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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Tuesday 2 February 2016

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

CITY OF LONDON CORPORATION (OPEN SPACES) BILL
Bill read a Second time and committed.

Oral Answers to Questions

BUSINESS, INNOVATION AND SKILLS

The Secretary of State was asked—

Automotive Industry: Evolving Technologies

1. **John Pugh** (Southport) (LD): What steps the Government are taking to ensure that the British automotive industry is able to develop and benefit from evolving technologies. [903369]

The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid): The UK automotive industry is already a great success, but we want to make sure that it stays at the cutting edge. We are committing almost £1 billion to help develop next-generation technologies. This will make the UK the go-to location for connected and autonomous vehicles, for example, and it will facilitate automotive research and development.

John Pugh: I thank the Secretary of State for his response. We read yesterday of his enthusiasm for driverless cars, but what specific encouragement and incentive will he provide for the more mature and greener technology of hydrogen fuel cells?

Sajid Javid: I am glad that the hon. Gentleman has raised the issue of driverless cars. Britain already leads in that area, and yesterday I announced some £20 million of awards. Green energy and greener cars are also important. That is why, in the spending review recently, we announced more funding for research from Government.

20. [903390] **Mr Philip Hollobone** (Kettering) (Con): Will the Secretary of State confirm that since 2013, when the Prime Minister announced his intention to hold a referendum on our EU membership, foreign direct investment in the British automotive industry and new technologies has been at record levels, because foreign companies are confident that British cars will be well made, whether we are in the EU or outside?

Sajid Javid: Actually, I can confirm to my hon. Friend that not only has foreign investment continued across British industry, including the car industry, but the auto industry has just had a record year, with more than £64 billion of turnover and 80% of cars being exported. [Interruption.]

Mr Speaker: Order. Dr Hunt, you were not taught to behave like that at your very expensive public school.

Geraint Davies (Swansea West) (Lab/Co-op): That was a very funny joke, Mr Speaker.

The Environmental Protection Agency in America is suing Volkswagen for installing defeat devices that cheat emissions testing in millions of cars. What work is the Secretary of State doing with manufacturers in Britain to ensure that such devices are not installed, so that we can look forward to a future of greener cars where all cars are properly tested at MOT and the public are safe in the knowledge that more and more people will not die unnecessarily from pollution?

Sajid Javid: That is a good question. It should be very clear to all companies that if they engage in such cheating or bad practices, the Government will crack down hard on them. We will work with our colleagues in the European Commission and elsewhere to make sure that all rules are applied. We in the Department for Business, Innovation and Skills are working on introducing real emissions testing, with the Department for Transport and colleagues in the European Union.

Michael Fabricant (Lichfield) (Con): In the mid-'90s, I stood up in this Chamber and said that some day, there would be self-drive cars, and everyone thought I was mad. I am reliably told that by 2020, autonomous-drive cars will be available in the United Kingdom and elsewhere. Much of that work is being undertaken in Paddington by Nissan. When will my right hon. Friend visit Nissan and other British manufacturers, such as Jaguar Land Rover and Toyota, if he has not already done so, to talk to them about autonomous-drive cars?

Sajid Javid: I have had a lot of thoughts about my hon. Friend, but madness was not one of them.

I agree with my hon. Friend about the new technology of driverless cars, in which Britain is a world leader. Yesterday at MIRA, a world-class facility in Nuneaton, we announced £20 million of funding. That will fund some eight research and development projects in areas across the country, including in the midlands, and 14 feasibility studies. With work like that, his dream of a driverless car to carry him wherever he wants to go will come true by 2020.

Floods: Effect on Businesses

2. **Rachael Maskell** (York Central) (Lab/Co-op): What assessment he has made of the effect on businesses of the recent floods. [903370]

The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid): We have made £50 million available to support flood recovery across the north of England following Storms Desmond and Eva, and we have already allocated £11 million to local authorities to support the

4,500 businesses impacted. Local areas also have the discretion to provide grants to any local businesses that have been affected.

Rachael Maskell: Floods have an impact on the entire local business community, which is calling for more support. At my business flood meeting in York, it called for a business recovery package, including help to maintain a customer base and to trade expediently. Will the Secretary of State look into that, and will he attend a roundtable with flood victims so that a full business recovery package can be put in place for the entire business community, not just businesses that were flooded?

Sajid Javid: The hon. Lady is right to raise this matter. Many businesses have been affected, and when something like this happens it affects the whole community. We are already looking into that. She will know that the money already made available can be used to support businesses in creative ways. On top of that, there is a £2,500 grant to help all businesses affected, and they can apply for a further £5,000.

John Stevenson (Carlisle) (Con): A large number of businesses in Carlisle were affected by the floods. However, they affected not just businesses but the rugby club, the squash club, the tennis club and the cricket club in my constituency. Will the Secretary of State look at providing support for those organisations as well as for businesses?

Sajid Javid: My hon. Friend makes an important point about how such a disaster can affect the whole community, and he gives some excellent examples of that. Money has been made available to local authorities to provide such support for both businesses and others, and I will look further at the suggestions he makes.

Bill Esterson (Sefton Central) (Lab): The Association of British Insurers puts the average cost of flood damage at £50,000 per business property, yet the average pay-out under the repair and review scheme has been just £1,666. That is well down on the £5,000 promised, with many businesses yet to receive a penny. In an Adjournment debate last week, we heard about the damage caused in Leeds during the last Parliament and the promises that have not been kept in relation to that. Will the Secretary of State make sure that the Prime Minister keeps his word that “money is no object” when it comes to support for businesses that have been hit hard by the recent floods?

Sajid Javid: Of course the Prime Minister will keep his word. It is partly for that reason that the Chancellor of the Duchy of Lancaster recently met the Association of British Insurers to discuss this issue, understand the scale of the problem and find out what more can be done. BIS officials have also met the ABI, which will make a difference. The hon. Gentleman may also be interested to know that, in the Enterprise Bill, we will bring forward measures later today to make sure that all businesses are paid on time by insurance companies.

Nigel Adams (Selby and Ainsty) (Con): Many of the businesses in my constituency that were flooded are lessees and do not own their own property. They would like to avail themselves of the generous support available from the Government, but landlords may not want to

engage with that system. I know one particular landlord who is not interested in Government support. What support can the Government offer to lessee businesses that are looking to them for such help?

Sajid Javid: My hon. Friend is right. In such circumstances, those businesses should of course be helped as well. We know that many of them are already applying directly to councils, to which we have provided funding. They are eligible for the £2,500 grant, and they can apply for the further grant of £5,000. They will also benefit from the three-month business rate holiday.

Businesses: Support

3. **Fiona Bruce (Congleton) (Con):** What steps his Department is taking to support people who want to start their own business. [903371]

The Minister for Small Business, Industry and Enterprise (Anna Soubry): In particular, our start-up loans scheme has provided more than 35,000 loans, worth over £192 million, and we are now putting support into growth hubs. Those are just two of the many things we are doing to encourage small businesses and give them the support they need.

Fiona Bruce: I thank the Minister for that reply. What help can business people in my constituency expect from local growth hubs?

Anna Soubry: We all take the very firm view that the 39 growth hubs we have created are a really good way of making sure that small businesses get the support they need at the local level. We also take the view that the people who know best how to advise and assist businesses are business people themselves. We think that is done much better the more locally it is done, rather than doing it all from Whitehall.

Derek Twigg (Halton) (Lab): Most of the lending from banks is going to medium-sized firms, but a lot of smaller firms—particularly those with fewer than 50 employees, which include start-up firms—are struggling to get long-term loans. What discussions will the Minister have, or has she had, with banks to ensure that we get better lending for small businesses?

Anna Soubry: Under our terms, any business that employs fewer than 250 people is a small business, but that does not matter, because the hon. Gentleman makes a good point. Obviously, we meet the banks and encourage them. One interesting thing is the number of businesses that are looking at alternative sources of funding, such as crowdfunding and angels. Those sources are growing as businesses begin to see the benefits of them.

Antoinette Sandbach (Eddisbury) (Con): Small businesses in my constituency very often start up in rural areas. What steps is the Minister taking to co-ordinate with the Department for Culture, Media and Sport on broadband connections, particularly in rural areas, which allow businesses to market themselves online?

Anna Soubry: I very much agree that this is a big problem, and not just in rural areas. The lack of superfast connectivity concerns many businesses. It has been raised

by the Federation of Small Businesses, and properly so. We have put aside £1 billion to assist the programme, but I absolutely agree that more can be done. My hon. Friend can be sure that this matter is at the top of Business Ministers' priorities. We are working hard to ensure that every business quickly gets access to superfast broadband.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): What additional funding and support will be made available to encourage persons with disabilities to start small business enterprises? Will the Minister meet the all-party parliamentary group for disability to discuss the matter?

Anna Soubry: The short answer is yes, absolutely. I very much look forward to doing so, because I have no doubt that there are better things and more things that we can do. I am very happy to have those discussions.

Kit Malthouse (North West Hampshire) (Con): Is the Minister aware that one of the biggest sources of capital for start-up businesses is the bank of mum and dad? Given that, will she seek in her Budget submission to have the restrictions on family investment in companies under the enterprise investment scheme and the seed enterprise investment scheme lifted?

Anna Soubry: Goodness me, it would be very dangerous for me to promise that I could deliver on that, but my hon. Friend certainly makes a very good point. Many people would not be able to start up small businesses without support not just from their parents, but from other members of the family. He makes a good point, and we are very happy to take it up.

Alison McGovern (Wirral South) (Lab): A lot of start-up businesses in Merseyside are either in manufacturing or use buildings on former manufacturing sites, which are very large. I rarely visit such a start-up without it mentioning business rates. What representations has the Minister made to the Treasury in that regard ahead of the Budget? Will we see some relief for all the start-ups in Merseyside that are working hard in manufacturing?

Anna Soubry: As the hon. Lady knows, a full review of business rates is being undertaken. She can be absolutely assured that I and other Ministers make the case for businesses. My views are very much on the record—I think that we really do need to look at investment in plant and machinery. Everybody can be absolutely assured that we do not hesitate in putting forward our very strong views about business rates on behalf of all businesses.

Steel Industry

4. **Angela Smith** (Penistone and Stocksbridge) (Lab): What recent steps he has taken to support the steel industry. [903372]

8. **Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): What recent steps he has taken to support the steel industry. [903377]

The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid): We are taking clear action to help the steel industry. We are cutting electricity costs, tackling unfair trade, updating procurement guidance, introducing flexibility in emissions regulations and reviewing business rates. That is what the steel industry has asked for and what we are delivering.

Angela Smith: I thank the Secretary of State for that answer. The Foreign Secretary said of China the other week in this Chamber that

“it is through the prism of steel that their claims to be treated as a market economy are likely to be judged in the European Union.”— [Official Report, 12 January 2016; Vol. 604, c. 694.]

Equally, the Ministry of Defence has recognised the strategic importance of the steel industry with the support that it has given to Sheffield Forgemasters. When will the Secretary of State follow suit? In particular, when will he pull his finger out and start battling for British steel with companies such as EDF?

Sajid Javid: The hon. Lady may be interested to know that it was the Secretary of State who asked for an emergency meeting of the European Council to discuss this issue of unfair trade for the first time and to make sure that when the EU takes action, it does so appropriately and in a speedy fashion. The EU is considering the issue of market economy status. When it puts forward a proposal, we will take a careful look at it. Even if a country does have market economy status, that does not stop the EU taking action, as is shown by the examples of Russia and the US.

Stephen Doughty: As you are aware, Mr Speaker, I have concerns about a written answer that I received last week from the Ministry of Defence. It stated that

“the Ministry of Defence (MOD) does not hold a complete, centralised record of steel procurement for projects and equipment, either in terms of quantity or country of origin, over the past six years.”

Why on earth should we believe the Government's promises on procurement when they do not even keep records in the Ministry of Defence, and what will the Secretary of State do about it?

Sajid Javid: We are the first country in the EU to take advantage of new procurement rules. When it comes to defence needs and other infrastructure projects, we should use British steel whenever we can. For example, the Queen Elizabeth-class aircraft carriers are 94% British steel—that is 77,000 tonnes. Last week I visited Crossrail, the biggest infrastructure project in Europe, and almost all of it is British steel.

22. [903392] **David T. C. Davies** (Monmouth) (Con): Under current rules, steel companies pay the highest energy taxes in Europe. Those taxes are then used to subsidise wind farms, which are made from cheap imported steel. Does the Minister agree that our policy needs to change?

Sajid Javid: I agree about the importance of energy costs, and that is an issue that the steel industry has raised time and again. We had previously announced a system of compensating for part of the cost, but we

went further after listening to the industry. We needed to make a change, and we have made a change, which is a full exemption.

Mr Iain Wright (Hartlepool) (Lab): In her letter to me about procurement associated with Hinkley Point C, the Minister said that

“there are few companies globally that have the capacity to make the ultra-large forgings required for nuclear power plants. It is widely understood and accepted in the nuclear industries that the UK does not have the capacity.”

Given that Sheffield Forgemasters says that it does have that capacity, and that it has supplied such forgings to nuclear plants elsewhere in the world, has the Secretary of State asked the Minister what evidence was used to make that statement? Does he think it appropriate to scrutinise the rationale behind such a sweeping statement that dismisses world-class British steel manufacturers?

Sajid Javid: I do not think the hon. Gentleman is up to date on his information, and if he were to speak to Forgemasters—I am sure it would be more than happy to speak to the Chair of the Business, Innovation and Skills Committee—it would admit that it has challenges meeting all orders for different types of steel. The important point that we all agree on is that wherever possible, when steel can be supplied by British companies, that is exactly what we should use.

