hon. Friend on securing this debate on an incredibly important issue. This is also the time of year when everyone is trying to finish their tax returns. I have had representations from farmers in my constituency who do not have the money in the bank to pay their tax liability. Does he agree that it is essential that the Secretary of State for Environment, Food and Rural Affairs speaks to her counterparts in the Treasury to ensure that some allowance is made for situations where payments have not been made?

James Heapey: I very much agree with my hon. Friend. I will shortly come on to some of the impacts of late payments that I have seen, but he makes a good point, which I hope the Minister will take away. Perhaps those of us here today might seek to lobby the Treasury on exactly that issue, because farmers have a great number of bills on their desks awaiting payment once the basic payment comes. We can perhaps ease the pressure by making their tax bill less urgent.

Michael Tomlinson (Mid Dorset and North Poole) (Con): I am grateful to my hon. Friend for securing this important debate. May I pick up on two things he has mentioned? First, I have had a number of meetings with farmers in Dorset who are concerned about the issue. Secondly, uncertainty is perhaps the key here. Farmers are asking for good communication and certainty. Perhaps my hon. Friend will comment on that. Part payment could be a solution and a way forward.

James Heapey: My hon. Friend does the farmers of Dorset a great service in raising those issues, which I intend to speak on at some length because they are hugely important.

I have the great honour of serving on the Select Committee on Energy and Climate Change, and one thing that I have observed is that we talk about energy security with great urgency—we are willing to bend our backs in government and in this place to ensure that we achieve energy security—yet we seem to be slightly less concerned about food security. I put it to the House that in many ways our food security is as important as our energy security and any other type of security, in that while the going is good we can rely on international markets, but when the going is bad, it is absolutely essential that we can feed ourselves. We must therefore be sensible and urgent in how we support farming to ensure that we maintain the sector.

Simon Hoare (North Dorset) (Con): Like others, I congratulate my hon. Friend on securing this debate. Given the huge volatility we have seen in the gate price for farm produce, whether that is livestock, meat or milk, and acknowledging that agriculture is the backbone of our south-west of England economy, does he share my concern that failure to get payments in full and on time could prove the tipping point for farmers who have been trading at the margins for too long? They may put up their hands and say, “I fought the fight to the end, and I am now giving up.” That would have a devastating effect on our combined Dorset economy and across the wider south-west.

James Heapey: My hon. Friend speaks with great authority, and he is absolutely right. Many farmers in Somerset, Dorset and across the south-west and the United Kingdom have had a difficult couple of years with the price of milk, beef and pork, and that has led to real challenges for them. This could be the time at which the bank manager turns round and says, “There is no opportunity to extend credit lines. I am afraid that enough is enough.” My hon. Friend's point is absolutely right and rather tallies with what I was saying. We must not underestimate the importance of supporting our agricultural sector through difficult times, because we will need it to be as capable in the future as it is now.

Mrs Anne-Marie Trevelyan (Berwick-upon-Tweed) (Con): I thank my hon. Friend for securing this important debate. I have been meeting regularly with farmers who are struggling. In large measure, Northumbrian farmers have very small farms and upland farms. Does he agree that it is unacceptable that DEFRA and the common agricultural policy system are the loan service? Farmers are having to carry the burden and the emotional and family pressures of having big debts, while DEFRA cannot manage to pay out on time and in full.

James Heapey: I absolutely agree with my hon. Friend. The issue has caused significant distress. When I reflect on some of the correspondence I have had from farmers in Somerset, I find that their anger subsides very quickly to real worry and concern for their livelihood and those of their families and the people they support through their business. The issue is hugely important.

Geoffrey Clifton-Brown (The Cotswolds) (Con): My hon. Friend is being very generous with his time. I draw attention to my declaration in the Register of Members' Financial Interests.

The Rural Payments Agency said that it would make the vast majority of payments by the end of January. Does he agree that we need much better communication to farmers who will not be paid by the end of January, so that they know and can plan for when they might receive payments? Furthermore, does he agree that we need much greater certainty going forward that the RPA will deal with this year's applications in a much more expeditious way than it did last year's?

James Heapey: I very much agree with my hon. Friend. The term "vast majority" is rather loose, and we will come to that in a second.

There are three key issues in the debate. First, what is the current state of play? How many payments have been made as of today? How many will be made tomorrow—the last banking day of the month? How many payments will therefore be made by the end of January—the line the RPA previously drew in the sand? Secondly, what is the understanding of the Government and the RPA of what has gone wrong this year? How deep has their analysis been? How willing are they to apply the lessons learned to next year's process? Thirdly, I invite the Minister to assure us, and all the farmers in this country, that these things will not happen again next year or, indeed, at any point in the future.

The difficulty is that there has been a shocking failure of expectation management by the RPA, and that comes down to the agency's use of the term "vast majority". When the RPA's chief executive appeared before the NFU council on 13 October, he implied that about 90% of payments would be made by the end of January—that appeared to be the definition of "vast majority" at the time. However, shortly afterwards, about 17% of farmers were written to and told they would not be paid by the end of January, which indicates that, by default, the vast majority was to be defined as 80% to 85%. As of yesterday, however, only 70% of payments had been made. With one banking day left this month, therefore, we might conclude that 70% is the vast majority. The real problem is that "vast majority" is an awfully hard

term to define, although I can say with absolute certainty that the vast majority of farmers agree with what I am saying today.

I hope the Minister will take this opportunity to confirm exactly how many payments have been completed. I hope he can also say with absolute certainty when we will reach the 95% threshold. In the previous year, 95% of payments were completed on the very first day that payments were made—1 December—and 98.5% were completed by 6 February. The year before, 92.3% of payments were completed by 4 December, and 97% were completed by 28 January. The year before that, 91% of payments were completed on 3 December, and 93.5% were completed by 31 December.

Technology is supposed to speed up advances, but in this case it seems to have slipped us into reverse. We need to say as quickly as possible when the remainder of farmers will be paid, and we need to be precise—we can no longer say, "You have an eight or nine-week window in which you will be paid." People need to know now, with certainty, whether they will be paid in February, March, April, May or June. I hope the Minister agrees that the RPA should have that responsibility for everybody who is left unpaid after tomorrow.

For complex payments—involving, say, common land—we need to make split payments. We need to say that we will make the payment for the home farm now and that everything else can come later. People with complex claims are in real difficulties. Although they might ordinarily expect to be towards the back of the queue, they would still expect to receive their payment around now, and certainly within the next few weeks. This year, however, because of the backlog of more simple payments, they could have to wait much longer, and we must avoid that.

The impact of the delay is very serious. Tomorrow, we across the parliamentary estate will be paid, as will many other people across the country. Next week, standing orders and direct debits will almost certainly come out of our bank accounts to pay our mortgages and whatever other bills we have, and we will be confident that we can meet those bills, because we know what we will be paid tomorrow. Farmers, however, do not have that luxury, and they have not had since they received a letter towards the end of November telling them that the vast majority would be paid at some point in December or January. They expected that to mean that at least 80% to 85% of them, and perhaps even 90%, would be paid, but it appears that only about 70% have been paid in that window.

However, the issue goes further than that. A farmer has told me that he has £12,000 of unpaid invoices on his desk in his farm office. Those invoices are not to big feed suppliers or other big companies, but to small, local companies servicing the agricultural sector. Those companies have been made to wait for their money, because the farmer has not had his basic payment scheme payment. I understand from farmers down at the market in Bridgwater that the value of store lambs this year is depressed because farmers simply do not have the cash in their pockets to go to the market to buy livestock. That is having an impact, too.

There is also the cost of extra credit, as farmers have to go cap in hand—again—to their bank managers to secure an extension to their overdrafts or credit facilities. That comes at a cost, and it is a cost that farmers will

bear, not the Government. We must take the impact of the delay seriously. We need to be able to say with absolute certainty when the payments will be made.

If Members will indulge me, I would like to suggest what lessons might be learned. I do not expect the list to be exhaustive—it is based on my reflections on what I have heard and on the wish list of the NFU, the Country Land and Business Association and others who have been in touch. However, I hope the Minister will take note of it. Indeed, I would hope that DEFRA and the RPA have already spotted all these things and more, and that work is already well under way to make sure that the lessons are applied to next year's scheme.

First, what is being done to increase the capacity of the IT system? It crashed because it became overloaded. We need a guarantee that the system will be able to cope with the pressure placed on it next year when all farmers seek to apply for their payments.

Secondly, what is being done to preserve half-completed applications when connectivity is lost? We in rural areas are well used to trying to make a purchase online and going through that awful experience of seeing the broadband fall over at the crucial moment when we have clicked "Pay", with the result that we do not know whether we have completed our purchase. Buying something on Amazon takes 10 minutes, but someone could have spent a couple of hours filling in their basic payment scheme application this year. If their broadband then fell over, as it so often does in rural areas, they would have had to go all the way back to square one and start again. It cannot be beyond the wit of man to develop an application system where, every time someone clicks "Next", the application is saved. In that way, if the connectivity failed, or if the site could not cope with the demand, everything someone did beforehand would be there when they returned to it.

Furthermore, given all the problems this year, why not make sure that the data that have been verified for each farm are automatically carried over into next year's applications? If the data need to be amended because of a change in a farmer's circumstances, that is fine. What a wonderful help it would be to farmers, however, to know that data they submitted this year, which have been verified, will already be there waiting for them next year.

What is the reversionary option for those with poor connectivity? I believe that the Department has indicated—the Minister might like to nod if this is the case—that farmers will have the option to choose a paper application next year. If that has not been announced, perhaps it would be prudent to announce it in the near future. Many farmers simply cannot soldier through incredibly poor connectivity—below 1 megabit per second—to go through the online application process. Until we can improve their connectivity, it is unfair to expect them to endure that.

What can be done to improve the mechanism for confirming a successfully completed application? The feedback loop at the end of the online application is not particularly reassuring, and that seems to be a bit of an open goal. I am not particularly talented when it comes to IT, but even I have managed to figure out how to put an auto-reply on my email so that someone who sends me something automatically gets something back. People might quite welcome having something as basic as that as part of the online application process

so that they immediately get confirmation that their application has been submitted. Thereafter, they could get progress checks, as happens with many mortgage companies, so that they could see how their application was progressing.

What can be done to better communicate an application's progress and to provide greater certainty over when payments will be made? This year, we have been able to tell people only that their payments will be made within fairly broad spans of time. If we are going towards an online system, why can we not guarantee that once someone's application has been made and they have been notified when each check has been gone through, they will immediately get an email saying that the payment will be in their bank account on a specific day?

What if the IT fails again? What is the RPA's contingency plan for processing paper applications in 2017 more quickly? This year the system fell over and the Government rightly said they would accept paper applications, but the RPA clearly was not immediately capable of setting about the verification of those applications—hence the delay.

What sanction do the Government have in their contracts with those who provide the IT system, should it fall over this year or next year? Equally importantly—many farmers will be keen to hear about this—what is the sanction against the RPA and its senior leadership if it all happens again and there is no improvement in its communication? What is the timeline for scrubbing the payments portal to make sure that all the lessons learned this year will be incorporated into the process, both to improve the applications mechanism and to make sure that the guidance that farmers receive for next year's application will fully incorporate everything that has been learned? Farmers are only two or three months from the time when they will need to apply.

What are the plans to maintain RPA staffing and resource at current levels until the Government are absolutely certain that the 2016-17 payment process is running smoothly? As I see it, the problem is that at the moment the RPA is fixed on having to make this year's payments. It makes me very nervous that because of the immediate requirement to make payments now, no one has gone off into a dark room to work out what has gone wrong and what needs to be improved, and to make sure all those things get done before people make their applications for next year. It seems trite to say it, but I think it is important to do so: a mistake is a mistake, but repeating it is incompetence. I hope the RPA is painfully aware of how it will look if the same mistakes happen next year.

That leads me to perhaps the biggest issue in the debate, and the one that I suspect farmers are most nervously awaiting: the Minister's absolute assurance that he and his Department are 100% confident that what happened is just a teething issue for year one, that all the lessons will be learned and applied, and that next year we will be back to the same success rate for the making of payments at the start of December as in previous years.

There is another area of uncertainty. This year has gone badly. We hope next year will be better, but what of the year after that, if the nation votes in a referendum to leave the European Union? That is causing great uncertainty for farmers, and although I do not necessarily want the debate to descend into that issue, I will quote a

[James Heapey]

comment made in June by the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Penrith and The Border (Rory Stewart):

“It is vital that, whatever happens in the vote on the European Union, the Conservative party—indeed, all parties in this House, I hope—and this country continue to provide deep support for farmers... We must take responsibility ourselves; we must say we believe in the support farmers currently get from Europe, and, whatever happens in the vote, we must continue to provide it”.—[*Official Report*, 1 June 2015; Vol. 596, c. 431.]

The NFU and farmers generally are rightly nervous about the outcome of the referendum, and I hope that the Minister, who is the Farming Minister, will agree with the Under-Secretary that it is inconceivable that the UK Government would not support agriculture if we were outside the European Union, in the same way that the EU currently supports it.

Nigel Adams (Selby and Ainsty) (Con): Does my hon. Friend share my concern that when asked at the Oxford farming conference how things might look for agriculture if we were outside the EU, the Secretary of State confirmed that the Government had not made any investigation of, or spent any resource on, what an exit might look like for agriculture?

James Heapey: I very much agree with my hon. Friend’s point. It does seem remiss. I understand why the Government do things in that way—in my last job in the Army I had a staff appointment at the Ministry of Defence when the Scottish referendum was announced, and we were told in no uncertain terms that there would be no contingency planning. The Department of State of which I was a very small part would continue to work on plan A and would address plan B thereafter. Farmers are putting up with an awful lot of uncertainty now. It is all self-inflicted for us this year, because of the BPS, but in future years it will be because of the referendum. I unequivocally support the referendum, but it would not take much for DEFRA to agree as a statement of principle that our farming sector is an essential part of the country’s economy and security, and therefore to agree, as the Under-Secretary of State has already done, that committing to support it is easy, and common sense.

The basic farm payment is another example of a public sector IT project going badly wrong. Our farmers, who have already had a tough couple of years, have once again been asked to carry the cost. We cannot be casual about the future of the farming industry. Food security is too important—as important as any other part of our national security. We need to know today when the remainder of the payments will be made and what lessons have been learned. We also need a guarantee that those lessons will be ruthlessly applied to next year’s process, so that the same thing does not happen again. Finally, we need to know that the Minister has absolute confidence in the RPA, that the 2016-17 payment scheme will run smoothly, and that farmers will get their money at the beginning of December as they have done in previous years.

3.26 pm

Chris Davies (Brecon and Radnorshire) (Con): It is a pleasure to serve under your chairmanship, Mr Betts. I congratulate my hon. Friend the Member for Wells

(James Heapey) on securing the debate and on the valid points he made. I am sure that his constituents will feel their views were expertly represented, and I will do my best to put my points as eloquently as he put his.

This issue directly affects a large number of my constituents, as Brecon and Radnorshire is one of the most rural, and most farmed, areas in the UK, with many farmers who claim the basic payment. I accept that the payment process is devolved in Wales, but my constituents and I have many of the same concerns about the payments system that people in England have. I am sure the hon. Member for Blaenau Gwent (Nick Smith), my neighbour in Wales and the shadow Minister, will agree with many of my concerns.

I am a member of the Environment, Food and Rural Affairs Committee, and we have on several occasions quizzed the Minister—and, indeed, on Tuesday, the Secretary of State—on our concerns about the RPA. The chief executive of the RPA has also given evidence. I am delighted that they will all be coming before us again; we look forward to looking further into the mistakes and getting the exact reasons for them out of the chief executive.

Simon Hoare: My hon. Friend has had a joyous luxury that I have not partaken of—meeting the new people who are running the agency. Do we know what percentage of agency staff have ever farmed or been involved in farming?

Chris Davies: I thank my hon. Friend for that great intervention. We can only guess—and our guess might be that it is probably not a lot; but that is purely an assumption, and I cannot provide the facts. The Minister may be able to enlighten us further.

We must do everything we can to get the payments out to farmers as effectively and efficiently as possible, to resolve the current issue of delays to payments. I know of many local farmers in Wales who have received part-payments. Of course England has a completely different system. It does not have a part-payment system; it is paying fewer farmers, but in full. We need to get all the money out because in addition to the effect of payment delays on farmers’ cash flow, falling market prices of produce hamper the growth of the farming industry around the UK. With incomes low, many farmers tell me they are unable to pay suppliers until the payments come through. That has a direct impact on the ability to run local businesses and affects the whole rural economy. That is why we must do all we can to get payments out as quickly as possible.

Michael Tomlinson: Perhaps my hon. Friend will elaborate a little more on the part-payments that have been made and how well they have worked in his experience. Farmers whom I have met have said, “At least give us something now to help tide us over before we get the certainty of the full payment.” Perhaps he will elaborate on that a little more.

Chris Davies: I thank my hon. Friend for raising a very good question. In Wales, certain payments have been released—30%, 50%, 70%—but, as the permanent secretary told the Select Committee on Tuesday, the Department decided not to do that because that would mean a system of reprocessing claims, taking even

longer to get the full payments out, so it was decided not to go down that route. I am sure the Minister will elaborate on exactly why, but that is what the Select Committee was told.

In Wales, the Welsh Government have in part put the delays down to a legal challenge to the new system that they intended to implement back in 2015, but I cannot help but wonder why there was not a back-up system in place as soon as the legal challenge was launched. That would have ensured that farmers would not face the sort of delays they currently face today. Although I appreciate that that was not under the control of the Minister here today, I wonder whether he will join me in recommending that, should such a challenge be put in place on any side of any border in the future, reasonable back-up systems should be in place so that farmers are not adversely affected.