Hannah Bardell (Livingston) (SNP): Last year we became aware of Tata Steel’s intentions to mothball two of its sites in Scotland at Dalzell and Clydebridge, with the loss of hundreds of jobs. Those two sites have a proud history and they are far from being, as the Small Business Minister shamefully described them, “bits and bobs”. Further job losses have recently been announced at Texas Instruments, and at every opportunity I and my SNP colleagues have pressed the Government to produce a coherent strategy for an industrial plan. Once more I ask the Secretary of State to bring that strategy for our manufacturing sector before Parliament.

Sajid Javid: As the hon. Lady will know, we work with many industries. I attend industry and sector councils, and we have strategies, including the metal strategy, of which I am sure she is aware. She will also be aware of the actions that we have taken, such as cutting energy costs, providing flexibility on EU emissions regulations, changing procurement guidance and looking at business rates, all of which will help the steel industry across the United Kingdom.

Kevin Brennan (Cardiff West) (Lab): If the Small Business Minister is right about Sheffield Forgemasters, why was it so furious about her words? Why did it make clear that it could supply 80% of the components necessary for Hinkley Point C? Should she apologise to the House, or can the Secretary of State do that on her behalf? What explains the answer that she gave to Parliament—ignorance, or lack of faith in UK steel?

Sajid Javid: The Small Business Minister has absolutely nothing to apologise for, and she was accurate in her statement. As I did the hon. Member for Hartlepool (Mr Wright), I encourage the hon. Gentleman to speak to Forgemasters himself. As I am sure he agrees, whenever we can use British steel for defence purposes, it is important that we do.

Adult Learners

5. **Mr Jim Cunningham** (Coventry South) (Lab): What estimate he has made of the likely change in the number of adult learners between 2016 and 2020. [903373]

The Minister for Skills (Nick Boles): Overall funding for adult learners will increase by 30% in real terms between 2016 and 2020. As a result, we expect to see many more adults taking advantage of the opportunities presented by apprenticeships and further education courses.

Mr Cunningham: I have received a number of representations from local colleges in Coventry worried about their future because of budget cuts. What assurances can the Minister give them that funding will be maintained?

Nick Boles: I am delighted to be able to reassure the hon. Gentleman that, while concerns were indeed expressed to us in a debate in this House about the possible threat of such cuts, the Chancellor did not cut funding for adult learners in the spending review. In fact, he increased it. As I said, by the end of this Parliament, it will be 30% higher in real terms and at its highest level in cash terms ever in our history.

Kevin Foster (Torbay) (Con): Does the Minister agree that we need to understand local needs, particularly industry needs such as photonics and tourism in my constituency, to ensure that adult learners have the best opportunities to get the skills they need for employment in them?

Nick Boles: I do. I had an excellent meeting with my hon. Friend and the leaders of his local college. Their plans are very exciting. We very much want to make a move towards greater local involvement in the commissioning of adult skills provision, so that local industries can be supported.

Steve McCabe (Birmingham, Selly Oak) (Lab): Is the Minister planning any particular response to the Government-commissioned Foresight report of 2014 on lifelong learning and continuous training by Dr Martin Hyde and Professor Chris Phillipson? If so, when are we likely to see that response?

Nick Boles: All our policies are a response to that report and many other reports that have rightly highlighted the need for continuing investment in adult education through people’s long and ever-changing working lives. One of the most significant measures we are taking is the introduction of an apprenticeship levy to double the level of funding for apprenticeships—apprenticeships that are available to adults in their 30s, 40s and 50s, not just to young people.

Mr Gordon Marsden (Blackpool South) (Lab): The 30% increase the Minister refers to covers quite a lot of apprenticeships, but the position for non-apprenticeships in higher education and further education is not looking good. He has not been able to give any detail for those estimates over the next four years. In the past four years, however, very large numbers of adult learners in HE—part-timers—are down 42%. The equality impact assessment shows that scrapping maintenance grants will impact

badly on them. Research from the Department for Business, Innovation and Skills shows that adult learners are often highly debt-averse, which my own experience as an Open University tutor confirms. We welcome the measures for part-time student loans for 2018-19, but why has nothing concrete been done to address the decline in the meantime? May I ask the Universities Minister, through the Skills Minister, about the "Higher Education" Green Paper, which is currently a blank canvas on adult learners' needs? Please make it good by addressing them and the economic benefits they will bring.

Nick Boles: That was a strange question, because the hon. Gentleman had to admit that there were a lot of things he welcomed to try to sneak in a question. It was a little puzzling that he seemed to dismiss our investment in apprenticeships as if it did not provide opportunities for adult learners. The truth is that apprenticeships provide the best opportunity for adult learners, better than any alternative, and we are also extending the possibility of student finance to part-time learners. I hope he welcomes that.

Higher Education: STEM Subjects

6. **Stephen Metcalfe** (South Basildon and East Thurrock) (Con): What steps he is taking to increase the participation rate in STEM subjects in higher education. [903374]

11. **Matt Warman** (Boston and Skegness) (Con): What steps he is taking to increase the participation rate in STEM subjects in higher education. [903380]

The Minister for Universities and Science (Joseph Johnson): Record numbers of students secured places on science, technology, engineering and maths courses this year at our universities, and thanks to the decision we have taken to end student number controls, there is no longer any cap on the number of people wishing to study STEM subjects. The number of full-time students accepted to study STEM subjects in England is up 17% since 2010.

Stephen Metcalfe: Will my hon. Friend join me in celebrating the work and role science and discovery centres play in inspiring young scientists and engineers? Will he tell the House what plans he has to improve their reach, raise awareness of their existence and support their important work?

Joseph Johnson: I certainly will. Our science centres do a fantastic job engaging with over 20 million people each year. That complements the work we are doing to boost STEM subjects in schools. Last week I was delighted to announce a £30 million Inspiring Science capital fund in partnership with the Wellcome Trust. It will allow science centres to make big investments in cutting edge exhibitions and education spaces, and reach all sorts of people who think science is not for them.

Matt Warman: Many small businesses in my constituency need STEM graduates. What are the Government doing to connect them with small businesses, and to encourage them to start their own businesses as well?

Joseph Johnson: The Government's productivity plan set out their agenda for even greater collaboration between universities and business, and we are supporting degree apprenticeships, the first of which were in STEM occupations, such as aerospace and automotive engineering. Small businesses are essential to this agenda. In 2015, the National Centre for Universities and Business reported that 60% of work placements for students on STEM courses were in small businesses.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): Not content with cutting social security support for disabled people, including those in work, the Government have moved on to cuts to the disabled student's allowance. What is the estimate of the reduction in the number of disabled students doing STEM subjects and the impact on the disability employment gap as a result of that?

Joseph Johnson: The disabled student's allowance continues to exist, and is available to all students who need it. Universities must step up to their obligations under the Equality Act 2010 to make their learning environments fit for disabled students, and that will continue to be the case.

Yvonne Fovargue (Makerfield) (Lab): The Migration Advisory Committee recently proposed that employers pay an annual charge of £1,000 for every skilled worker brought into the UK from outside Europe. Given that recent figures show a 40,000 annual shortfall in STEM skilled workers, has the Minister considered what effect the proposal would have on the science community and high-tech businesses?

Joseph Johnson: We are, of course, considering the Migration Advisory Council's recommendations, and will come forward shortly with our response, but through our tier 1 exceptional talent visa, we provide many opportunities to highly talented scientists to work in the UK and contribute to our economy.

Apprenticeship Levy

7. **Carol Monaghan** (Glasgow North West) (SNP): What discussions he has had with the Scottish Government on implementation of the apprenticeship levy. [903375]

The Minister for Skills (Nick Boles): Last October, my right hon. Friend the Chief Secretary to the Treasury set up a working group with Scottish Finance Ministers to plan the implementation of the apprenticeship levy, and I am going to Edinburgh this Thursday to meet Roseanna Cunningham and Ministers from the other devolved Administrations.

Carol Monaghan: The apprenticeship levy will apply to businesses across the UK, including Scotland. Will the Minister clarify the means by which Scotland's share of the funds raised will be calculated?

Nick Boles: That is, of course, a matter for the Treasury, but the hon. Lady will be aware that the system of Barnett consequential will ensure that Scotland, as well as the other devolved Administrations, receives

a share of the tax raised across the UK to support apprenticeships—I hope—and any other policy the Scottish Government want.

Stephen Timms (East Ham) (Lab): The Minister has underlined the advantages of apprenticeships for older people, but it is striking that the number of younger people taking them up was less last year than three years previously. What is he doing to draw young people's attention to the attractions of apprenticeships?

Nick Boles: The right hon. Gentleman is absolutely right that apprenticeships offer a fantastic opportunity to young people, but we should not get hung up on whether people are doing one at 16 or 17, or at 18, 19 or 20. We want them to do one when it is best for them, in terms of the impact on their skills and future earnings, and also best for their employer—remember that apprenticeships are jobs, and not all employers feel comfortable taking on a 16-year-old to do some jobs. We want to ensure that young people get an education in college that enables them to make the best of an apprenticeship whenever they do one.

Ms Margaret Ritchie (South Down) (SDLP): The all-party group on the visitor economy is currently taking evidence on apprenticeships in the catering industry. We have discovered a dearth of apprenticeships in that area. How will the apprenticeship levy assist the recruitment of chefs and others in the catering industry and help to pump-prime apprenticeships and training?

Nick Boles: Obviously, larger employers in the catering industry will be paying the levy, and will therefore have a direct incentive to spend the money in their digital accounts on apprenticeships. Issues with seasonal work in this and other industries mean that employers cannot always commit to an apprentice for a full 12 months, so we are considering piloting an apprenticeship that could last 12 months out of, say, 15 or 16 months to make it more accessible to the seasonal industries.

Hannah Bardell (Livingston) (SNP): In December I asked the Secretary of State about the concerns of the oil and gas industry about the apprenticeship levy and the fact that it might mean that there is a double charge, given that some are already paying levies to training bodies. I am grateful that the Minister will meet me and representatives in March, but in the meantime what research has he done and what meetings has he had with industry bodies about this, and will he commit to a date to produce that information?

Nick Boles: I am constantly having meetings with all sorts of business groups, large and small. I know that representatives from major oil and gas companies have been in those meetings. I would be happy to meet the hon. Lady and the industry, and to carry on meeting any industry, to reassure them that the apprenticeship levy is an opportunity not a threat.

Regional Growth: Midlands Engine

9. **Christopher Pincher** (Tamworth) (Con): What recent steps he has taken to (a) promote regional growth and (b) create a midlands engine. [903378]

The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid): I was delighted to help launch the midlands engine prospectus in December, setting out our programme of action to deliver our long-term economic plan, which aims to add an extra £34 billion to the midlands economy by 2030.

Christopher Pincher: I am grateful to my right hon. Friend for his commitment. Excellent universities, a history of manufacturing and some world-class businesses make the midlands a great place to set up a business, but those businesses need to export more. Will he say what he is doing to help businesses—particularly manufacturing businesses, such as Invotec in my constituency—to do better business abroad?

Sajid Javid: In my hon. Friend's constituency, UK Trade & Investment has provided support for some 250 businesses in the past years, including for companies such as Invotec, which have been given support to help export to India, Russia, Japan and other places. He will know that my noble Friend Lord Maude made a statement in the other place last week, which talked about the new whole-of-government approach to exports. My hon. Friend may also be interested to know that, later this year, I will lead the first-ever midlands business trade delegation overseas.

Tristram Hunt (Stoke-on-Trent Central) (Lab): A key driver of any midlands engine will be Goodwin Engineering in my constituency. This is a world-class steel foundry business hit hard by the Government's massive incompetence over steel policy. It is very keen for a swift decision to be made on the Swansea bay tidal lagoon. Can we have news on that decision and, more broadly, something approaching an industrial policy?

Sajid Javid: The hon. Gentleman can have news—but not today. These are the sort of decisions that we need to consider carefully. When it comes to major infrastructure, he will be pleased to know that the Government's infrastructure plan involves over £90 billion and that we are going ahead with it.

Edward Argar (Charnwood) (Con): One of the key drivers of regional growth in the midlands has been the success of new small businesses, which rely on getting access to telecommunications as swiftly as possible. Does my right hon. Friend share my concern about the potential impact on midlands growth due to the length of time some businesses have to wait for telecoms companies to connect them? Will he press those companies to sharpen up and speed up their act?

Sajid Javid: I agree wholeheartedly with my hon. Friend. As a midlands MP myself, I have met many businesses from my own constituency that have experienced the same problem. It is something that both BIS and the Department for Culture, Media and Sport have discussed with BT and others. Although there are examples of improvement, a lot more needs to be done.

Valerie Vaz (Walsall South) (Lab): One hundred and twenty thousand companies in the west midlands are linked to the steel industry. Will the right hon. Gentleman say what steps he is taking to preserve those skills for future growth?

Sajid Javid: The hon. Lady is right to raise the issue of skills in that industry. The first thing is to do everything we can to help it. Of course, the crisis has inevitably led to job losses, but the measures I referred to earlier will help to protect some of those jobs. We are also talking to a number of companies in the supply chain to see what we can do with skills training to ensure that those skills are transferable.

Andrew Bridgen (North West Leicestershire) (Con): I can assure the House that the midlands engine is firing on all cylinders, but it does need fuel in the tank. Will the Secretary of State confirm that more than £2 billion was raised in venture capital in the UK last year, which was up 50% on the year before?

Sajid Javid: My hon. Friend talks about venture capital and the importance of attracting more and more investment across the nation, and of course in the midlands, too. I am sure he would be interested to know that over the last four years, the gross value added of the midlands region has increased by 15% or £27 billion, while the number of jobs has increased by almost 300,000.