That brings me loosely on to my second point. Farmers do not seem to have been informed of what is happening with their claims. The uncertainty this creates should not continue, and I am glad to hear that both the RPA and the Welsh Assembly will now write to farmers to inform them of why their claims have been delayed. That said, can I urge the Minister to ensure that, included in the letter, will be a statement of when each farmer can expect to receive their payment, as this will enable farmers to plan their cash flows better and assure their suppliers of when they can expect to be paid. The Secretary of State and the permanent secretary told us on Tuesday that they expect payments to go out somewhere between February and June, but we know that the window closes in June and we could not get a more specific time. Perhaps the Minister will know a little more about that.

We should keep our farmers up to date because they need to plan for the future. Each farmer is a small business; some are very large businesses in our rural economy. Without being able to get their payments, they will not have a business plan, and that has an impact. We should resolve the issues that we currently face as quickly as possible. I also think it is vital that we learn the lessons from this year's application process, as my hon. Friend the Member for Wells has emphasised strongly. While the crisis is still going on, it is difficult to analyse exactly what has gone wrong. The applications will begin again in May this year. Can the Minister outline the lessons that he believes the RPA and all administrative bodies can learn to ensure that we do not face the same issues again in the 2016 application period?

On the basic payment system more widely, what is the Minister's view on the stringent nature of the Assembly's application of the BPS rules? I have several constituents who are concerned that they are not receiving their full allocation owing to the nature of the satellite imagery used to assess their farm sizes. Simple issues such as the shadows of trees mean that farm sizes are being shrunk, as the shadows caused by the trees make wooded areas look larger on satellite images. This then shrinks the size of farms, often by considerable distances, and diminishes the payments that farmers receive. This causes delays to some farmers' payments, so will the Minister press the Assembly to look at new, more efficient ways to process basic payment schemes? For too long the system has been too complicated, and it is about time we simplified it best to assist our farmers.

In conclusion, I believe we face significant issues with this year's applications that should be resolved as swiftly as possible, and I look forward to the Minister's response on the issues that hon. Members raise today. The most important consideration we must take from the payment delays this time around is to ensure that not only are lessons learned, but also that resolutions are implemented in time for next year's applications. Farmers should be able to focus their efforts on farming their land and not on form filling and concerning themselves with whether or when they will be paid. With all the current and predicted hardships that our farmers face, I implore the Minister to ensure that farmers' basic payment scheme applications will not be a further hardship next year as well.

3.34 pm

Sir Henry Bellingham (North West Norfolk) (Con): It is a pleasure to serve under your chairmanship, Mr Betts. First, I declare my interests in the Register of Members' Financial Interests. I also congratulate my hon. Friend the Member for Wells (James Heapey) on securing this debate and on his superb speech. I thank my hon. Friend the Member for Brecon and Radnorshire (Chris Davies) for his contribution as well.

North West Norfolk is predominantly a farming constituency. Norfolk and the rest of East Anglia make a massive contribution to food production in this country—to agriculture and food manufacturing—and many people think that places such as North West Norfolk and North Norfolk are the lands of big estates. There are plenty of big estates in my constituency, but there are also many small farmers as well, and many county council smallholders throughout the county. Particularly heading towards the west of my constituency, towards Peterborough and Wisbech, many small farmers are predominantly growers in the horticultural sector and might have a small arable operation as well. Things have not been easy, as the Minister knows. The wheat price has been volatile and is well down on its high. The beet sector, which was one of the absolute stalwart sectors in Norfolk, has been under a great deal of pressure, and a lot of farmers are coming out of beet growing because it is not profitable to stay in it.

The vegetable sector is, again, volatile. I also want to mention the pig sector, which is incredibly important in North West Norfolk. It is the one area that farmers have diversified into either as rearers themselves or as farmers who are letting land for pig production. There are many well-known pig and poultry operators in East Anglia, and the sector, as the Minister knows, has been under a huge amount of pressure. The sector is suffering a lot of difficulties at the moment. In that context, the one thing that is incredibly important for farmers in my constituency is cash flow.

I have had representations from a significant number of farmers and landowners who have pointed out to me that the current state of affairs simply is not tolerable. Some have been paid—I am sure the Minister will in his reply flag the percentages and the numbers that have been paid—but a very large number of people have not been paid. That has a big impact not only on the many farmers who cannot pay their bills and who have invoices waiting to be sorted out but, as my hon. Friend the Member for Wells pointed out, on the wider rural economy through the knock-on effect on the small

[*Sir Henry Bellingham*]

suppliers and small businesses that really cannot themselves put up with any interference with their cash flow. It is not the fault of farmers, because they do not have the money to pay the bills at the moment. They plan their year around the crops, around the seasons and also around the payments that come into their bank accounts. It is essential that we have immediate action.

I intervened on my hon. Friend the Member for Wells a moment ago and asked him about what HMRC should do. I know that the NFU has been having conversations with HMRC, but I very much hope that the Minister will take away from this debate that the one area that he and his ministerial colleagues have to look at straight away is HMRC. Is it being as sympathetic and as understanding as possible to farmers who have to pay their tax bills soon? In fact, if they do not pay by Monday, they will be charged interest. So I urge the Minister to have discussions with HMRC and to put in a request to Treasury Ministers that there should be a scheme for late payment for farmers who have not been paid their basic payments.

Marcus Fysh (Yeovil) (Con): Does my hon. Friend agree that the issue is not only about having a tax holiday, because many farms are not very profitable? When there is a cash-flow issue, as he has described, perhaps we should look at an emergency loan scheme against which they can draw.

Sir Henry Bellingham: I am grateful to my hon. Friend, who represents many farmers who are in the same position as mine. He makes a good point, because some of the smaller farmers will not even have a tax bill. Certainly some poultry and pig farmers in my constituency will be paying no tax, because they are not making a profit.

That leads me on to the possibility of partial payments. When the Minister winds up, I hope he will have a good look at the possibility of those farmers who have had their basic payment delayed receiving some sort of partial payment immediately. I understand from farmers in my constituency that some of the delays have been brought about by a series of problems, such as with cross-compliance or common land. In fact, it amazes me how much common land there is in my constituency—virtually every parish has common land and, although it is often owned in conjunction with local landowners, it is often farmed on long leases or by local estates. All sorts of problems lead to delays and I know of examples of farmers who have ticked every single box correctly and had no problems in the past, but because of one small issue over something quite trivial, everything has been delayed. Therefore, when there is no element of doubt about the farm, the business in question, and its record of paying taxes and abiding by rules and regulations, surely in such circumstances there must be scope for making a part-payment.

I also hope that the Minister will look at the farmers affected by the recent appalling floods. Scotland is under a different regime, but I have a friend, Mr David Baxendale, who farms in the borders at a place called Stanhope, on the upper reaches of the Tweed, and his area suffered its worst ever floods. He has seen damage to a large number of dykes and fencing, and his farm is

under real pressure. I have no idea of exactly how big the damage bill is, but the answer is huge. Farmers in Scotland are suffering delays to their payment, too, and I hope that the Minister will look at them, as well as at farmers in Lancashire and Cumbria who might not have received their payment, but because they have been badly flooded face additional crises and problems to sort out. Will he look specifically at them?

My hon. Friends the Members for North Dorset (Simon Hoare), for Mid Dorset and North Poole (Michael Tomlinson), for Berwick-upon-Tweed (Mrs Trevelyan)—she has just departed the Chamber—and others made mention of the need for some sort of certainty. Given any delays or issues between a farmer and the Rural Payments Agency, I understand from the NFU and the CLA that communications have been poor. Will the Minister explain why those communications, letters and discussions have not gone more smoothly? Why has the RPA not been more understanding and more proactive? Perhaps it is about the staffing, as my hon. Friend the Member for Mid Dorset and North Poole said, or perhaps there are RPA people who do not understand enough about farming per se. Surely none of that is an excuse for any form of incompetence or lack of keenness on the part of the agency to provide a better service. Those farmers who have not had their payment, or may not get it in the next few weeks, above all else need some form of certainty—the information and communication.

Nigel Adams: We are not talking only about indicative chatter. I have met with many farmers, including almost 30 of them two Saturdays ago—incidentally, four of them had received their payment and several had received letters saying that they would not be paid in December and January—and quite a few have explained to me their frustration with what seems to be a severe lack of knowledge when they speak to the RPA. It was admitted to one farmer that a bunch of students were working there temporarily, and they simply did not understand the forms. Does my hon. Friend share my concern about that?

Sir Henry Bellingham: I certainly do share my hon. Friend's concern. The NFU briefing stated that often the

“letters were vague and unhelpful”—

and that there was no clear commitment to improving communications. Furthermore, the Minister should be aware that the NFU is saying that the call centre has been unsympathetic and at times offhand and even rude to farmers. That is simply not acceptable.