Rob Marris (Wolverhampton South West) (Lab): The hon. Member for Tamworth (Christopher Pincher) asked about the creation of a midlands engine. I can assure the Minister that thousands of such engines are being built by Jaguar Land Rover in Wolverhampton, just outside my constituency.

The apprenticeship levy is very welcome, although there are still some kinks to be ironed out. Will the Secretary of State say a little more about how the Government will encourage the establishment of proper apprenticeships in the manufacturing industry?

Mr Speaker: In the west midlands!

Sajid Javid: Yes, Mr Speaker, in the west midlands the levy will lead to significant new investment in apprenticeships. Companies such as Jaguar Land Rover have welcomed that initiative, and intend to pursue it with gusto. We are also setting up a new standards board, which will be led by the industry. I think that is important, because it will ensure that everyone takes part and we secure the right skills outcome.

Mr Speaker: The east midlands have also been accommodated, as colleagues will have noticed.

Start-up Manufacturing Businesses

12. **Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): What steps he is taking to support start-up manufacturing businesses. [903382]

The Parliamentary Under-Secretary of State for Life Sciences (George Freeman): As my right hon. Friend the Chancellor has made clear, the Government continue to turn around the historic decline in manufacturing that took place under the last Labour Government. In the autumn statement and in the speech that my right hon. Friend is making today, we are setting out our commitment to manufacturing. There will be £300 million for the high-value manufacturing catapult centre—[*Interruption.*]

Perhaps Labour Members would listen. That £300 million programme will benefit the seven catapult centres in the United Kingdom.

We have doubled capital allowances for manufacturing companies, and we have put £1 billion into the aerospace and automotive industries at the Advanced Propulsion Centre, which includes a range of measures for small businesses. That is probably why the all-party parliamentary manufacturing group, which is chaired by the hon. and distinguished Gentleman, has said:

“British manufacturing is currently enjoying a resurgence, together with a reinvigorated interest in industrial policy.”

Mr Sheerman: That report was published before the last Budget. In fact, the manufacturing sector is astonished at the way in which this Secretary of State has waved the white flag at the Chancellor of the Exchequer. He has sneaked out the abolition of the Business Growth Service, sneaked out the abolition of the Manufacturing Advisory Service, and sneaked out the end of the Growth Accelerator programme. Where is the industrial policy of this country, and what happened to the march of the makers?

George Freeman: I can tell the hon. Gentleman that the march of the makers is working. That is why we are leading the fastest-growing economy in Europe; it is why, interestingly, unemployment in the hon. Gentleman's constituency is down by 60% and youth unemployment is down by 10%; it is why we continue to finance small businesses, which have received £2.5 billion through the British Business Bank and £35,000 in loans; and it is why we have doubled small business rate relief. From now on, 405,000 businesses will pay no rates at all. It is for those reasons that our economy is growing fastest—and that comes after 13 years during which manufacturing, under a Labour Government, fell to an historic low.

Sammy Wilson (East Antrim) (DUP): Many barriers, including energy costs and regulatory burdens, prevent manufacturing businesses from starting up. What discussions has the Minister had with the Chancellor about his policy of requiring businesses to return information about taxes to HMRC four times a year? Does he share my fear that that will increase the costs of businesses, impose extra work on them, and divert them from their job of actually manufacturing things?

George Freeman: I assure the hon. Gentleman that my right hon. Friends the Chancellor and the Business Secretary, and this ministerial team, take the need to reduce small business regulation very seriously. Indeed, my right hon. Friend the Business Secretary is giving a speech to the Federation of Small Businesses today on precisely that subject.

The Government's track record in this regard is incredibly strong. We have increased small business rate relief, we have taken £10 billion-worth of red tape from small businesses through the Enterprise Bill, and we are raising the rates of finance for small businesses. That is why we had a record 5.4 million new businesses in 2015, which means that 25% more businesses have been created since we came to power.

Apprenticeships

13. **Jack Lopresti** (Filton and Bradley Stoke) (Con): What steps he is taking to raise the status of apprenticeships among employers. [R] [903383]

The Minister for Skills (Nick Boles): We are giving employers the opportunity to design high-quality apprenticeships that meet their needs, and more than 1,300 employers are already involved. We are also establishing the employer-led Institute for Apprenticeships to improve standards and safeguard quality.

Jack Lopresti: Businesses have, on the whole, welcomed the apprenticeship levy, but many are worried about how it will be implemented. Is my hon. Friend considering any sort of pilot scheme, involving a small number of businesses of all sizes, to ensure that when it is rolled out, it is rolled out smoothly and efficiently?

Nick Boles: I thank my hon. Friend for organising one of the best attended and most interesting meetings of the all-party parliamentary group on this subject. I am doing many meetings of that kind both privately and, like that one, publicly to discuss the implementation of the levy. We will be publishing later in the spring the details of how the levy will work. There are all sorts of thorny questions, but we are talking to business about all of them.

Several hon. Members *rose—*

Mr Speaker: It is timely for me to accommodate, on this question, the hon. Member for Kingston and Surbiton (James Berry).

14. [903384] **James Berry** (Kingston and Surbiton) (Con): Thank you, Mr Speaker. Does my hon. Friend the Minister welcome the 2,580 apprentices that have been started in my constituency since 2015, and will he join me in welcoming the “100 in 100” campaign of my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi), which encourages MPs to go out to their employers in their constituencies and get them to take on apprentices?

Nick Boles: I do welcome that; all the work of my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi) is marvellous, but this is a particularly marvellous aspect of his work. I say to all Members on both sides of the House that it is a simple scheme about going out and encouraging employers in their constituencies to create 100 apprenticeships in 100 days. I urge all Members of all parties to take it up, and we will do everything we can to help.

Several hon. Members *rose—*

Mr Speaker: Mr Mann, we will accommodate you on this question as well; get in there.

15. [903385] **Scott Mann** (North Cornwall) (Con): Thank you, Mr Speaker. The six Cornish MPs are also leading on this and my hon. Friend the Member for Truro and Falmouth (Sarah Newton) will be launching the “100 in 100” campaign in Cornwall. I thank my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi) for establishing that, and may I ask the Minister to pledge his support to Cornish campaigning for apprenticeships?

Nick Boles: I certainly will, and I look forward to visiting Cornwall during national apprenticeship week to celebrate that. In my hon. Friend’s constituency there

were 82.5% more apprenticeship starts in 2014-15 than in 2009-10, and I am sure he will be able to go on and double that.

Rishi Sunak (Richmond (Yorks)) (Con): In my constituency I am working with UCAS to launch a “UCAS for apprenticeships” pilot. This new portal will make it easy for local small and medium-sized businesses to take on a school-leaver, and end the divide between those applying to university and those looking for an apprenticeship. Will my hon. Friend join me in supporting this exciting local initiative backing the aspirations of north Yorkshire’s young people?

Nick Boles: Many of the best policies are designed by Back-Bench Members and piloted in their constituencies, and I want to salute my hon. Friend for creating this scheme so soon after arriving in this place. We will watch it very carefully and look to see whether we can roll it out across the country.

Mr Speaker: I am sure the hon. Member for Richmond (Yorks) (Rishi Sunak) feels a warm glow.

Sunday Trading Laws

16. **Carolyn Harris** (Swansea East) (Lab): What recent discussions he has had with shop workers and their representatives on Sunday trading laws. [903386]

The Minister for Small Business, Industry and Enterprise (Anna Soubry): Officials met USDAW, the TUC and the GMB back in August, and I am very much in favour of the policy of devolving down to local authorities the powers to extend Sunday trading laws if they wish, and if it suits their local area. We may hear more about this from the Secretary of State later when introducing the Enterprise Bill; I hope so.

Carolyn Harris: I take it from that that we can expect an announcement on Sunday trading very soon, but with small traders worried that their only advantage over the supermarkets is the ability to have convenient store Sunday hours and over 91% of USDAW shop-floor workers saying they do not want to work longer hours on a Sunday, just who is going to benefit from these changes?

Anna Soubry: What has been really interesting in the consultation that was carried out was the large number of local authorities who welcomed the ability for them to have powers to see what would suit their area. So if a local authority took the view that an extension of Sunday trading hours was not right for it for whatever reason, it would not have to do it. That is the beauty of this policy. It devolves the powers down to local authorities so they decide what is best for them in their areas, and I can assure the hon. Lady that a number of Labour councils welcome such a devolution of powers.

Mr Speaker: Last but not least, Mr David Nuttall.

Mr David Nuttall (Bury North) (Con): Thank you, Mr Speaker. Given that the Sunday trading laws were relaxed in the run-up to the Olympics, and given that

the sky has not fallen in in Scotland where there are no restrictions, will the Government please crack on and relax the Sunday trading laws as quickly as possible?

Anna Soubry: I have made my position clear, but the ideal is that this is not about the Government imposing this on anybody. It is about giving local authorities the power to decide what is best in their area for all their shops, of whatever size, and of course for their shoppers and their consumers. If they do not want to do it, it would not be mandatory, but they have the choice because we take the view that they know best.

Topical Questions

T1. [903394] **Alex Cunningham** (Stockton North) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid): Britain's high-end manufacturing continues to lead the world, and 2015 was the most successful year ever for our aircraft industry, with delivery numbers up 44% since 2010. Jaguar Land Rover is now Britain's biggest car maker; it produced nearly 500,000 cars last year, which was three times as many as in 2009. And just yesterday, the latest figures showed that manufacturing output grew once again in January. Britain's high-end factories are working, more Britons are working than ever before and this Government's long-term economic plan is working too.

Alex Cunningham: We are hearing that Lord Heseltine has a big plan for the redundant SSI steelworks site on Teesside. If so, what is it?

Sajid Javid: It is absolutely right that we look at all options to generate more employment in that area, and that is exactly what Lord Heseltine has been working on. He has been working with businesses and local business leaders, and I am sure that the hon. Gentleman would welcome that. I notice that his own constituency has seen a sharp fall in unemployment of more than 40% in the past five years under this Government, and it is those kinds of policies that we will continue.

T2. [903395] **Dr Andrew Murrison** (South West Wiltshire) (Con): Despite progress having been made, many small businesses, particularly those in rural areas, are struggling because of poor broadband speeds. Does my right hon. Friend think that the time has come for Ofcom to consider splitting BT and Openreach or, if it feels that it cannot do that, refer the matter to the Competition and Markets Authority?

Sajid Javid: Many individuals and businesses share my hon. Friend's frustrations and the concerns that he has raised about BT's perceived lack of investment and that perceived conflict of interest. I take these issues very seriously indeed. It is of course right that independent regulators should look at this issue, but let me assure him that I have discussed this directly with the head of Ofcom. I will be looking very carefully at the findings of its review and if we need to take action, we will.

Ms Angela Eagle (Wallasey) (Lab): Does the Business Secretary believe that the Google tax deal reached by his right hon. Friend the Chancellor is fair and proportionate?

Sajid Javid: I think it was a very important deal, not least because it leads to a change in behaviour. It sends out a message that if you do not pay your taxes properly and according to the rules, action will be taken.

Ms Eagle: Well, I am not sure from that answer whether the Business Secretary thought it was fair and proportionate, but at the weekend he said that it "wasn't a glorious moment", even though the Chancellor had hailed it as a success. Which is it? It cannot be both. Does the Secretary of State not understand how unfair this cosy sweetheart deal with a company that seems to regard paying its fair share of taxes as a voluntary activity must seem to Britain's millions of small businesses that are now expected to do their tax returns quarterly and have no opportunity to meet Ministers 24 times to negotiate their own private little tax deals?

Sajid Javid: When the hon. Lady's party was last in office, some companies were regularly getting away with 0% tax rates, but Labour took no action whatever. Since the change in Government in 2010, we have closed 40 of Labour's tax loopholes, which has helped to generate an additional £12 billion in taxation.

T6. [903399] **Byron Davies** (Gower) (Con): I know that the Secretary of State and his Department are working hard to support our vital steel industry, but may I ask him what specific steps the Government are taking to ensure the future sustainability of the Tata Steel plant at Port Talbot and to ensure that Welsh steel is used in Government projects and procurement?

The Minister for Small Business, Industry and Enterprise (Anna Soubry): I pay tribute to the great work that my hon. Friend is doing to support the workers in his constituency who have been affected by last week's unfortunate announcement of redundancies at Port Talbot. However, as the Secretary of State has already outlined, we have delivered on four of the five asks by the industry and we continue to work with Tata. When the consultants have finished their work at Port Talbot, Tata will come to us and we will continue our discussions. We will do all we can to ensure that steel continues to be produced not just at Scunthorpe but at Port Talbot.

T3. [903396] **Catherine McKinnell** (Newcastle upon Tyne North) (Lab): The Government have set a target of trebling exports by 2020. Can the Secretary of State explain how delaying a decision on UK airport capacity supports that aim?

Sajid Javid: It is absolutely right that we make a decision on aviation capacity in the south-east, and the Government were right to appoint an independent panel to look at this. It has come back with its findings. It is right that we look carefully at those and we recently made a statement on that. There is no doubt that when the decision is made, it will be one of the contributory factors that will help us to achieve that target.

Several hon. Members *rose*—

Mr Speaker: I call Mark Menzies.

Mark Menzies (Fylde) (Con): Question 7, Mr Speaker.

Mr Speaker: No, it is topical questions. Get in there, your moment has arrived!

T7. [903400] **Mark Menzies:** You caught me off guard there, Mr Speaker, and I apologise.

Ms Angela Eagle: Pay attention.

Mark Menzies: I apologise to the Labour Front Benchers, too.

The backbone of the north-west economy is built around small and medium-sized enterprises, so will the Secretary of State outline what help his Department is giving to small businesses across the north-west?

Sajid Javid: My hon. Friend is right to talk about SMEs being the lifeblood of the economy in terms of the employment and growth that they produce. We have taken a number of measures, including cuts to tax and to regulation. Later on today, I will be opening the Second Reading debate on the Enterprise Bill, when we will announce a number of new measures.

T4. [903397] **Nic Dakin** (Scunthorpe) (Lab): The welcome new procurement guidelines for steel are worthless unless they have an impact on procurement practice. What are the Government going to do to ensure that this is delivered properly? How will they ensure that all Departments and government contractors follow these guidelines? How will the Government assess their impact?

Anna Soubry: The hon. Gentleman makes a good point, and he will of course know that 98% of Network Rail's tracks are made in his constituency. He can be assured that we will make sure there is real delivery on those procurement changes. May I just pay tribute to the councils of Corby, Sheffield, Powys, Cardiff, Rotherham and his own in North Lincolnshire, all of which have signed up to the new agreement to make sure that in their procurement they use sustainable and brilliant British steel?

T10. [903403] **Suella Fernandes** (Fareham) (Con): More than 4,000 people have started an apprenticeship since 2010 in Fareham, which is great news for people who want to learn new skills and for productivity. Will the Secretary of State join me in congratulating my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi) on his work in this area and in encouraging people from Fareham to attend my apprenticeships fair on 12 February at Fareham College?

The Minister for Skills (Nick Boles): If I could, I would spend every day at an apprenticeships fair in one of my hon. Friends' constituencies—or, indeed, in an Opposition Member's constituency. I was in Carlisle last week with my hon. Friend the Member for Carlisle (John Stevenson) at his fantastic skills show, and I urge everyone in Fareham to attend the one set up by my hon. Friend the Member for Fareham (Suella Fernandes).

T5. [903398] **Carolyn Harris** (Swansea East) (Lab): Tidal lagoons present a

“crucial industrial opportunity for the Northern Powerhouse”, so writes Yorkshire's Allerton Steel. Port Talbot's Fairwood Fabrications Ltd says that

“rare opportunities to redeploy skills should be seized with both hands before being lost to the region altogether”.

Does the Minister agree that when the British steel industry identifies a new market around which it could build a recovery, it is time the Government sat up and listened?

Anna Soubry: As we said, we have been listening. Five asks were made and we have delivered on four of those, with the fifth being the subject of a review—I hope we will see delivery on that in due course. We are doing absolutely everything we can do to ensure that steel continues to be produced at both Scunthorpe and Port Talbot. I have to say that more jobs were lost under Labour Administrations than have been lost under Conservative Governments.

Oliver Dowden (Hertsmere) (Con): The proposed tube strike this weekend will add misery to the Monday morning commute of many of my constituents, yet the strike will be conducted on the basis of a mandate dating from June 2015. Does the Minister agree that such disruptive action should be undertaken only on the basis of a fresh mandate from union members?

Nick Boles: Conservative Members are very clear that it should not be possible to call a strike on the basis of an out-of-date mandate, and we are legislating to stop that. We are clear and our candidate to be Mayor of London is clear on that, but Labour wants to oppose this measure and support tube strikes that will prevent people who are paid a lot less than tube drivers from getting to work over the weekend.

T8. [903401] **Chris Stephens** (Glasgow South West) (SNP): Will Ministers confirm what recent meetings they have had with devolved Administrations, local authorities and other public bodies on their proposed anti-Trade Union Bill? Can they confirm that the proposals, particularly those on facility time and check-off, have no support across the public sector? Is it not time to dump those proposals?

Nick Boles: No. I am simply sorry to see yet another party of opposition standing up for illegitimate strikes that cause huge disruption for people who are trying to work hard, trying to get their kids to school and trying to get to work on time. I am glad to say that the Conservatives will be standing up for working people, not trade union bosses.

Richard Fuller (Bedford) (Con): Despite the Government's excellent record on apprentices, disabled people still face significant barriers. The Alliance for Inclusive Education has raised specific concerns about the requirements for maths and English. Will my hon. Friend the Minister review those concerns and write to the alliance and me to assure us that he is taking all steps to ensure that disabled people can take advantage of apprenticeship opportunities?

Nick Boles: This is such an important issue that I hope that I can go one better and invite my hon. Friend to come and meet me, along with the people who have such concerns. I have had other such meetings, not least with my hon. Friend the Member for Milton Keynes South (Iain Stewart), on similar issues. It is very important that we get this right.

T9. [903402] **Andrew Gwynne** (Denton and Reddish) (Lab): Has the Secretary of State read the report from the Centre for Cities, which shows that a large number of Britain's towns and cities are low-skill, low-wage economies? What is he doing to ensure that there is joined-up thinking across Government to ensure that we tackle not just education and skills but the transport links to access those new jobs?

Sajid Javid: I have not seen that particular report, but now that the hon. Gentleman mentions it I will be pleased to take a look. He is right to identify skills as a key issue in helping to create jobs and increase productivity. That is why, for example, we have introduced the apprenticeship levy and are putting forward plans for that. It will make just the kind of difference that he is looking for.

Nadhim Zahawi (Stratford-on-Avon) (Con): I thank the Minister for Skills for supporting the apprenticeship awards at Grosvenor House last week. We gave out awards to small and large businesses and to brilliant apprentices, as well. Would it not be great if next year we had awards for the public sector, with all the permanent secretaries at next year's awards, after today's Bill goes through the House, and if we saw the public sector really getting behind apprenticeships?

Nick Boles: Mr Speaker, you will have noticed that my hon. Friend has a badge shaped like a capital A on his lapel. I am sure that we could all think of many things that that could stand for, but in his case it stands for apprenticeship ambassador. He is a fantastic ambassador for apprenticeships and I am sure that, during next year's awards, the public sector will be able to show itself as a supporter of apprenticeships.

David Simpson (Upper Bann) (DUP): Does the Minister agree that the practice of cash retention, especially within the construction industry, should cease?

Anna Soubry: It was a great pleasure to take part in last week's debate, in which the hon. Gentleman made some very important points. We are having a review, but it is a lengthy one, and he knows that I have undertaken to do everything I can to bring that forward and see that we ensure that we take a modern look at an outdated practice.

Robert Jenrick (Newark) (Con): With the US presidential elections exciting audiences on both sides of the Atlantic, it is looking increasingly unlikely that the transatlantic free trade deal will be signed under the Obama Administration. This year, however, we might be able to sign a free trade deal between the EU and India.

Will the Minister welcome the resumption of talks two weeks ago, after they were stalled for two years, and do everything he can to secure a deal this year?

The Parliamentary Under-Secretary of State for Life Sciences (George Freeman): My hon. Friend makes an excellent point. The TTIP deal is worth £10 billion to this economy, and it is surprising that the Opposition are not supporting it more loudly. We are driving exports with India. As the Leader of the Opposition is in the Chamber, it might be interesting to ask whether the shadow Chancellor still actively campaigns for the overthrow of capitalism.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): With Hartlepool Tata, Hartlepool Caparo, Air Products, Johnson Matthey, SSI Redcar, Boulby Potash and oil and gas industry job losses, Teesside is being hit hard. May I ask the Minister to meet me and other Tees MPs to discuss the future of the SSI site? May I also tell the Minister for Small Business, Industry and Enterprise that between 1987 and 1992, in Redcar alone, the Tory party sacked 20,000 steel workers?

Sajid Javid: I am more than happy to meet the hon. Gentleman and any colleagues, and I have met him before, to discuss this important issue. He will know of all the action we have taken, and are taking, to help the steel industry. However, he makes it sound as if, when Labour were last in office—over 13 years—they actually helped the industry. Production halved, and the number of employees fell by thousands—that is Labour's record. It is left to this Government to actually support the steel industry.

Several hon. Members *rose*—

Mr Speaker: Order. I am sorry, but we are running out of time. Last but not least, Louise Haigh.

Louise Haigh (Sheffield, Heeley) (Lab): Will the Secretary of State confirm that, in a briefing on Friday to Department for Business, Innovation and Skills workers whose jobs are at risk in Sheffield, one of the main reasons given for closing their office was:

“because phones and computers don't work”?

Is the Secretary of State, who is responsible for innovation, seriously saying that the Department responsible for sending people to space cannot find a way to communicate properly with an office 150 miles up the road? Will he now reflect on the way this farcical announcement was made and on the lack of empathy shown to those workers?

Sajid Javid: No one takes these decisions lightly. Of course, a number of people and their families are affected, and we need to do everything we possibly can to help. However, we have an obligation to taxpayers to make sure that we spend their money wisely, and that means making sure that all Government Departments are run efficiently and effectively. Even after this change, my Department will have more people—the vast majority of people—outside London, and that is the right thing.

UK's Relationship with the EU

12.36 pm

Jeremy Corbyn (Islington North) (Lab) (*Urgent Question*): To ask the Prime Minister if he will make a statement on the proposal for discussion of the United Kingdom's relationship with the European Union, to be published later today by the President of the European Council, Donald Tusk.

The Minister for Europe (Mr David Lidington): At about 11.35 this morning, the President of the European Council, Mr Donald Tusk, published a set of draft texts about the United Kingdom's renegotiation. He has now sent those to all European Union Governments for them to consider ahead of the February European Council. This is a complex and detailed set of documents, which right hon. and hon. Members will, understandably, wish to read and study in detail. With that in mind, and subject to your agreement, Mr Speaker, my right hon. Friend the Prime Minister will offer an oral statement tomorrow, following Prime Minister's questions, to allow Members of the House to question him, having first had a chance to digest the detail of the papers that have been issued within the last hour.

The Government have been clear that the European Union needs to be reformed if it is to meet the challenges of the 21st century. The British people have very reasonable concerns about the UK's membership of the European Union, and the Prime Minister is determined to address those. He believes that the reforms that Britain is seeking will benefit not just Britain, but the European Union as a whole. Therefore, our approach in Government has been one of reform, renegotiation and then a referendum. We are working together with other countries to discuss and agree reforms, many of which will benefit the entire European Union, before holding a referendum to ensure that the British people have the final and decisive say about our membership.

The House will recall that my right hon. Friend the Prime Minister made a statement after the December meeting of the European Council. At that meeting, leaders agreed to work together to find mutually satisfactory solutions in all the four areas at the European Council meeting on 18 and 19 February. My right hon. Friend's meetings in Brussels on 29 January, and his dinner with President Tusk on 31 January, were steps in that negotiation process.

We are in the middle of a live negotiation and are now entering a particularly crucial phase. The Government have been clear throughout that they cannot provide a running commentary on the renegotiations. However, I am able to say that much progress has been made in recent days, and it appears that a deal is within sight. The publication of the texts by President Tusk this morning is another step in that process, but I would stress to the House that there is still a lot of work to be done.

If the texts tabled today are agreed by all member states, they will deliver significant reforms in each of the four areas of greatest concern to the British people: economic governance, competitiveness, sovereignty and immigration. On sovereignty, the texts show significant advances towards securing a United Kingdom carve-out from ever closer union.

On the relations between euro "ins" and "outs", the documents offer steps towards significant safeguards for countries outside the eurozone as euro members integrate further. On competitiveness, we are seeing a greater commitment by the entire Union to completing the single market for trade and cutting job-destroying regulations on business.

On free movement, there are important ideas in President Tusk's drafts on reducing the pull factor of our welfare system and on action to address the abuse of freedom of movement of persons.

We believe that real progress has been made, but I would stress that there is more work still to be done and more detail to be nailed down before we are able to say that a satisfactory deal has been secured.

Jeremy Corbyn: First, Mr Speaker, may I thank you for allowing this urgent question to be placed before the House today?

It is rather strange that the Prime Minister is not here and that only two of his Cabinet colleagues appear to be in attendance. The Prime Minister—I should be pleased about this, I suppose—seems to think that he should be in Chippenham, paying homage to the town where I was born, making a speech about negotiations with the European Union, rather than first, as is his duty, reporting to this House, to which he is accountable as Prime Minister.

The Minister says that the Prime Minister does not wish to give a running commentary on the negotiations, but that is exactly what he is doing. He has gone to a selected audience in Chippenham this morning to give a commentary on the negotiations but cannot come here to report to this House. He is trumpeting the sovereignty of national Parliaments as part of the renegotiations, but does not seem to respect the sovereignty of this Parliament in coming here today to make the statement he should have done. Also conspicuous by his absence is the Chancellor of the Exchequer. Where is he this morning? He is across the road making a speech there, but cannot come here to this House—to this Parliament.

Additionally, it appears that journalists were given a very heavy briefing and copies of the document earlier this morning, if not yesterday. No Member of this House received it before them; they were given the briefing. Once again: no process of coming to Parliament, and every process about engagement with the media rather than this House.

If the Prime Minister has an unbreakable commitment in Chippenham—it is a wonderful town and I hope he enjoys his visit there—he could get back to London in about an hour by train and give a statement here later on today. Why cannot he do that?

The truth of the matter is that this whole process conducted by the Prime Minister is not about engaging with Parliament and not about engaging with the necessary questioning by MPs—it is about managing the problems within the Conservative party. I believe, Mr Speaker, that this indicates a lack of respect for the democratic process and this House. I hope that the Minister will be able to assure us that the Prime Minister will come here tomorrow, will take questions, and will in future come to this House first rather than going to selected audiences to say what people want to hear.

Mr Lidington: What my right hon. Friend the Prime Minister is seeking through these negotiations is to secure a better deal for the United Kingdom in Europe and to secure agreement to measures that will make the whole of Europe better at creating jobs, growth and prosperity than it has been in recent years. The British people will then be given their say over our future in Europe, which they were denied for 13 years while the right hon. Gentleman's party was in government, despite three different treaties being enacted in those years which transferred further powers from this House to the institutions of the European Union.