Other hon. Members want to say a few words, so I will conclude with the one lesson that we must take away from the debate. Food security in Britain is incredibly important. The farming sector is one of our most important economic sectors, if not the most important for job creation, if we include food manufacturing and processing. It is a crucial sector. On the one hand, the Secretary of State and her team of Ministers, to give them credit, have been championing the sector. On the other, if the scheme is not improved and they do not get a grip on it, the very sector that they are championing will suffer unnecessarily. The Government pride themselves on competence and on Ministers really getting a grip on things, so I hope that the Minister present will live up to those expectations.

Mr Clive Betts (in the Chair): Two more Members want to speak and we need to bring in the Front Benchers at 4 o'clock, so if you could each take no more than seven minutes, that would be helpful.

3.44 pm

Geoffrey Clifton-Brown (The Cotswolds) (Con): I am pleased to serve under your chairmanship, Mr Betts. I apologise to you and to Mr Speaker, because I did not intend to speak in this debate and that is why I have not written a letter asking to catch your eye, but I am delighted to be called. I congratulate my hon. Friend the Member for Wells (James Heappey) not only on securing the debate, which is of critical importance at this particular time, but on his clear and detailed understanding of the whole issue, which was very impressive. I am pleased to be following my good friend, my hon. Friend the Member for North West Norfolk (Sir Henry Bellingham). I, too, would like to talk about farming conditions in Norfolk, because I farm there, but I will limit my speech entirely to my constituents in Gloucestershire.

In common with the constituency of my hon. Friend the Member for Wells, the south-west generally has experienced an extraordinarily wet year. Conditions have been difficult for all farmers in the south-west. Mercifully, as yet, we have not yet suffered the severe flooding that we have suffered in the past, but that does not mean that conditions for farmers have not been extremely difficult.

My hon. Friend and other hon. Members have mentioned the volatility of commodity prices. I am sure that his farmers have things in common with my constituents, and I have a number of dairy farmers who have been clinging on, although I do not think that some of the smaller ones will be able to cling on for too much longer. As a result of volatile, low commodity prices, I think I am correct in saying that farming is at an all-time high of indebtedness. For many farmers that means that cash flow is critically important. In particular, as my hon. Friend the Member for North West Norfolk said, they have tax bills to pay this week, and if they do not pay them by Monday they will start to incur late interest payments, although no such payments are paid to them if their basic farm payment is late. I join others in appealing to the Inland Revenue to be sympathetic. If those farmers who have not yet had their basic payment are late with their tax returns, they should not be charged late interest. That would only be reasonable of the Government.

I cottoned on to the whole business way back in March. I am sorry to remind the Minister of this, but I asked him then if payments would be late this year and he assured me that they would not. What I would like from the debate is a full reply from the Minister as to what my farmers can expect going forward. Others have made detailed points, but we need to ensure that we understand and learn the lessons of the mistakes made this past year.

We all know about the IT systems, but I do not quite see why they have led to some 13,000-odd people not being paid by the end of January—that “vast majority” phrase I used in my intervention on my hon. Friend the Member for Wells. What does the vast majority look like? When can those 13,000-odd farmers expect to be paid?

We then want to move forward and to ensure that the 2015 data of those who put in claims during 2015 are validated, so that they can start with that validated, prepopulated data on the system to make the whole business of the 2016 claim easier. I guess that claim will have to be done by the May deadline this year—it was extended to June last year—and that is not too long hence. We need to ensure that they have as easy a task as possible, and my hon. Friend made a number of really good points about that.

In common with many rural Members in the debate, a problem I have in many areas of my constituency is that they have no or very poor broadband connections. People find it difficult to make their claims. My hon. Friend made some good points about that as well, in particular about when the system drops out in the middle of a claim, so we need to ensure that up to that point it is saved, so that the whole thing does not have to be started again.

I have some questions about the IT system. Please will the Minister give us some realistic, concrete assurances that the IT system will be completed and up and running well before farmers have to start making their claims this year so that we do not repeat the poor start of last year? Is the IT system in-house or is it sent out to IT specialists? If the latter, will the same specialists be used next year and what lessons have they learnt?

We need assurance about 2016 payments because—while I do not want to cast gloom and doom on the industry—I suspect that if commodity prices stay where they are at the moment, conditions will be even more difficult by this time next year. It is therefore really important that farmers have certainty that their 2016 payments will be prompt, because when they speak with their bank managers they want to be able to negotiate a proper cash-flow system. I really hope that when my hon. Friend the Minister replies, he can give us some cast-iron assurances that turn out to be the reality.

3.50 pm

Simon Hoare (North Dorset) (Con): I had wanted to speak here, and while I thought that the Energy Bill Committee would preclude my attendance, such progress was made that we were able to have the afternoon off. I am therefore grateful to catch your eye, Mr Betts. I am incredibly lucky to represent North Dorset and predominantly the Blackmore vale and the Cranborne chase, where agriculture and all types of farming are deep within the DNA. Thomas Hardy, Dorset's famous son, described the vast majority of my constituency as the vale of the small dairies. Against the trend, that remains the case, and long may it do so.

Back in the warm, balmy summer, as we sat under the awnings at the Gillingham and Shaftesbury show with the NFU in pouring rain, soaked down to our boxer shorts—another British summer of delight for farmers—I recounted the oft-told story of the two ladies who came up to London during the war. They were on a spree and wanted to have a look around the place, so they stopped a policeman and said, “Which side is the Foreign Office on?” and the policeman said, “By rumour, ours.” In relation to basic payments and the Rural Payments Agency, I said that we had had sound encouragement from Ministers and officials that the agency had got it and that clearly it was going to be on the side of farmers.

[Simon Hoare]

We all know the backdrop, but it is worth briefly rehearsing it. There was the fall in the milk price—I am sure many of us have received a communication from Arla this week to say that its prices will go down still a bit further—and the reduction in commodity prices, compounded by bad weather in my constituency and many others in the south-west and the pernicious problem of bovine tuberculosis. That added up to farmers asking who could they look to for support and protection. I was able to say clearly, “Look, we have a majority Conservative Government and the Conservative party is many things, but, if it is anything, it is the party of the countryside. We understand the importance and vitality of the agricultural sector.”

Today, we have spoken about percentages. I am not sure whether 85% is the vast majority or whatever, but I always make this point: for a farmer waiting for that payment, non-payment is 100%. They cannot pay the feed bill, the vet’s bill, the fuel bill or for the car insurance just because their farming neighbour next door luckily got his payment. Farmers will be anxious about that.

That is why I raise this point. It is not the cheap knocking point we often make about officials and civil servants, but one is inexorably led to say that if perhaps there were more people with agricultural experience in the agency, they would understand more acutely and, as was mentioned my hon. Friend the Member for North West Norfolk (Sir Henry Bellingham), with greater sensitivity the importance of the payments. The basic payments are not the icing on the cake—for many farmers they are the cake. They are the difference between staying in business and going out of business.

Nigel Adams: My hon. Friend has put his points eloquently. Has he had any conversations with his farmers about the potential impact downstream—not too far downstream—of the national living wage? I have spoken to many growers who are very concerned about it. Does he share my worry on behalf of farmers, who will need some time to adapt?

Simon Hoare: My hon. Friend makes an incredibly valid point. Spiritually, I am a huge supporter of the living wage. It is a good thing and it is a credit to the Government that it has been announced, but it will clearly have a harder and greater impact on sectors of our national economy that trade at more marginal levels, and farming and agriculture is one of those. Given the good offices of the NFU and the fact that it is campaigning strongly on that, I hope that those messages will be heard in the Treasury and perhaps some form of taper might be introduced to ease in the living wage and stagger the impact.

Let us consider a catastrophic failure of UK agriculture. Farmers trading at the margins—my hon. Friends the Members for Brecon and Radnorshire (Chris Davies) and for Berwick-upon-Tweed (Mrs Trevelyan) represent some of the upland farmers and areas with strong dairy sectors—have been buffeted and blown around by so much over the years, but this is the last piece of wood in the game of Jenga to be pulled out, so the tottering edifice suddenly finds that its foundations are so flimsy that it collapses before our eyes.

Of itself, that would be devastating, but it is worthwhile to set out the impacts. It would clearly have an impact, as referenced by my hon. Friend the Member for Wells (James Heapey), on food security. In a wider sense, it would have a deleterious impact on the nation’s biodiversity. It would have a huge impact on tourism, because our landscape, as we know, is not a natural one in great part. It is the product of centuries of farming and, when that goes, the beauty of the British countryside will be impoverished. For those farmers giving up, it will by necessity have a huge impact on their health—physical or mental—with a concomitant increase in demands on services. It would see an increase in the welfare bill, as farmers who have only been trained to be farmers and who are not in areas where diversification into other trades is readily possible suddenly find themselves at the end of their working career long before they envisaged. It would have a huge impact on so many areas of our national life.