It has always been my right hon. Friend's intention to make a statement, subject to permission, after Prime Minister's questions tomorrow. The timing of the release of the documents was in the hands of the President of the European Council. The draft text of those documents has been changing over the weekend, and as recently as yesterday. Clearly, until President Tusk published, we could not come to the House to answer questions on them.

I have been at debates and in evidence sessions before Select Committees when I have listened to complaints from Members from all parts of the House that they were being given insufficient time to look at the detail before they had the opportunity to question Ministers about it, so the Prime Minister's approach has been deliberately to give that opportunity to right hon. and hon. Members and then make himself available to answer questions. The fact that the right hon. Gentleman focused entirely on the choreography of this morning and asked not one question on the substance makes that point for me.

Mr Kenneth Clarke (Rushcliffe) (Con): My constituency office has been able to obtain a copy of a letter sent by President Donald Tusk to Members of the European Parliament, which the Leader of the Opposition does not seem to have been able to obtain. It sets out the broad description that my right hon. Friend the Minister for Europe has just given.

Does my right hon. Friend agree that the encouraging progress on issues such as Britain's possible opt-out in future from ever closer union, the relationship between eurozone members and non-eurozone members, and the ability of national Parliaments to veto proposals from the Commission to member states, are crucial questions that have a big bearing on Britain's future changed relationship with the European Union? Does he accept that the big issue of how far the British tax and benefits system should be enabled to discriminate against foreigners working alongside British workers in this country—no doubt other member states would be entitled to discriminate against British workers working there—needs to be settled on a satisfactory basis, and then we can get back to the big issue of Britain's full relationship with the Union and the role Britain wants to play in the modern world?

Mr Lidington: My right hon. and learned Friend is right to say that the issues addressed in the drafts and which are a response to the four issues raised by the Prime Minister in his letter to President Tusk last December do tackle the very important issues that challenge every country in Europe and which are of the greatest concern to the British people. The one area where I would differ

from my right hon. and learned Friend is that in the eyes of the people whom we are sent here to represent, the question of the abuse of free movement and access to our welfare systems is a very important one, and it is right that that is part of the renegotiations.

Angus Robertson (Moray) (SNP): We in the Scottish National party support remaining within the European Union and look forward to making the positive case for the EU. Yes, it is about the largest single market in the world. Yes, it is about being able to make and influence laws that affect us, but crucially, it is also about a social Europe with rights and freedoms for citizens and for workers. These questions are much, much bigger than the missed opportunities for genuine EU reform that the Prime Minister has been pursuing. He has palpably not delivered anything near Tory promises of treaty reform.

The big questions about remaining in the EU are far bigger than his negotiations and they need full consideration by the electorate. However, we know that there are important elections in May to the Scottish Parliament, the Welsh National Assembly and the Northern Ireland Assembly, and for the London Mayor and the London Assembly. It cannot be right for these elections and a referendum campaign to clash with a June polling day on remaining in the EU or Brexit. Will the Government now take the opportunity to confirm that they will respect the electorates in Scotland, Wales, Northern Ireland and London by not announcing a June referendum date? Will the Government confirm that there are still no safeguards in place which would stop Scotland being taken out of the European Union against the will of the Scottish electorate?

Mr Lidington: As the right hon. Gentleman knows, the referendum Bill was amended in this House to make it impossible for the referendum to be held on the same day as the elections in Scotland, Wales, Northern Ireland and English local authorities. His right hon. Friend and foreign affairs spokesman, the Member for Gordon (Alex Salmond), has been pressing in this House recently for a six-week quarantine period between the Scottish election date and a referendum being held. Clearly, we take seriously the right hon. Gentleman's views as the SNP's official spokesman on foreign affairs, but no decision has been taken about a referendum date, not least because we do not yet have a deal and we will not know whether we do have one until, at the earliest, the February European Council. At the end of the day, it will be a decision for the House, because the referendum date will be set by statutory instrument subject to affirmative resolution.

Sir William Cash (Stone) (Con): Of course, for all his fulminations, the Leader of the Opposition voted against the Maastricht treaty. Having said that, how can the Minister justify this pint-sized package as a fundamental change in the relationship between the United Kingdom and the European Union, with real democracy for this Parliament, which represents the voters to whom he has himself just referred? Given that there is no treaty change on offer, what guarantee can my right hon. Friend give that, before the votes are cast in the referendum, this package will be not only legally binding but irreversible, which a decision by Heads of State, as proposed by

[*Sir William Cash*]

Mr Tusk in the letter to which my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke) has referred, cannot possibly achieve?

Mr Lidington: As I am sure my hon. Friend will be the first to accept, the central document in the set issued by President Tusk today is a draft international law decision by the Heads of State and Government meeting at the European Council. That, if it is agreed, will be binding in international law and it could be revoked or amended only with the agreement of all signatories, including the Government of the United Kingdom, so it is, indeed, legally binding. When my hon. Friend has had the chance to explore the documents in more detail, I hope he will accept that, although people have for years said that we could not get a carve-out from ever-closer union, a mechanism for addressing the issue of access to in-work benefits or safeguards for non-euro countries as the eurozone integrates, significant steps towards achieving those objectives are all in the documents. Just as my right hon. Friend the Prime Minister defeated expectations in securing a cut to the EU's budget, I believe he will defeat some of the more pessimistic expectations of one or two of my hon. Friends.

Mr Ben Bradshaw (Exeter) (Lab): May I, through the Minister, wish the British negotiating team very well in what he has rightly pointed out is an ongoing negotiation? Does he agree that the great challenges that Britain faces, whether from international terrorism, the refugee crisis, climate change or tax avoidance, can be tackled only by us working with our close neighbours, not relegating ourselves to a position of impotent isolation?

Mr Lidington: As my right hon. Friend the Prime Minister has consistently said, continued full membership of a reformed European Union is a win-win for the people of the United Kingdom, because when Europe works together effectively, it can, indeed, do more for the citizens of all countries than any one country acting on its own.

Dr Liam Fox (North Somerset) (Con): In what areas of policy are the Government seeking exemption for the UK from the jurisdiction of the European Court, because without such exemption we cannot be free from the concept of ever-closer union?

Mr Lidington: The documents do point to areas where very clear exemptions would be made. Clearly, the Court is there to ensure that the treaties are observed by all member states and by the institutions, but if the drafts we have received today are agreed by everybody, and if they take the form of international law decisions and European Council declarations, they will have not just political but legal significance, which the Court will take into account when it frames its response to any particular case brought to it.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): When we first negotiated the concept of a red card back in 2003—it is hardly a new concept—one of the stumbling blocks was the mechanism by which national Parliaments would come together to form a collective opinion in order for it to be effective. Is the Minister now saying that he will advocate the creation of a new European

institution to allow that to happen? If not, how does he think national Parliaments will co-ordinate without the presence of Members of the European Parliament?

Mr Lidington: I do not think that needs the creation of a new European institution. I think that national Parliaments—perhaps this would also involve the strengthening of the COSAC secretariat—need to get more adept at the habit of working closely together so that, as a matter of routine, they co-ordinate in a similar way to how Foreign Ministers across Europe co-ordinate, week by week, on foreign policy issues.

Crispin Blunt (Reigate) (Con): While noting Mr Tusk's language about the United Kingdom, in the light of its "special situation under the Treaties,"

not being committed to "further political integration" in the European Union, does not the Minister agree that, if we are going to stay in the EU, we need to commit to making its institutions work better, which means addressing the democratic deficit?

Mr Lidington: Yes, I agree. That is why we tabled proposals to strengthen the role of national Parliaments as part of the system of checks and balances within the European Union. The drafts include a red card measure, which has never existed before and which many people told us was impossible.

Tim Farron (Westmorland and Lonsdale) (LD): The Prime Minister's commitment to the sovereignty of this Parliament does not seem to stretch to actually being in Parliament on the day this question is being raised. I welcome the publication of the draft proposals, but, given that Britain's membership of the European Union is about our continued economic prosperity, about whether we are going to protect our security in these troubled times and about whether we are an outward-looking or insular country, is it not bizarre that the Prime Minister claims that this massive decision is down to such narrow and arbitrary demands? However, if he is successful in getting those demands met, will he politely ignore the calls from UKIP and the SNP to delay the referendum beyond the summer, given that that would further destabilise our economy?

Mr Lidington: The Prime Minister has rightly focused on those proposed reforms that will make the greatest difference to increased prosperity and job creation in Europe, and that also address the chief concerns of the British people about the current terms of membership. As I said a little while ago, the date of the referendum is ultimately in the hands of Parliament, because it is Parliament that must approve the regulations to set that date.

Mr Steve Baker (Wycombe) (Con): This in-at-all-costs deal looks and smells funny. It might be superficially shiny on the outside, but poke it and it is soft in the middle. Will my right hon. Friend admit to the House that he has been reduced to polishing poo?

Mr Lidington: No, and I rather suspect that, whatever kind of statement or response to a question that I or any of my colleagues delivered from the Dispatch Box, my hon. Friend was polishing that particular question many days ago.

Mr Pat McFadden (Wolverhampton South East) (Lab): It is important to remember that the question on the ballot paper in the referendum will be the basic question of whether to leave or remain—with all that entails for jobs, trade and Britain's place in the world—not the specific contents of this renegotiation, the terms of which could never satisfy the desperate-to-be-disappointed Members on the Conservative Benches.

On the specifics and the substance, the document released by the President of the European Council states that

“conditions may be imposed in relation to certain benefits to ensure that there is a real and effective degree of connection between the person concerned and the labour market of the host Member State.”

What exactly does that mean, and does the Minister agree that the vast majority of people who come here from elsewhere come to work hard, pay their taxes and make a positive contribution to our country?

Mr Lidington: I completely agree with the right hon. Gentleman's last comment. It is very important that, when we talk about the public's understandable concerns about levels of migration into this country, we do not get drawn into stigmatising those individuals, wherever they come from in the world, who are working hard, abiding by the law and doing their very best as residents in the United Kingdom.

As I said earlier, the texts received today are drafts. We do not yet know the response of the other 27 Governments, so we will have to see at the end of the negotiation what the final deal—if there is a deal—may be. I agree with the right hon. Gentleman that, when the referendum comes, people will be voting not only on the package that the Prime Minister has negotiated, but on the broad issues of the pros and cons of membership, over which hon. Members on both sides of the House have argued and disagreed in good faith over many years.

Damian Green (Ashford) (Con): Speaking as a member of the European Scrutiny Committee, I welcome the proposal for a red card system that would give groups of national Parliaments the capacity to turn down Commission proposals. Does my right hon. Friend agree that those, on both sides of the European debate, who have called for many years for Parliaments to have more power to address the democratic deficit should particularly welcome that aspect of the proposals?

Mr Lidington: My right hon. Friend is spot on in his remarks.

Mary Creagh (Wakefield) (Lab): Labour Members are united in our desire to remain in a reformed European Union. Does the Minister agree that, were we to leave, we would put British jobs, investment, prosperity and security at risk? Does he also agree that, were we to leave and remain in the single market, we would still have to pay into the EU budget and accept the free of movement of people, but we would lose our ability to negotiate over the sorts of things that are on the table from the European Council President today?

Mr Lidington: I have to tell the hon. Lady that, in my experience of debates in the House and the European Scrutiny Committee, I have found members of her party who differ from her on the question of EU membership, as well as those who share her views. She

makes an important point. Norway and Switzerland show us that it is not possible to have all the things we like about EU membership—free trade and open markets—but none of the things that we might rather do without. Those are among the issues that the British people will have to weigh up when they make their choice.

Mr Bernard Jenkin (Harwich and North Essex) (Con): May I helpfully read a comment from the paper that the Government have distributed to Conservative Back Benchers, which states that

“this package could mark the high water-mark of EU integration for the UK”?

I remind my right hon. Friend that that is exactly what the then Conservative Government said about the Maastricht treaty. We did not believe them then, and we do not believe him now.

Mr Lidington: My hon. Friend has been consistent, at least, in his opposition to British membership of the European Union for many years, regardless of the terms that Ministers suggested for such membership. I believe that he is wrong, because the kinds of institutional and legal changes proposed in these texts indicate a very different approach to the European Union—an approach that is much more grown up and accepting of the diversity of the Union today than ever before.

Mr Nigel Dodds (Belfast North) (DUP): On several occasions so far, the Minister has referred to the process being ongoing. He has talked about taking another step and said that we have not reached the end yet, that the negotiations continue and that there is hard work to be done. Can he outline the areas in which Her Majesty's Government are pressing for more? Are they asking for any more, or is this it as far as the British Government are concerned, and we are just waiting for others to respond?

Mr Lidington: The scope for the renegotiation was set out in the Prime Minister's letter to President Tusk last December, and the document that we have today is a working set of negotiating texts. When the right hon. Gentleman examines them in detail, he will see that various passages are square bracketed, where there is an indication that no agreement has yet been reached. There is work still to be done on those areas.

Sir Oliver Heald (North East Hertfordshire) (Con): May I pay tribute to my right hon. Friend the Prime Minister and our negotiators for the tireless work that they have done in trying to go forward and create a reformed EU? Does the Minister agree that the issues that we are talking about—sovereignty, whether we have to have ever-closer union, competitiveness for our trade and protection for vast sectors such as the City of London—are major ones? The detail is vital, and I commend him for working so hard on it. We want effective agreements and effective mechanisms, and I think the work is going well.

Mr Lidington: I am grateful to my hon. and learned Friend for his comments. I agree with him about the importance of securing these improvements for the

[Mr Lidington]

British people, and about the benefits to the British people that can be obtained through a successful renegotiation.