There is often nothing more exhilarating than seeing the rural Conservative party in full cry after a Minister, but I think we will look to him this afternoon—our tails are up, our noses are down and he is giving good scent—[*Laughter.*] We are hunting within the law. We are not looking for a kill, but we are looking for clarity and certainty from him that he has confidence in the agency’s ability to appraise itself and not just trot out the phrase “lessons will be learnt” and then say, “Right, we have used that phrase, so we can go back to our usual management speak,” but ensure that the lessons learnt from the process are picked up. The agency must play its part along with others to ensure the long-term viability and vitality of our vital UK agricultural sector.

Mr Clive Betts (in the Chair): We will now move on to the Front Benchers, who have 10 minutes each.

3.59 pm

Ian Blackford (Ross, Skye and Lochaber) (SNP): It is a privilege to serve under your chairmanship, Mr Betts. Before I begin, I draw Members’ attention to my entry on the Register of Members’ Financial Interests: I own a croft in the north end of the Isle of Skye. This issue is important to us all, and it is certainly important to me as a small farmer. I thank the hon. Member for Wells (James Heapey) for securing this debate, which is important to us all in this Chamber. I also thank all Members who have spoken in the past hour or so with such passion and concern for their constituents.

The hon. Member for Wells said that farmers are not in the habit of writing to their MPs; that is a very important point. I go to our local marts, where people are selling livestock, which presents a great opportunity to hear people’s gripes, groans and mumbles. It is important we take seriously the contact we have with crofters and farmers, and that we understand the concerns they all face.

Many Members spoke of the importance of the agricultural sector to our economy. The hon. Members for Wells and for North Dorset (Simon Hoare) mentioned the importance of landscape, which I want to reiterate. We have to ensure that our farmers and crofters have a lifestyle that is supported and that they accept their obligations to look after the landscape. That is very important.

I particularly enjoyed the end of the speech by the hon. Member for North Dorset, when he said that a number of Tory Back Benchers were in full cry after the Minister. I felt for the first time in this Parliament that we were making common cause, so his words were welcome. I thank all hon. Members who have spoken: the hon. Members for Wells, for Brecon and Radnorshire (Chris Davies), for North West Norfolk (Sir Henry Bellingham), for The Cotswolds (Geoffrey Clifton-Brown) and for North Dorset. The hon. Member for North West Norfolk mentioned floods. Support for farmers in flood-hit areas is important and something that both the Scottish and UK Governments take very seriously, and there is support for that.

We all recognise the importance of crofting and farming and ensuring the right support. We need to retain farms and crofts as part of our landscape across the country. From the Scottish National party's point of view, in general, the new scheme is welcome. The crofters in my area will benefit quite substantially over the years to come. Support for crofters and farmers will increase from £30 million in 2013 to £33 million by 2019. That is most welcome and a recognition of the importance of their activities to our country.

We should remember that basic payments act as a safety net for farmers and crofters by supplementing their main business income. To qualify for support, farmers must actively farm their land and produce agricultural products that the public want. The scheme also delivers environmental and other benefits by requiring farmers and crofters to meet certain practices and farm in a sustainable way through cross-compliance.

It is worth explaining what has been happening in Scotland, including the challenges the scheme has brought and how that contrasts with the experience in England, Wales and Northern Ireland. Compared with previous years, basic payments have been delayed due to CAP complexities. The payment window of 1 December 2015 to June 2016 is the same as normal. However, delays with the development of the system meant that the Scottish Government were not ready to make payments as early as in previous years.

There have been 21,050 applications for CAP funding to process, 19,160 of which were for basic payments and the remainder of which were for other non-basic payment schemes. Under EU rules, only claims that have been fully checked and validated can be paid. The Scottish Government face the possibility of a financial penalty being imposed by the EU if that is not adhered to. There is a risk of reputational damage if a customer is overpaid and subsequently asked to return payments.

The key issue with the basic payment scheme, which NFU Scotland has raised concerns about, is that CAP reform has introduced complexities that have resulted in payments being made later than usual. The first direct farm payments arrived into bank accounts from Hogmanay onwards. Around 3,500 crofters and farmers have had payments from the Scottish Government, with a first instalment of 75% of their basic payment and 90% of the greening payment. The issue of part payment, which has been raised by many hon. Members, is important and is one that the Scottish Government were happy to take up.

The first payments have been made to around 3,500 farmers and crofters, totalling about £33 million. Further payments will be made between late January

and April, in line with the payment schedule announced in December, and the Scottish Government will continue to work flat out. The Government and the NFU have engaged in dialogue with the banks to ensure the banks have been supporting both the farming and crofting communities. Initial payments will be worth a minimum of 70%. Those first payments were, generally speaking, the simplest cases that the Scottish Government were able to safely pay at higher percentages. Payments were also made in two parts in the last CAP reform in 2005, when the single farm payment scheme was introduced.

To help farmers understand what is happening, they have been sent an explanatory mailing. Letters have been issued to around 16,000 claimants with an estimate of the value of their new payment entitlements, and remaining claimants will get theirs when their entitlements have been calculated. A customer helpline was launched on 4 December 2015 to answer questions on payments and entitlements, and there have been approximately 1,278 calls to date.

As we understand it—I am sure the Minister will clarify this—33,000 farmers, or 38% of claimants, were paid in full in England on 1 December 2015, and 18,000 payments had been made in Northern Ireland by 4 December. England faced the additional cost of abandoning the online process and moving to a paper system, totalling £3 million to £4 million in March 2015, due to serious failings of the IT system. More farmers have been paid in England, as they have a less complex policy to implement.

In Scotland, there is added complexity with additional schemes, coupled with a new IT system, as the online process has not been abandoned in Scotland. Wales, like Scotland, will pay in two instalments to avoid a situation where farmers and crofters do not receive any funding until much later than normal in the payment window. That also avoids a situation where a customer is paid earlier but incorrectly and is then required to reimburse the Scottish Government. Some calculations are complex, and those cases, of which there are approximately 1,200, have yet to receive a letter. The Scottish Government are working to resolve those issues.

We have discussed the issue that many farmers may be tempted to leave the market. That is something we have seen in many of the crofting counties in Scotland over recent years. The Scottish Government recognise that Scottish crofters and farmers still receive the lowest level of support among farmers throughout the European Union. One plea I make to the Minister is that he revisit at the earliest opportunity the convergence uplift money, because that would make a big difference to crofters and farmers in Scotland. We should remember that when the European Union granted to the UK €223 million of additional support, it was principally to support Scottish crofters and farmers, yet we are not getting our fair share of that money.

We have talked about a review to come in the future, but the industry is facing a crisis. We are facing low prices, as well as unprecedented weather. In crofting counties in Scotland, crofters were still feeding beasts well into June last year. The cost of feeding animals has risen dramatically, and the value of livestock has declined. We need to ensure that our crofters and farmers get what they deserve. I appeal to the Minister for an early review of the convergence uplift system. We must ensure that people get their due regard.

4.8 pm

Nick Smith (Blaenau Gwent) (Lab): It is a pleasure to serve under your chairmanship, Mr Betts. I thank the hon. Member for Wells (James Heappey) for securing the debate, and I also thank colleagues who have intervened and made contributions.

We have just heard a farmer's deep lament, and the Minister has been pursued across these green fields today by his Back Benchers. The basic payment scheme is a bedrock of our agricultural industry. About 87,000 farmers and businesses depend on the payment to balance the books, to ensure workers are paid and to keep the bills from piling up. It is an important income when farm gate prices are low.

The Government wheeled out a new IT system to handle the payments for 2015—a system they were so confident in, it was hailed as a “digital exemplar”. Instead, it is a failed system that has cost the taxpayer millions, threatened us with hundreds of millions in penalty payments for years to come and put the livelihoods of many hard-working families at risk.

I have been talking to farmers since the Rural Payments Agency started making payments last autumn. They are worried and face mounting bills while they wait for money that the RPA refuses to give them a meaningful deadline for. How have the Government responded? They have been telling farmers to take out bank loans for which they will put in a good word—clearly a case of double standards, from a Government who were previously very keen to talk about paying off the credit card. One family farmer, who admitted to me that their bank overdraft was teetering at the edge of its current limit because of the lack of payment, put it like this:

“I believe that through no fault of their own, farmers deserve better.”

That is a powerful and sobering message.

Farmers do not deserve an IT system, designed to give them peace of mind, that stalls in such a spectacular fashion. The latest National Audit Office report was damning about a project that spiralled £60 million over budget; saw four leaders of the flagship system in just 12 months, with too many changes in direction; and saw top management embroiled in deep rifts that put stress on staff and led to childish squabbles and confrontations. The system failed so badly that pen and paper applications had to be introduced at the last minute. When I challenged the Minister at the Dispatch Box on why his Department had not got a grip, he talked up its intervention after the IT failure.

Staff have been working tirelessly since March to get applications finalised. Their Stakhanovite, round-the-clock efforts should be commended, but my question is simple: why did key Ministers not intervene sooner still to make sure that this IT project worked, so that the whole sorry debacle was avoided?

Farmers are paying for these mistakes, but all of us may soon be doing the same if the situation results in penalty payments to the EU. The *Financial Times* reported this week that Britain is facing £180 million worth of fines a year over failure by the RPA. The Secretary of State told the Select Committee on Environment, Food and Rural Affairs this week that one of DEFRA's major savings could be to reduce those penalties in future. It intends, as the Secretary of State said, to

“stop paying out money in fines that we could be putting into farms, environmental stewardship and flood defences.”

To test that point, with DEFRA budgets being slashed, does the Minister have an estimate of the amount of disallowance that will be paid as a result of this year's failings?

In the short term, however, the Department must concentrate on ensuring that farmers get the money that they need as soon as possible. The farmers I have spoken to echo the NFU's concern that there is a “fog of confusion” about when farmers will now receive their money. When I and colleagues warned the Government that thousands might be left without their basic payment for months, we were confidently told—I have heard this phrase already this afternoon—that the “vast majority” of payments would be made by the end of January. I am sorry to say that unless the Minister has much better news for us this afternoon, the “vast majority” target set by his boss has been missed by some margin.

In recent weeks, I wrote to the RPA chief executive because I was concerned that the target could be a problem. Unfortunately, that concern has proved to be the case. In a letter from the RPA chief executive today, I found out that 61,300 of 87,000 farmers have received this vital payment; £850 million of the allocated total fund of £1.43 billion has been handed out. That means that just under a third of farmers will not have received their payment and that 40% of the money remains unpaid.

Farmers will feel rightly let down by DEFRA Ministers' hyperbole. This will be a kick in the guts for many. To put it in context, 95% of farmers in last year's scheme were paid on the first day possible. Will the Minister now put farmers' minds at rest and say when the target of the “vast majority” of payments will be reached? Can he put a firm figure on what a “vast majority” even is?

The new basic payment scheme IT system has been useless. Consequently, increased payments to Brussels look inevitable. Many farmers have been let down, so who is going to take responsibility for this sorry tale?

4.14 pm

The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice): I congratulate my hon. Friend the Member for Wells (James Heappey) on securing this highly important debate. I completely understand—a number of hon. Members have discussed this—the importance of these payments to farmers, particularly in a year when farmers have suffered low commodity prices and when sectors, such as the dairy industry in particular, have been in the doldrums and suffering severe difficulties.

I will begin by agreeing with the hon. Member for Ross, Skye and Lochaber (Ian Blackford), who has the analysis of what has caused these problems this year absolutely spot on. He was no doubt briefed by the Scottish Government, who have had similar problems. The root cause of our difficulties is the new common agricultural policy. We aimed to get a simpler CAP in the last Parliament. However, we have ended up with something far more complex, because the European Commission was determined to add what it called the greening of pillar 1 payments. We therefore have to map every hedge in the entire country, and there is a whole plethora of rules about the minimum width of a hedge,

the maximum width of a hedge, what size a gateway can be, what type of crops can be grown over the other side of a hedge—and it goes on and on forever. There is an incredibly complex set of greening rules, including the three-crop rule that every farmer must now grow three different crops on their holding.

In addition, we have seen the integrated administration and control system—a very intensive system of enforcement—brought into the pillar 2 schemes, which has also added complexity to our countryside stewardship scheme, which is causing a parallel problem.

To deal with all those problems, we needed a new IT system. The truth is that the core of that system—the bit that processed the rules—actually worked well. It was made by a company called Abaco, which had a track record in this area. The bit that processed the rules worked well, as did the payment engine—sometimes called the back end of the system—which is successfully paying people.

The bit that we had difficulty with at the beginning of last year was the interface at the front that was supposed to enable farmers to do their online applications. We realised by the time that we got to the end of February that it would not be possible to make that dovetail successfully at the correct speeds needed to do online applications last year, so we had to switch to a paper-based application and delay the deadline for a month.

I want to put on record my praise for the work that the RPA has put into the scheme. A number of hon. Members have been critical of the RPA, but I think that it falls to me, as the person who is dealing with it week in, week out, to praise its work. We have had between 800 and 1,000 people in the RPA working on this seven days a week to try to get these applications on the system and to get payments out to farmers as quickly as possible.

My hon. Friend the Member for Selby and Ainsty (Nigel Adams) asked whether we had the right expertise in the RPA. It is true that, in a typical year, we would have about 400 people working on BPS applications. We have brought in additional people from other agencies, as well as what is called the surge force of civil servants working in the Cabinet Office—a flexible team of people who can be deployed to unexpected workloads. Therefore, people are there who have not traditionally been in the RPA; nevertheless, they have worked incredibly hard to get to where we are now.

Turning to the RPA's leadership, my hon. Friend the Member for Wells pointed to the exceptional track record we have had over the past three years. It was not always like that. A decade ago, things were in an incredibly bad state. Today, the same leadership team are turning around the difficulties we had at the start of this programme. They have delivered the exceptional results that he pointed to, and I have great confidence in them.

I will just point out what has been achieved to date. We took on this difficult position and paid 33,000 farmers on day one—on 1 December—when the payment window opened, and we had paid more than half by the end of December. As of yesterday—a number of Members have pointed this out—we have paid 61,278 farmers. That takes us to just over 70%. As I speak, we are working on the final batch of payments, which will go out before the end of March and will take us to the vast majority of payments having been made.

James Heapey: I suspect that the Minister misspoke, but I invite him to clarify what he said. He said that we are working today on payments to be made by the end of March. Does he mean the end of the month?

George Eustice: Sorry, yes, I meant by the end of the month—I am sorry if I said by the end of March. We will have a final batch, which will take the figure probably above 75%, but it is not certain; that is still being worked on now.

We should highlight the fact that we worked quickly to get the dairy support fund out. It went out earlier than expected in the middle of November to help hard-pressed dairy farmers.

Nick Smith: I was just listening to the Minister's comments. Will he confirm whether he thinks that the "vast majority" is 75% of farmers? Is that the definition he is using?

George Eustice: We could agonise over the definition of "vast majority", but as far as I am concerned, "over 60,000" is a vast number of applications and a vast amount of work has gone into processing them.

We should recognise what has been done on the entry level and higher level stewardship schemes. Again, we had a difficult start because of the paper application process, but 97% of applicants have now had their first instalment and 60% have received their second instalment a month earlier than normal. We have made progress, but there is further to go.

Some people will ask why we cannot just pay and why things are so complicated. As the hon. Member for Ross, Skye and Lochaber said, there is a good reason for that. Under regulations and law, the EU requires certain inspections and verification to be carried out. The truth is that we tried to get the Commission to relax those requirements to enable us to expedite payments this year, but it refused. We cannot make those payments from the EU until those various checks and the validation of claims have been completed.

A number of hon. Members referred to communications. In November, we wrote to around 15,000 farmers whom we anticipated would not be paid by the end of January. The two primary groups are some 4,700 farmers with common land—I will come back to them—and around 9,000 farms that had inspections of one sort or another.

A number of hon. Members mentioned part-payments. We considered this, but we ruled it out and I will explain a couple of reasons why I think that we were right. Scotland has decided to make part-payments. It has 3,500 farmers and, according to the latest figures I have seen, around 18% of them had received a part-payment of 70%. Compare that with this country where 70% of farmers have received everything. That is a better position to be in. Had we taken a decision in November at the end of last year to start chopping and changing plans again and messing around to try to get part-payments out, even fewer farmers might have received them, never mind receiving full payment.

Sir Henry Bellingham: I accept the Minister's point about the overall strategy at DEFRA, but what about those really difficult and deserving cases with very complicated problems of reconciliation, cross-compliance

[*Sir Henry Bellingham*]

and so on, such as those with commons? Surely, there is an argument in those few rare cases to go for part-payment.

George Eustice: I will come to that, but we should remember the experience of 2005. Some hon. Members have said we should learn lessons. Let us remember that in 2005 no one was paid in December, no one was paid in January, no one was paid in February and no one was paid in March. The first farmer to be paid was paid in March. Then, the last Labour Government decided to switch to a part-payment system and got themselves into a complete muddle that took a couple of years to sort out because of all the reconciliation that had to be done afterwards. They found that farmers had received inaccurate payments and it caused all manner of difficulties. For that reason, we should be cautious.

We should realise that, as a number of hon. Members have pointed out, the payment window does not open in May, but closes in May. The next application window opens in March, which is not long to go—five or so weeks. I want staff in the RPA to be working on making sure we get next year's applications right and through, rather than messing around doing part-payments of this year's applications.

I want to say what we have done. We have introduced a hardship fund. We have worked closely with groups such as the Farming Community Network that provide a triage process. If a farmer is suffering real hardship and cannot, for example, buy feed for their cattle, they are fast-tracked. In some cases, if we can we speed up an application, we make we sure we get it through as quickly as possible. In other cases when we suspect they will not be paid in a hurry, we have in many cases made part-payments on account cash-flowed by the Treasury—not EU-funded, which would expose us to difficulties, but on account from the Treasury.

Geoffrey Clifton-Brown: Will the Minister give way?