Caroline Lucas (Brighton, Pavilion) (Green): Those of us who believe that Britain's future is better in Europe still want an ongoing process of reform beyond the referendum to tackle the democratic deficit. If democracy is a genuine priority for the Government, will the Minister join me in calling for more powers for the European Parliament, the Members of which are elected directly and proportionally, to ensure that the most democratic institution in the EU gets greater powers over the Commission, the Council and the European Central Bank?

Mr Lidington: The European Parliament plays an important role in European legislation, and I have met MEPs from pretty well all political families who take their responsibilities as legislators seriously. If the European Parliament were the answer to the democratic deficit, however, we would not see the depth of public discontent with, and mistrust of, European institutions that we see in many different member states. One of the problems, which can be measured in the low turnouts in European Parliament elections in pretty well every member state, is that people do not see the European Parliament as accountable or close to their concerns.

Several hon. Members *rose*—

Mr Speaker: Ah! Let us hear from one of the three musketeers at the back, Mr Christopher Chope.

Mr Christopher Chope (Christchurch) (Con): May I ask my right hon. Friend whether the draft texts incorporate the precise and clear manifesto promises on which Conservative MPs were elected last May to restrict the payment of in-work benefits and child benefit to foreigners? Yes or no?

Mr Lidington: We will have to see what deal emerges, if we get a deal at the February European Council. I think my hon. Friend would acknowledge that manifestos tend to be written in rather less technical language than do legal texts from the European Union. If he wants the language of any deal to effect changes in how the law is applied and how institutions work, we have to use technical language to describe those changes. I believe that the content and outcome of those reforms will, if we are successful, be significant, in line with what my right hon. Friend the Prime Minister has sought.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): What plans does the Minister have to meet the Scottish Government to discuss the proposals in advance of any discussion of a final deal at the EU summit at the end of the month?

Mr Lidington: I have already sent copies of the Tusk drafts to all three of the devolved Governments. I did so immediately after they were released in Brussels this morning. I am making myself available for an early conversation with the relevant Ministers in the Scottish Government, and in the Welsh and Northern Ireland Governments, and I am perfectly willing to discuss with them the possibility of a face-to-face meeting as well.

Mr Philip Hollobone (Kettering) (Con): The Prime Minister and others who are campaigning for Britain to remain in the European Union have been trumpeting the myth that Britain's security is dependent on our continued membership of the European Union. However, the handout circulated by the Government Whips Office to Conservative Members just before this urgent question states that the Tusk texts apparently clarify

“that national security is the responsibility of member states, and that the EU has no business in getting involved in this most basic of national issues.”

Who is correct, the Prime Minister or the Government Whips Office?

Mr Lidington: My hon. Friend is reading in contradictions where no such contradiction exists. The treaties are clear that, as a matter of policy and legal competence, national security remains the responsibility of national Governments in the member states. The Prime Minister, the Home Secretary and the Foreign Secretary have frequently spoken about how, through effective co-operation within Europe on selected justice and home affairs measures, and through effective co-operation in counter-terrorist work and foreign policy work to deal with organised crime, terrorism and people trafficking elsewhere in the world, we can amplify the efforts that we make on our own and do better at securing objectives that matter to the British people than we could if we acted on our own.

Toby Perkins (Chesterfield) (Lab): The deal laid out by Mr Tusk is a good deal better than many Conservative Members may have expected. It will not make a difference to me—I will support Britain staying within the EU—and I suppose it will not make any difference to many Members sitting behind the Minister, as they would not countenance Britain staying in the EU under any circumstances. Ultimately, however, I hope that the deal, however it is arrived at, will be enough to persuade people who were undecided to come on board and back the campaign to remain within the EU, and to put Britain's jobs and best interests first.

Mr Lidington: I am grateful to the hon. Gentleman for what he has said. I do not want to jump fences ahead of the European Council later in February. We are not yet at the stage when we can say that a deal has been achieved. If a deal is achieved, then I think we can deliver the win-win outcome for the British people that the Prime Minister has been seeking.

Mr David Nuttall (Bury North) (Con): We are going to hear an awful lot about the proposed red card scheme in the coming weeks, but given that the so-called yellow card system, which required only one third of national Parliaments to agree, has only ever been used twice and only once successfully, how likely does my right hon. Friend think it is that the proposed red card system, which requires a much higher threshold of 55% of national Parliaments to agree, will ever be used? Is it not the case that the only way for this country to regain control of its own affairs is to vote to leave?

Mr Lidington: The red card, if one is finally agreed, would, for one thing, be quite an effective deterrent against measures being brought forward that the institutions thought did not command democratic support in the

Parliaments of member states. One of the lessons national Parliaments should draw from the experience of the yellow card system so far is that they could be more energetic than they have been in bringing forward reasoned opinions under that procedure. I would be delighted if the House of Commons matched the record of the Swedish Parliament or the Polish Parliament in bringing forward reasoned opinions and deploying the yellow card.

Geraint Davies (Swansea West) (Lab/Co-op): Does the Minister agree that the central issue is that if, whether we are in or out, we want lasting influence over the social, environmental and economic future of Europe, we need to stay in? This candyfloss negotiation—it is not possible to ratify it legally in a treaty, but it is welcome—may be sweet to taste, but appears much bigger than it in fact is and will not have a lasting impact unless we stay in the Union to see it through.

Mr Lidington: I really do not think that the hon. Gentleman should be so dismissive of issues that the Prime Minister has put on the table and which matter a great deal to the people whom both he and I represent in this House. There are very significant advantages to our national interest in remaining part of a reformed European Union, but opinions in the House have differed on the subject, quite honourably and openly, for many years and it is right that the people have the final say.

Mr Jacob Rees-Mogg (North East Somerset) (Con): I am not convinced by my right hon. Friend's explanation of the Prime Minister's delay, which is that we need to study the document, because although it is characteristically long on words, it is short on substance. May I draw his attention to page 15, where it notes that the emergency brake in relation to immigration will operate on a proposal from the Commission, and to the draft legislation relating to the euro outs, which says that, if there is opposition to the Council adopting something by qualified majority, the Council shall discuss the issue? Well, that is an enormous difference from what we currently have. I just wonder whether the next 24 hours will allow Downing Street the opportunity to try to make bricks without straw.

Mr Lidington: As I have said, this is an ongoing negotiation and we have not reached agreement on all aspects of what is in the Tusk drafts. I would just point out to my hon. Friend that the document also includes a very clear statement by the European Commission that it believes the conditions already exist in the United Kingdom for the emergency brake on welfare access to be triggered.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): Whatever welcome progress the Prime Minister makes on important parts of this negotiation, will the Minister make it absolutely clear to the House and the country that this is about fundamental issues that go beyond the negotiation, not least our co-operation on such matters as tackling cross-border crime and terrorism? Fundamentally, the referendum will be a choice about whether we are stronger, safer and better off inside or outside the European Union.

Mr Lidington: That puts it very well. That is the choice that the British people will have to make. I am confident that the campaigns on both sides of the argument will strive to express their views along the lines that the hon. Gentleman suggests.

Mrs Anne Main (St Albans) (Con): The big question that is going to be asked in relation to the referendum is about our right to self-determination. People tell me that they like the rules to be made by this Parliament, based on policies decided by this Government. Will my right hon. Friend confirm that the brake will be operational only at the will of the Commission, not at the will of this Parliament, and that the red card system will operate only with the permission of 19 other countries, not at the behest of this Parliament?

Mr Lidington: There would be a danger in having a unilateral red card for every single national Parliament. I can remember when the EU institutions forced France to lift its ban on the import of British beef. A unilateral power of veto would have enabled the *Assemblée Nationale* to continue the ban, irrespective of the scientific evidence.

My hon. Friend makes a fair point about people wanting to feel that we make our own rules, but the experience of countries that are not in the European Union, such as Norway and Switzerland, is that they have to implement the EU's rules in order to access its markets, but do not have any say or vote in making those rules. That is part of the assessment that the public will have to make.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): Will the Minister explain why it is acceptable for the media to have sight of the draft EU plan before this House? Does that not yet again show this Government's contempt for our democracy, and where their priorities lie?

Mr Lidington: I have no idea what individual journalists saw or think they saw. What I know is that the documents were only published by President Tusk at about 11.35 this morning. As soon as that happened, I gave instructions to send copies to the Library of the House, the Vote Office, the Chairs of the Commons and Lords scrutiny Committees and the Chair of the House of Commons Foreign Affairs Committee.

Mr David Jones (Clwyd West) (Con): I fully understand my right hon. Friend's desire not to engage in a running commentary on the progress of the negotiations, but will he say whether he has yet received any indication of how well the proposals on freedom of movement have been received in Warsaw, Sofia and Bucharest?

Mr Lidington: At Head of Government level, as well as at both official and ministerial level, we have had conversations for several months with Governments in central Europe about our entire agenda, and particularly about this issue, which, as we have always acknowledged, is a very sensitive one for them. Those conversations have been constructive. We now have to wait to see their response to the documents that the President of the European Council has published today.

Peter Grant (Glenrothes) (SNP): Ten weeks before the date of the referendum, the Government will be required to publish information including their opinion on the outcome of the negotiations. If they go for 23 June, that information will hit the doorsteps three weeks before elections that are vital to almost 20 million people on these islands and will quite possibly arrive at the same time as people's postal ballot papers. Will the Minister give an absolute undertaking that that would be unacceptable and that it will not happen?

Mr Lidington: We are certainly aware of our statutory obligations. As I have said, no decision has been taken by the Government about the date of the referendum and no decision can be brought to Parliament for approval until a deal has been secured.

Stephen Hammond (Wimbledon) (Con): Does my right hon. Friend agree that it is the details that have been negotiated, and not the emotions, that should determine the analysis of what the Prime Minister has done? Will my right hon. Friend confirm that under paragraph 5 of the economic governance section, the institutions of the EU will be sovereign over the eurozone, which will be a powerful tool for the economic future of this country?

Mr Lidington: It is in the interests of the United Kingdom that our partners and friends who have committed themselves to the single currency should be able to ensure that the currency union is stable and that it creates the conditions for economic growth and higher employment. That will benefit us, so we will not stand in the way of their integration if that is what they wish for. However, we want to ensure that any such eurozone integration does not take place at a financial or political cost to countries like ours that have decided to stay out of the currency union. The principles that are set out in the Tusk drafts today take us a long way towards securing that objective.

Andrew Gwynne (Denton and Reddish) (Lab): It is not good co-ordination when Members of the European Parliament, the devolved Administrations and others have had sight of this deal before Members of this House have done so and been able to discuss it thoroughly. On the specifics, the Minister implied in his main response to the urgent question that the deal would include removing unnecessary burdens on business. For me, that is code for reducing workers' rights. Will he say whether part of the discussion has been about watering down the social chapter or workers' rights?

Mr Lidington: The hon. Gentleman might not have heard what I said a few moments ago, but as soon as the documents were released in Brussels, I instructed that copies be sent straight away to the Vote Office, the Library of the House and the Chairs of the Committees of this House that are most directly involved in the scrutiny of European matters.

On the hon. Gentleman's second point, there is no contradiction here in supporting good and effective rights for employees at work. Few have been more committed to parental leave arrangements than my right hon. Friend the Prime Minister. The Government have a very good track record on those matters. I am

afraid that the hon. Gentleman is very out of touch if he thinks that significant reductions could not be made to the complexity and the burden that are placed on businesses, particularly small and medium-sized enterprises, by regulation at both the national and European levels. I am disappointed that he does not recognise that and support our objective.

Mr Andrew Turner (Isle of Wight) (Con): Can the Minister explain why Iceland can have a two-way agreement with China, while the UK does not?

Mr Lidington: I think that if my hon. Friend looks at the detail of the Iceland-China agreement, he will see that it provides more political opportunities for China to develop the relationship with Iceland, rather than any opportunities for Iceland to sell goods or services on the Chinese market. When negotiating trade access with a country of 1.3 billion or 1.4 billion people, we get more leverage as part of a market of 500 million people than as a single country of 65 million. That is the message we get from global trading partners such as China and the United States.

Tom Elliott (Fermanagh and South Tyrone) (UUP): Will the Minister confirm whether there are any proposals in the current negotiations to change the relationship between the United Kingdom courts and the European Court of Human Rights?

Mr Lidington: The straight answer is no, because the European Court of Human Rights is not part of the European Union. My right hon. Friend the Lord Chancellor is working on proposals to deliver the Conservative manifesto commitment to a British Bill of Rights. I am sure that he will make an announcement in due course.

Nick Herbert (Arundel and South Downs) (Con): Is it not significant that the proposals to give us a legally binding exemption from ever closer union and to protect the UK from deeper integration within the eurozone that might discriminate against us would, if implemented, give us the best of both worlds? We would be outside the eurozone but able to access the single market, and we would retain the advantages of being outside Schengen, such as maintaining our borders, but still have access to the world's largest market of 500 million people. Would it not be unwise of us to throw away those unique advantages for an alternative that is unknown and risky?

Mr Lidington: I agree completely with my right hon. Friend.

Mark Durkan (Foyle) (SDLP): Does the Minister recognise that if and when a referendum happens on the basis of a deal that is still to be concluded, many of us will see the debate as being about the bigger issues, challenges and reasons, which point to staying in the EU, rather than about the issues in this package, which many of his hon. Friends are determined to belittle as something between a figment and a fig leaf?

Mr Lidington: What is in the renegotiated package, assuming that we achieve it, will be an important element in the referendum debate, but it will not be the sole

element. There are broader issues too. I agree with the hon. Gentleman that those are matters that both the major campaign groups will want to focus on.

Ben Howlett (Bath) (Con): While the House digests the full details of the letter from the President of the European Council, 6.8 million 18 to 25-year-olds in the UK will be asking what impact this letter will have on them. What assessment has the Minister made of the impact of the renegotiation on young people? After all, it is their future that will be affected the most.

Mr Lidington: One of the biggest challenges facing young people these days is the uncertainty about how to get a rewarding job and career in European countries, many of which have appallingly high levels of youth unemployment, although thankfully not the United Kingdom. Career patterns will inevitably be disrupted by global competition and the impact of digital technology. The commitments to deepening the single market, particularly in digital and services; to forging new trade links with other countries in the world; and to cutting regulatory costs, which will benefit small businesses and self-employed people in particular, seem to me to send a powerful message to young people that we are all committing ourselves to securing greater prosperity and greater opportunity for them.

Cat Smith (Lancaster and Fleetwood) (Lab): It is abundantly clear that I am not the only Member who is, to put it mildly, miffed that the Prime Minister can afford the time to give a running commentary to the media, but not to Members of this House. On the specifics, I do not believe that the Minister answered the question posed by my hon. Friend the Member for Denton and Reddish (Andrew Gwynne), so perhaps he can be a bit clearer now. At any point, have the Government tried to negotiate away or water down British workers' rights?

Mr Lidington: We have always said that we support decent rights for workers. Indeed, we have upheld them in policy both under the coalition Government and since the 2015 election. Nobody is talking about sending little children to sweep chimneys these days. The commitment in the drafts to cut the regulatory costs on business to spur job creation and economic growth is perfectly compatible with decent rights at work for men and women.

Jake Berry (Rossendale and Darwen) (Con): I confirm that my constituents in Lancashire are in no way "miffed" by the fantastic progress that has been made in these negotiations. If Britain votes to remain in the European Union, what role will the referendum lock that was passed in the last Parliament continue to play in protecting our national interest?

Mr Lidington: My hon. Friend makes a good point. The referendum lock embodied in the European Union Act 2011 remains in force, and it will mean that on a range of important issues, new powers cannot be transferred to the European Union from this country without a referendum in the United Kingdom. There will be a referendum lock on any future treaty change under any Government who try to transfer additional powers from Westminster to the European Union.

Stephen Gethins (North East Fife) (SNP): Does the Minister agree with me and Members from every party in the House—including the Conservative party—that a June referendum would be disrespectful, and that a quick referendum would create a missed opportunity for a full, comprehensive debate on the UK's membership of the EU, and the best way to keep us in the European Union?

Mr Lidington: I always take seriously the need for fairness for people in all parts of the United Kingdom when it comes to setting the referendum date. As I said earlier, we listened closely and took on board the comments made by the Scottish National party's official foreign affairs spokesman, who said that there should be a six-week interval between the Scottish elections and any referendum. No decision has yet been, or can be, taken, at least pending the February European Council. Only then can we decide what date to nominate, and what statutory instrument to bring forward to the House.

Mr Stewart Jackson (Peterborough) (Con): When I introduced the European Union Free Movement Directive 2004 (Disapplication) ten-minute rule Bill in October 2012, I hoped that it would culminate in a debate that would lead to fundamental reform and renegotiation, based on parliamentary sovereignty and control of our own borders. On that basis—I believed that the Prime Minister thought that, too—I have kept my counsel, but what the Minister has offered today on free movement is "important ideas" from Mr Tusk. Surely the Minister can understand the sense of a missed opportunity, regret and disappointment at this suboptimal draft agreement.

Mr Lidington: I hope that when my hon. Friend has the chance to look at the text in greater detail, he will see that—if agreed—it will mark a significant change in the direction in which he wished to go. Clearly, it will need the agreement of 27 other Heads of Government at the European Council, and I cannot stand here and take that for granted. He should also bear in mind the fact that the precedents of Norway and Switzerland suggest that part of the price of access to the European market and free trade has been an acceptance of the principle of free movement of workers.

Barry Gardiner (Brent North) (Lab): Does the Minister agree that some of our most foundational environmental legislation lies in the EU habitats and birds directives, the clean air directive and the water framework directive? Those things can only, and must, be agreed at supranational level. What would happen if we were to leave the EU and try to renegotiate such foundational environmental legislation *ab initio*?

Mr Lidington: The hon. Gentleman makes a reasonable point, but when dealing with environmental legislation, it is important that the principles of proportionality and subsidiarity are rigorously applied. Sometimes it is right to agree on an environmental objective at European level, but to leave a considerable amount of flexibility for individual member states with different circumstances as to how precisely those objectives should be reached.

Craig Whittaker (Calder Valley) (Con): Will my right hon. Friend join me in welcoming the clear commitment by the EU to tackle issues of competitiveness, including a clear set of targets to reduce the burden of regulation on businesses?

Mr Lidington: I completely agree with my hon. Friend, and if we can get agreement from the other 27 states on that explicit target for burden reduction, that will be a first for the European Union.

Patrick Grady (Glasgow North) (SNP): We have still had no assurance that Scotland will not be forced to leave the European Union against its will. If a majority in Scotland, Wales and Northern Ireland who wish to stay in the EU outvote a narrow majority in England to leave it, will the Minister and his musketeers on the Back Benches accept that result?

Mr Lidington: I am in no doubt about my position and that of the Prime Minister: we will accept the verdict of the people of the United Kingdom as a whole, and we will regard that as binding.

James Cartlidge (South Suffolk) (Con): Does my right hon. Friend agree that there is something completely absurd about the Leader of the Opposition using his entire remarks to criticise the absence of a Prime Minister to deliver a statement on a renegotiation that will lead to a referendum, none of which would have taken place had there been a Labour Government?

Mr Lidington: I think it was a pity that the questions from the Opposition Dispatch Box were about today's process rather than about the substance of European matters, but the Opposition will have another chance tomorrow.

Huw Irranca-Davies (Ogmore) (Lab): I thoroughly welcome the news that under the Conservative Government no children will be sent up chimneys.

Why, after delivering a speech to a group including journalists, was the Prime Minister answering questions from the British Broadcasting Corporation on this very subject at 13.20 Greenwich mean time? Was that not a running commentary?

Mr Lidington: The Prime Minister wanted to ensure that Members of Parliament got the opportunity to consider the detail of the document before they questioned him about it. Had he simply come to the Chamber within an hour of the technical documents being published, there would have been all sorts of protests that he had not given people sufficient time. I fear that the hon. Gentleman is trying to have it both ways.

Kevin Foster (Torbay) (Con): Will the Minister join me in welcoming the parts of the letter that talk about safeguarding our rights and those of other non-euro nations in terms of further integration in the euro area? Does he agree that it has been interesting to hear comments about not listening from people who did not want to listen to the British people about this issue, and from those who seem keen on holding a referendum on one Union but not on any others?

Mr Lidington: I agree with my hon. Friend, and agreement on a sensible design for European co-operation that respects the right of those in the currency union to integrate further, but which equally safeguards the single market—including in financial services—and the interests of euro-outs, is an important step forward. I hope that we can nail that down at the February European Council.

Tom Brake (Carshalton and Wallington) (LD): Will the Minister say whether the Prime Minister's negotiations have progressed to the point where it is clear what the impact of Brexit would be on the 2 million UK citizens who live in the EU, and the 2 million EU citizens who live in the UK?

Mr Lidington: The fate of British citizens currently living and working in other EU countries under freedom of movement should certainly be taken into account during the forthcoming referendum campaign. The straight answer to the right hon. Gentleman's question is that it all depends on what "out" actually means. In my experience, there are a number of different ideas about what kind of relationship outside the EU it might be possible for the United Kingdom to negotiate.

Chris Heaton-Harris (Daventry) (Con): I know there are a couple of weeks left to tidy up the details of the letter sent by the President of the European Council, but I find one passage, which the Minister has touched on, a tiny bit concerning. It states that we will refrain from measures that could jeopardise the attainment of the objectives of economic and monetary union for our European partners. In the past that debate has been about levels of corporation tax and other taxes set in the European Union, as well as a whole host of other economic factors. Will the Minister ensure that that part of the agreement is tidied up and defined tightly before we move forward?

Mr Lidington: There is certainly still work to be done on the element of the text dealing with the relationship between euro-ins and euro-outs, as well as on other aspects of the text. On my hon. Friend's initial comment, while we hope it is possible to get a deal in February, the Prime Minister's position remains that the substance of any agreement will determine the timing of the referendum. If it were to take longer than February to get the right deal, then so be it.

Sammy Wilson (East Antrim) (DUP): How can the Minister continue to argue that the proposals meet the Prime Minister's promise that he wishes to restore sovereignty to this Parliament, when, to exercise a veto over laws we do not like or to put a brake on benefits to immigrants, we will still have to go cap in hand to other European Parliaments or the European Commission? Does he not see that this is the kind of deal that even Del Boy would have been embarrassed to be associated with?

Mr Lidington: The hon. Gentleman has always been, quite openly, an opponent of British membership of the European Union. If the United Kingdom were to have a unilateral veto on everything, that would have to be the case for every other member state as well. We would certainly find some of the trading and single market

measures that bring huge benefit to the people of Northern Ireland at risk from a veto by a more protectionist-minded Government elsewhere in Europe.

Dr Liam Fox (North Somerset) (Con): On a point of order, Mr Speaker.

Mr Speaker: I will, exceptionally, take a point of order now, as I understand it to relate to the matters of which we have just treated. Ordinarily, of course, it would come after the second urgent question.

Dr Fox: I am most grateful, Mr Speaker, and I seek your guidance. As far as I can understand it from the proposals that have been set out this morning, the red card system would give a vote to both the House of Commons and the House of Lords, as parliamentary Chambers. That would open up the possibility of the unelected upper house voting with other European Parliaments to impose European legislation on the elected House of Commons. When you have had a chance to examine this, Mr Speaker, along with your officials, would it be possible to get some guidance on the constitutional implications for this House of such a proposal?

Mr Speaker: I am very grateful to the right hon. Gentleman both for his point of order and for advance notice of it. My initial reaction is as follows: it is not a matter for the Chair to seek to interpret the proposals, especially prior to their agreement being put forward by President Tusk, whatever temptation I might feel to seek to do so. However, I would hint to the right hon. Gentleman that if he wants to have a sense of how the process might work, he should probably consult article 7(1) of protocol 2. I feel sure he will find that reading and study experience instructive and possibly stimulating. We may return to these matters. I rather suspect that we shall.

Zika Virus

1.43 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab) (*Urgent Question*): To ask the Secretary of State for International Development if she will make a statement on what measures her Department will put in place to support countries worst affected by the very serious Zika virus, which has now been declared by the World Health Organisation as a public health emergency, and if she will outline any plans to work with other Departments to mitigate the risks to British travellers.

The Parliamentary Under-Secretary of State for International Development (Mr Nick Hurd): Mr Speaker, the Secretary of State is travelling and it therefore falls to me to do my best to answer the hon. Lady's question. She raises an issue that is of great concern to many of our constituents.

The World Health Organisation is working with the Governments of the countries worst affected to lead the response to the Zika virus. We welcome the recommendations of the WHO emergency committee on Zika, and the UK Government are assessing our response. The hon. Lady will be aware that the UK has been at the forefront of global efforts to ensure that the WHO has the funding, expertise and systems to respond to emerging disease threats such as Zika. As the second-largest national funder of the WHO, the Department of Health met the UK's £15 million commitment to WHO core funding in 2015, alongside political and technical support to strengthen the organisation and its preparedness. In addition, the Department for International Development made a discretionary contribution of £14.5 million in 2015. As part of the UK effort to strengthen global health security, DFID contributed an additional £6.2 million to the WHO's contingency fund for emergencies, which can be used for the management of Zika.

In response to the hon. Lady's question about the risk to the British public, the first thing to say is that the risk to the UK population from Zika remains extremely low. We have already taken a number of steps to ensure that the UK public are protected, but of course we are not complacent. In light of the WHO's decision, we will review our approach both to action to mitigate the risk to the UK and to considering what additional support the UK could offer to the countries and regions affected. DFID is working with the Department of Health and colleagues across Government on our response at the highest level.

Ms Abbott: The Minister will be aware that money alone is not the issue. In the past four months alone, Brazil has recorded more than 4,000 cases of microcephaly—babies born with deformed small heads. The Minister will also be aware that the Olympic games will be in less than 200 days. More than 1 million tourists are expected to descend on Rio.

Does the Minister agree that research is a high priority? We urgently need proof of a causative link between the Zika infection and microcephaly, and then to know how the virus damages the brain of the growing foetus. Developing countries will need support for the mothers of the thousands of deformed babies to be able to take

[*Ms Abbott*]

their family life forward. Does the Minister also agree that diagnostics, antiviral drugs and, above all, a Zika vaccine are essential?

Mr Hurd: I entirely agree with the hon. Lady that research is very important. We do not know enough about this disease, particularly the links to microcephaly and the other consequences to which she alludes. The UK stands ready to play a full part in upgrading our knowledge. Specifically, we recently announced a £400,000 Newton Fund Zika research project between Glasgow University and Fiocruz in Pernambuco, the hotspot of the outbreak. Scientists from the London School of Hygiene and Tropical Medicine arrived in Recife last week. We are currently looking at what additional interventions are required to reduce the spread of the disease and its impact on developing countries, particularly countries where DFID is extremely active and where there may be a risk of crossover.

Mr Philip Hollobone (Kettering) (Con): My constituents would like to know whether the risk to human health from the Zika virus is as prevalent as that from Ebola. If it is, should our response not be on the same scale? If it is not, why is it not?