George Eustice: I will not give way because I want to cover a few more points and leave time for my hon. Friend the Member for Wells.

Some hon. Members have talked about the banks. I have been meeting them regularly and encouraging them to show forbearance to farmers. One reason why we sent a letter last November to those who were not expected to get their payment at the end of January was that they could take it to the banks, which were ready for that.

A number of hon. Members talked about communications. As I said, a letter went out in November and a further letter has gone out to those not receiving payments now, in January. The RPA has held almost weekly meetings with key NFU office holders and regularly attends NFU councils, so I do not accept the allegation that people have been kept in the dark and not informed. What I can understand is the understandable frustration among farmers who have not yet received their payments. That is spilling out in criticism of communication, which is probably a little unfair.

I want to talk about next year. A number of hon. Members asked about lessons. The reality is that we now have all these data on the core system. For next

year, farmers will start from the position they left off in this year. We are confident that having done all the difficult work to get those applications on, from here forward it will be far easier. We will offer paper applications to those farmers who want them next year, but we hope that those who were previously online—about 70% up until 2014—will return to being online.

I want quickly to cover the issue of commons, which was raised by a number of hon. Members. We had a legal challenge from a local authority in Minchinhampton. It challenged the very basis on which we used to make payments and it caused huge difficulty for everyone. The issue is not about just having a plan B; the problem is that the methodology that it has now forced on us through its challenge means that it is impossible to pay anyone on a common until we have resolved all those claims. Our biggest difficulty in relation to many of these commons is that the National Trust has a large, complex claim that has always taken a long time to resolve. That has caused us a particular difficulty with common land, but we are recognising that and doing what we can to try to speed things up.

I want to leave a bit of time for my hon. Friend the Member for Wells, but I will answer these questions. My hon. Friend the Member for The Cotswolds (Geoffrey Clifton-Brown) asked about the deadline for this year. It will be May; it will go back to the normal time. My hon. Friend the Member for Brecon and Radnorshire (Chris Davies) talked about some of the difficulties that the Welsh Government have experienced with requirements imposed by the EU, particularly in relation to accurate mapping and the difficulties with shade from woodlands. This goes back to my initial point. We are now in an era with an incredibly complex CAP, causing many difficulties.

We have had a very important debate, covering many different issues. We have not got on to the exciting issue of the European Union and the potential impact of the referendum, but we will have much more time to discuss that in the months ahead.

4.27 pm

James Heapey: I thank all hon. Members who have spoken in today's debate and all those who made themselves available to brief us so that it could be so well informed. I would like to pick up a couple of points. I am very grateful to the Minister for attending. He is a worthy champion of our nation's farming and fishing and has addressed the vast majority of the issues raised in the debate. He will expect us to hold him to account as we move forward. An uncertainty does remain, and that uncertainty is deeply worrying for our farmers; we have to recognise that.

We need to be absolutely clear about when the remaining payments will be made. I appreciate that it is very difficult to do that from the Minister's place in a debate such as this, but I assume that the RPA is watching and I know that he will chase it when he gets back to his office to make absolutely sure that the plan for the remaining payments is communicated accurately and urgently, so that people know when their money will come. The point about speaking with colleagues at the Treasury to discuss what can be done about the looming tax deadline is a very good one, and I hope that the Minister will work on that.

The Minister spoke about the IT system being good enough for Government work in its core process and in the payment engine. I just hope that he will note my suggestion, which has been made to me by others, that a system that is rural-proof—and that therefore saves every time someone clicks “next”—would be an important development.

George Eustice: I can confirm that the system already enables people to save part-prepared applications. I can confirm also that we are in constant dialogue with the Treasury and HMRC to encourage them to show forbearance.

James Heapey: My time is slipping by quickly, but I believe that that is an active decision to save. An automatic one, because people are not in control of when their system crashes or their broadband drops out, might be a worthwhile improvement.

Most important of all, will the Minister reassure us that the RPA, although it is in very close contact with the big issue of making the remaining payments, has the space also to plan for what might come next year, and that these lessons can be applied? It would be unforgivable to have all the right urgency in making the remaining payments, but then for the lessons not to be applied for next year, so the same mistakes are made again. The Minister will expect us to hold him to account on that as we go forward. It is an urgent issue. We need to ensure that the mistakes are not repeated in relation to this year’s applications and next year’s payments.

4.30 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).

Written Statements

Thursday 28 January 2016

COMMUNITIES AND LOCAL GOVERNMENT

City Deals

The Secretary of State for Communities and Local Government (Greg Clark): In March 2015, the Government announced the intention to negotiate a City Deal with Aberdeen. This followed the successful agreement of City Deals across England and the Glasgow and Clyde Valley City Deal in Scotland. I can today inform the House that the Government have reached agreement with the Scottish Government and civic and business leaders in Aberdeen and Aberdeenshire on a Heads of Terms City Deal.

This Heads of Terms City Deal agreement includes establishing a new investment fund for Aberdeen and Aberdeenshire of up to £250 million, with equal contributions of £125 million from the UK and Scottish Governments.

This fund will support a set of proposals from the region including investment in a new oil and gas technology centre. This will help the industry to exploit remaining reserves and increase investment in research and development to support future decommissioning. The deal will also support the diversification of the wider economy in Aberdeen and Aberdeenshire, and includes support for innovation in biopharmaceutical, food and drink, and digital sectors.

Further, the investment fund will support increased investment in digital infrastructure, which will address the connectivity challenges of the whole region, and the expansion of Aberdeen harbour and transport facilities.

Funding agreements are subject to final business cases which demonstrate value for money, and the Government will work with the Scottish Government and the civic and business leaders of Aberdeen and Aberdeenshire to ensure the successful implementation of the agreed deal.

[HCWS498]

HOME DEPARTMENT

Unaccompanied Refugee Children

The Minister for Immigration (James Brokenshire): The Government have carefully considered how best to provide assistance and protection to unaccompanied refugee children from Syria, other regions of conflict, and for those in transit in Europe.

The crisis in Syria and events in the Middle East, North Africa and beyond has separated a large number of refugee children from their families. Today I can announce that the UK Government will work with the UN High Commissioner for Refugees (UNHCR) to lead a new initiative to resettle unaccompanied children from conflict regions. We have asked the UNHCR to make an assessment of the numbers and needs of

unaccompanied children in conflict regions and advise on when it is in the best interests of the child to be resettled in the UK and how that process should be managed. The UNHCR has already been clear that these are likely to be exceptional cases.

This will complement the existing substantial UK aid and resettlement programmes which are already helping many thousands of children at risk in conflict zones, on transit routes within Europe and in the UK. The Home Office will host a roundtable to invite views from a range of NGOs and local authorities, including UNICEF and Save the Children, on how we can provide more support for children in the region, in transit and domestically to prevent children putting themselves at risk and making dangerous journeys on their own. The UK Government have been at the forefront of the international response to the humanitarian crisis in Syria, providing more than £1.1 billion in humanitarian aid to the Syria crisis. This new initiative builds on the Government's existing commitment to resettle 20,000 Syrian refugees during this Parliament. More than 1,000 vulnerable Syrians refugees—around half of them children—have already been resettled through the scheme.

The UK Government will also commit to providing further resources to the European Asylum Support Office to help in “hotspots” such as Greece and Italy to help identify and register children at risk on first arrival in the EU. And we will, of course, continue to meet our obligations under the Dublin regulations.

The Government are committed to combating child trafficking and understand that unaccompanied children, particularly those in transit, are vulnerable to people traffickers. The Home Secretary has asked the Anti-Slavery Commissioner, Kevin Hyland, to visit the hotspots in Italy and Greece to make an assessment and provide advice on what more can be done to ensure unaccompanied children and others are protected from traffickers.

The UK Government are already providing substantial funding to NGOs such as Unicef and UNHCR to provide shelter, warm clothes, hot food, and medical supplies to support vulnerable people, including children, on the move or stranded in Europe or in the Balkans. In addition, the Department for International Development is creating a new fund of up to £10 million to support the needs of vulnerable refugee and migrant children in Europe. The fund will include targeted support to meet the specific needs of unaccompanied and separated children who face additional risks. The support will include identifying children who are in need, providing safe places for at risk children to stay, data management to help trace children to their families, and services such as counselling and legal advice.

Alongside these significant efforts to assist children and the most vulnerable internationally, the Government recognise the need to provide support for children who are already in the UK and have been subject to or at risk of trafficking and exploitation. We also recognise the pressure that some local authorities who are supporting large numbers of unaccompanied asylum seeking children are facing. The Home Office will continue to encourage local authorities to support the dispersal of UASC from Kent and to work with NGOs, local authorities and the Department for Education to review current practice and consider how capacity could be strengthened, including through ensuring that there is sufficient safe accommodation and specialist support for foster placements.

[HCWS497]

JUSTICE

Criminal Justice

The Lord Chancellor and Secretary of State for Justice (Michael Gove): My Department is committed to upholding the rule of law, by defending the independence of the judiciary, guaranteeing access to justice and supporting the highest quality advocacy in our courts.

My Department has also had to play its part in the broader requirement to reduce our budget deficit and bring our national finances back into balance. Economies have had to be made in every area of expenditure, but steps have been taken to ensure our judiciary remain the best in the world, to provide a fair system of publicly funded legal support and to explore how we can strengthen the quality of advocacy in all our courts, but most particularly in criminal proceedings.

In the last Parliament spending on legal aid was reduced from £2.4 billion to £1.6 billion. That reduction was achieved by my predecessors following consultation with the profession and they were both determined to ensure those most in need were not denied public support. Indeed at the start of this Parliament expenditure on legal aid per capita was more generous than any other EU nation or comparable common law jurisdiction. I would like to place on the record my gratitude for the determined, yet sensitive, way in which my predecessors pursued these economies.

Further changes to the legal aid system, agreed in the last Parliament, were due to be implemented in this.

One of those changes, a further reduction in the advocacy fees paid to barristers and solicitor advocates was not implemented by my Department while we conducted work to ensure the quality of advocacy would not be adversely affected by any change. My Department is particularly committed to retaining a vibrant independent bar. The health of the independent criminal bar in England and Wales is an important guarantor of good advocacy, and Sir Bill Jeffrey's report, commissioned by my predecessor, described the independent criminal bar as a "substantial national asset". Without quality advocacy in the criminal courts the risk of injustice is greater. The liberty, and reputation, of any individual who finds themselves in court depends on a high-quality advocate making their case effectively, and testing the case against them rigorously. That is why my Department has been so grateful to the Bar Council, circuit leaders and others for their work to help inform our review of advocacy quality.

Another change, which has been pursued, is the move to reduce litigation fees and encourage greater efficiency in the provision of litigation services.

The first reduction to litigation fees of 8.75% occurred in March 2014. The second occurred in July 2015.

At the time the fee reduction was first proposed the market was made up of around 1,600 legal aid firms and it was proposed to drive greater efficiency and consolidation within the market by simple price competition for legal aid contracts.

The legal profession opposed this model and after careful negotiation my predecessor decided to adopt a system known as "dual contracting".

Under the dual contracting system, two types of contract were to be awarded to criminal legal aid firms.

An unlimited number of contracts for "own client" work based on basic financial and fitness to practise checks—in others words continued payment for representing existing and known clients.

And a total of 527 "duty" contracts awarded by competition, giving firms the right to be on the duty legal aid rota in 85 geographical procurement areas around the country, with between four and 17 contracts awarded in each. In other words, these contracts would allow a limited number of firms the chance to represent new entrants to the criminal justice system.

The dual contracting model was a carefully designed initiative from my Department that aimed to meet concerns expressed by the legal profession about price competition.

But over time, opposition to this model has been articulated with increasing force and passion by both solicitors and barristers.

Many solicitors firms feared that the award of a limited number of "dual" contracts—with a restriction therefore on who could participate in the duty legal aid rota—would lead to a less diverse and competitive market. Many barristers feared that the commercial model being designed by some solicitors' firms would lead to a diminution in choice and potentially quality.

And many also pointed out that a process of natural consolidation was taking place in the criminal legal aid market, as crime reduced and natural competition took place.

These arguments weighed heavily with me, but the need to deliver reductions in expenditure rapidly, and thus force the pace of consolidation, was stronger.

Since July 2015, however, two significant developments have occurred.

First, thanks to economies I have made elsewhere in my Department, HM Treasury have given me a settlement which allows me greater flexibility in the allocation of funds for legal aid.

Secondly, it has become clear, following legal challenges mounted against our procurement process, that there are real problems in pressing ahead as initially proposed.

My Department currently faces 99 separate legal challenges over the procurement process, which has required us, anyway, to stay the award of new contracts at least until April.

In addition, a judicial review challenging the entire process has raised additional implementation challenges.

Given how delicately balanced the arguments have always been, how important it is to ensure we maintain choice and quality in the provision of legal services, how supportive HMT have been of our broader reform agenda and how important it is to provide as much certainty as possible in the face of legal challenge, I have decided not to go ahead with the introduction of the dual contracting system. I have also decided to suspend, for a period of 12 months from 1 April 2016, the second fee cut which was introduced in July last year. As a consequence of these decisions the new fee structure linked to the new contracts will not be introduced.

My decision is driven in part by the recognition that the litigation will be time-consuming and costly for all parties, whatever the outcome. I do not want my

Department and the legal aid market to face months if not years of continuing uncertainty, and expensive litigation, while it is heard.

The Legal Aid Agency will extend current contracts so as to ensure continuing service until replacement contracts come into force later this year. I will review progress on joint work with the profession to improve efficiency and quality at the beginning of 2017, before returning to any decisions on the second fee reduction and market consolidation before April 2017.

By not pressing ahead with dual contracting, and suspending the fee cut, at this stage we will, I hope, make it easier in all circumstances for litigators to instruct the best advocates, enhancing the quality of representation in our courts.

I will also bring forward proposals to ensure the Legal Aid Agency can better support high-quality advocacy. Furthermore, I intend to appoint an advisory council of

solicitors and barristers to help me explore how we can reduce unnecessary bureaucratic costs, eliminate waste and end continuing abuses within the current legal aid system. More details will follow in due course.

We have an ambitious programme of reform to our courts planned for the rest of this Parliament. It is designed to make justice swifter and more certain. The reforms to our legal system, including taking more work out of courts, moving from a paper-based system to a digital platform, tackle unnecessary costs and reduce harmful delay. Criminal legal aid solicitors perform a vital role in our justice system and these reforms will need the support of all in the legal profession. But these reforms also provide an opportunity for the legal profession to offer better access to higher quality advice and representation to more individuals.

[HCWS499]

ORAL ANSWERS

Thursday 28 January 2016

	<i>Col. No.</i>		<i>Col. No.</i>
TRANSPORT	393	TRANSPORT—continued	
Emissions Tests	406	Rail Franchising.....	402
Engineering Projects: Christmas and New Year	407	Rail Infrastructure: South-west	408
Great Northern Great Eastern Upgrade	406	Rail Lines: Flooding	401
High Speed 2.....	393	Road Investment Strategy	407
High-speed Rail Network.....	397	Topical Questions	409
Lancashire Transport Links: Flooding.....	405	Trans-Pennine Rail Line.....	404
Local Roads	398	Transport Fuels: Renewable Sources	395
Local Transport Projects.....	399		

WRITTEN STATEMENTS

Thursday 28 January 2016

	<i>Col. No.</i>		<i>Col. No.</i>
COMMUNITIES AND LOCAL GOVERNMENT .	13WS	JUSTICE	15WS
City Deals.....	13WS	Criminal Justice	15WS
HOME DEPARTMENT	13WS		
Unaccompanied Refugee Children.....	13WS		

No proofs of the Daily Reports can be supplied. Corrections which Members suggest for the Bound Volume should be clearly marked in the Daily Report, but not telephoned, and *the copy containing the Corrections must be received at the Editor's Room, House of Commons,*

**not later than
Thursday 4 February 2016**

STRICT ADHERENCE TO THIS ARRANGEMENT GREATLY FACILITATES THE
PROMPT PUBLICATION OF THE VOLUMES

Members may obtain excerpts of their Speeches from the Official Report (within one month from the date of publication), on application to the Stationery Office, c/o the Editor of the Official Report, House of Commons, from whom the terms and conditions of reprinting may be ascertained. Application forms are available at the Vote Office.

PRICES AND SUBSCRIPTION RATES

DAILY PARTS

Single copies:

Commons, £5; Lords, £4.

Annual subscriptions:

Commons, £865; Lords, £600.

LORDS VOLUME INDEX obtainable on standing order only. Details available on request.

BOUND VOLUMES OF DEBATES are issued periodically during the session.

Single copies:

Commons, £65 (£105 for a two-volume edition); Lords, £60 (£100 for a two-volume edition).

Standing orders will be accepted.

THE INDEX to each Bound Volume of House of Commons Debates is published separately at £9.00 and can be supplied to standing order.

All prices are inclusive of postage

CONTENTS

Thursday 28 January 2016

Oral Answers to Questions [Col. 393] [see index inside back page]
Secretary of State for Transport

Under-occupancy Penalty [Col. 415]
Answer to urgent question—(Justin Tomlinson)

Arms Sales to Saudi Arabia [Col. 426]
Answer to urgent question—(Mr Ellwood)

Royal Assent [Col. 436]

Business of the House [Col. 437]
Statement—(Chris Grayling)

Backbench Business
NHS and Social Care Commission [Col. 453]
Motion—(Norman Lamb)—agreed to

Southeastern Rail Services [Col. 518]
Debate on motion for Adjournment

Westminster Hall
In-work Poverty [Col. 207WH]
Basic Payment Scheme [Col. 223WH]
General Debates

Written Statements [Col. 13WS]

Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]