Mr Hurd: I think I can reassure my hon. Friend's constituents—and mine—that we are talking about a very different disease. That is not in any way to understate our concern, and the concern of the international community, about the spread of the virus, and in particular the links to congenital abnormalities, which we have discussed. I hope he can also take some reassurance from the relative speed that the WHO has shown in declaring an emergency, with the international response that triggers, which to my mind looks very vigorous and on it.

Patrick Grady (Glasgow North) (SNP): I particularly welcome the announcement of funding for the University of Glasgow, which is my constituency. Over a month ago, its specialists were highlighting the risk of a rapid expansion of the spread of the Zika virus. The International Development Committee report on the Ebola response recommended early engagement with local communities and recognised the role that local and faith leaders can play in spreading public health information and good practice. What role does the Department see for local and community-based organisations in responding to the Zika outbreak, and what support will the Department provide?

Given that much of the outbreak is in Latin America, where many countries are now classified as middle-income, does the Minister recognise the role for his Department and others in supporting such countries in continuing to develop and strengthen their infrastructure, not least because such shocks to the system could put development gains at risk?

Mr Hurd: I note the hon. Gentleman's constituency interest. He is entirely right that community-level support is fundamental to the strengthening of health systems, which he and I have debated in the past, and to DFID's development work. The response of Brazil—a country I know relatively well, having lived there for five years—has

been impressive. It appears to be well supported, not least by the Americans, and we have made it clear to it that we are here to help on the ground. DFID does not have a footprint in Brazil, but we are greatly concerned about the risk of this disease spreading to countries where we, on behalf of the UK taxpayer, have a big exposure. Our primary concern is assisting those countries to alert their health systems, which we actively support, and to anticipate, manage and mitigate future risk.

Dr Tania Mathias (Twickenham) (Con): In the light of the Ebola crisis, how are the Government scrutinising and supporting the WHO leadership, which was severely criticised during that crisis, while the UK response was greatly praised?

Mr Hurd: My hon. Friend is entirely right. Concerns were expressed on the Floor of the House about the capacity of the WHO and the pace of its response to the Ebola situation. My right hon. Friend the Secretary of State has made it clear that the UK, as the second-largest donor, is far from complacent about the need for reform, including monitoring reform. The chief scientific adviser and colleagues at the Department of Health are working together closely to ensure that the WHO is up to the mark, and colleagues will note that the latter has moved more quickly this time. We are in regular dialogue with it to ensure that its systems are as agile and responsive as they can be.

Mary Creagh (Wakefield) (Lab): It is predicted that 16,000 children will be affected by microcephaly this year in Latin America, so the world's community is in a race against time with this horrible virus. Last week, the Chancellor announced funding of £500 million a year to the Ross Fund at Liverpool University to fight malaria. Compared with that, the announcement of £400,000 for Glasgow, which the Minister has just mentioned, pales into insignificance. Through him, may I urge the Prime Minister and the Chancellor to consider all resources to tackle the outbreak of this virus, for which there is no test, cure or vaccine? Any vaccine would require the application of careful moral and ethical standards to its testing on pregnant women, but it is necessary to save a generation of women and their children from disability and poverty.

Mr Hurd: The hon. Lady is entirely right. I thank her for reminding the House of the Chancellor's major commitment to fighting malaria. The Government's commitments to the Ross Fund and the UK vaccines network make it clear that we stand ready to play a leading role in the development of a vaccination, though it would take time to come through. In the short term, however, I would not lose sight of the sensible steps we can take to educate people about how to mitigate the risk to themselves—by reviewing their travel plans and seeking medical advice before a journey—and to make the medical system in this country better informed about the risks.

Chloe Smith (Norwich North) (Con): If we are now talking about an international response, what assessment have the Government made of the threat in other parts of the world? What precautions should British travellers make if they are going to parts of the world where mosquitoes are present, such as Africa and Asia?

Mr Hurd: I know that will be a concern for many of my hon. Friend's constituents and mine. I suggest that she entreat her constituents to access the Foreign Office travel advice for countries and territories where there is an ongoing outbreak and direct travellers to the advice issued by the National Travel Health Network and Centre. That advice is constantly updated and can be relied on.

Diana Johnson (Kingston upon Hull North) (Lab): Are there any plans to screen passengers coming to the UK from the areas affected?

Mr Hurd: As the hon. Lady might expect, we are not remotely complacent, given the concerns, although the public health risk in the UK is extremely low, as I have emphasised. Colleagues across Government—this is being led at the highest level—are having an active and live conversation about all the measures we can take, particularly in response to the WHO's recommendations.

Maggie Throup (Erewash) (Con): I welcome the commitment to ensure that there is research into the virus, but that is for the long term; we also need short-term measures. If the virus is being transmitted by mosquitoes, might there be a role for DFID to divert funds into practical measures, such as the provision of mosquito nets, which have been effective against malaria in the past?

Mr Hurd: I thank my hon. Friend for placing on the record her respect for DFID's work in leading an extraordinarily successful global effort to reduce malaria. In the current context, we are talking about a different type of mosquito and risk, but, as she hints, the countries most directly affected, such as Brazil, can still do a great deal to control and manage the risk on the ground, through the control of stagnant water, spraying and other common-sense measures. Such things require a big logistical effort, but so far Brazil seems to have risen impressively to that challenge. As I have stressed, we have made it clear that this country stands ready to help in any way we can.

Andrew Gwynne (Denton and Reddish) (Lab): The Minister is right that the risk of an outbreak in the UK is low, but what steps have the Government taken to ensure that NHS staff can spot the signs and symptoms of the Zika virus? Working with his colleague, the public health Minister, will he keep under review the option of a public health education programme?

Mr Hurd: It is not for nothing that the public health Minister is sitting alongside me. I am satisfied that colleagues are working with professional groups to develop information and guidance on Zika for clinicians—it is not a condition we have grown up with—and this advice can be accessed through the Public Health England website and has been cascaded by organisations such as the Royal College of Obstetricians and Gynaecologists. This advice includes background and travel-related guidance on Zika, and from tomorrow it will include guidance, developed jointly with the royal college, on the management of pregnant women. PHE plans to provide guidance and information specifically targeted at primary care, which we anticipate will be available shortly.

Kevin Foster (Torbay) (Con): To defeat such horrible illnesses, we need to tackle them at their source, as we saw with the Ebola crisis and outbreak. Given the success of Operation Gritrock in Sierra Leone in fighting Ebola, has DFID had any discussion with the Ministry of Defence about potentially supporting any operations, if the virus moves into countries less able than Brazil to mount a major attack against it?

Mr Hurd: I would be the first to acknowledge the enormously important role the MOD and our armed forces played in Sierra Leone and the success story that was the battle against Ebola. The current situation is different. I am not aware of such conversations, but I know that colleagues at the top of the relevant Departments are working closely together to keep on top of the options for helping the international community fight this alarming condition.

Dr Philippa Whitford (Central Ayrshire) (SNP): I welcome the statement and echo the fact that there is no direct threat to people here in Britain. I would have thought that the biggest threat is from spectators and competitors returning from the Rio Olympics to other hot countries, such as sub-Saharan or north African countries. Do we not therefore need to support having a massive campaign before the Olympics to reduce the impact of these mosquitoes? If this travels and these people are not identifiable and not testable, and do not even know they are unwell, we could end up with this virus getting established in north Africa, and many pregnant women go on holiday to southern Europe.

Mr Hurd: I thank the hon. Lady for making that extremely important point. I have a huge amount of empathy with it, not least because I have ministerial responsibility for sub-Saharan Africa. To reassure her, Public Health England has been in contact with the International Olympic Committee regarding travel advice for the Rio Olympics. That organising committee is working with the Ministry of Health in Brazil to develop travel advice for Olympic visitors and is currently looking at all the potential risks before circulating guidance. On the specific point about African countries and other countries in which DFID has a large stake, we will obviously review intensively what we can do to work with our partners in countries that face risks, not least in respect of improving and strengthening the resilience of their health systems so that they can educate and communicate with their citizens effectively.

Steve Rotherham (Liverpool, Walton) (Lab): The Minister mentioned two excellent facilities in London and Glasgow, but forgot to mention the Liverpool School of Tropical Medicine, which receives Gates money because of the expertise based in the facility. Will he ensure that there is greater collaboration between the different institutions within the UK, which have such great expertise, to ensure that we find a vaccine as soon as it is reasonably practicable to do so?

Mr Hurd: The hon. Gentleman raises a poignant point, and I congratulate him on putting Liverpool back on the map. Of course, that was where the Chancellor announced the Government's major new commitment on dealing with malaria. When it comes to the science and research—the importance of that has been stressed—

[Mr Hurd]

the UK has an incredibly important role to play. It is crucial that this work is co-ordinated effectively. I have been reassured that the chief medical officer and the chief scientific adviser are playing their role in co-ordinating British expertise in this area.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): The ability of countries to cope with global infectious disease outbreaks, whether it be Zika, Ebola or HIV/AIDS, is often contingent on the strength, resilience and capacity of their national health systems—the core health systems in those countries. Will the Minister say a little about what DFID is doing to support health system strengthening in countries that are either directly affected by Zika or at risk of being affected by it in the near future?

Mr Hurd: The hon. Gentleman's general point is incredibly important. DFID places a huge amount of emphasis on the work that we do to stop people dying and to prevent diseases. Core to that is the work that we do with others to strengthen countries' health systems, as well as the international system, as we discussed. It is about reform and investment in new tools and technologies—drugs, vaccines, diagnostics and tackling microbial resistance. Looking to the future, a key part of that is the investment in research of which this country should be proud.

Barry Gardiner (Brent North) (Lab): Given that the eggs of this mosquito are reported to be able to survive in dry conditions for many days, what is the geographical extent of the spread of this virus within south and central America? What steps are being taken to manage the trade routes on which the eggs of those mosquitoes may be carried?

Mr Hurd: The mapping of south and central America is relatively well advanced, and I believe we have reasonably good information on that. The American authorities are alive to the risk and absolutely on it. To be honest with the hon. Gentleman, I am more concerned from a DFID perspective about the need to map and model the risks for other parts of the world, not least sub-Saharan Africa.

Tom Brake (Carshalton and Wallington) (LD): The Australians have already allowed two virologists to go to Brazil. What work has the Minister done on analysing what expertise the UK has, and would he be prepared to release it to Brazil if the country requested it?

Mr Hurd: I can reassure the right hon. Gentleman that when it comes to research, science and medicine, this country has an extremely strong relationship with Brazil, which has developed over many years. As part of our response to the situation, connections have been made in that context, and I referred to the announcement of a £400,000 Newton Fund Zika research project between Glasgow University and Fiocruz in Pernambuco. British scientists and experts have already made it quite clear that we are prepared to help, and those connections are alive and well.

Liz McInnes (Heywood and Middleton) (Lab): What advice will the UK Government give to the blood transfusion service about travel histories for prospective blood donors? Will there be any retrospective screening of donations already made?

Mr Hurd: I am informed by the public health Minister that a 28-day deferral notice has already been communicated, and that she will correspond directly to the hon. Lady on the point she has raised.

Jim Shannon (Strangford) (DUP): I, too, thank the Minister for the statement. Given the arrangements whereby British nationals can enter Brazil without a visa and the ever-expanding tourism industry in the country, does the Minister agree that we need a highly publicised advice campaign on travelling to Brazil so that precautions can be taken in regard to the Zika virus before travel to that country actually takes place?

Mr Hurd: We keep the situation under review, as it is an important part of the British Government's responsibility to our citizens. As I said, Foreign Office advice on travel is regularly reviewed in the light of evidence. I encourage the hon. Gentleman to point his constituents to it.

Ms Margaret Ritchie (South Down) (SDLP): I understand that there was an outbreak of the Zika virus in the Indian sub-continent in the past. What further representations have the UK Government made to the WHO about a further potential outbreak in south-east Asia?

Mr Hurd: Clearly, there is a risk of the virus spreading. It is present in a large number of countries already, so part of our contribution to the global international response is to work with the WHO and others to model the risks as they relate to areas about which we do not have enough evidence on prevalence. Such modelling is part of the British contribution.

Grahame M. Morris (Easington) (Lab): It is incredibly difficult to control mosquito-borne diseases, but we do need a long-term public health plan. I pay tribute to the valuable work that DFID has done in tackling the malarial mosquito in sub-Saharan Africa. What role is the UK playing in helping to develop and research a vaccine for the Zika virus?

Mr Hurd: I thank the hon. Gentleman for paying tribute to DFID's work on malaria, which is incredibly important given that it is estimated that a child dies of malaria every minute. I refer him to my previous answer on research through the Ross Fund and to other pots of funding created, which means that this country is in a position to show genuine leadership on the issue.

Huw Irranca-Davies (Ogmore) (Lab): I simply seek the Minister's assurance that he is working hand in glove with Ministers in the devolved Administrations, not least the Welsh Government, so that there is a fully co-ordinated response.

Mr Hurd: Yes, that is incredibly important, and I can reassure the hon. Gentleman that the advice has been shared. In fact, calls are in place to follow it up this very afternoon.

Mobile Telecommunications Network Coverage (Contractual Obligations)

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

2.9 pm

Mr Alistair Carmichael (Orkney and Shetland) (LD): I beg to move,

That leave be given to bring in a Bill to make provision about the disclosure of the quality of mobile telecommunications network coverage by providers and establish penalties for non-compliance; to provide recourse for consumers who enter contracts for such services that do not perform as advertised; and for connected purposes.

Many years ago, during the 1987 general election campaign, my now wife and I hosted a house meeting in our flat in the west end of Glasgow in support of the late Roy Jenkins, then MP for Glasgow Hillhead and resisting—unsuccessfully, as it turned out—the challenge of one George Galloway. It was an exciting occasion for all who attended. For me, as something of a political geek, it was exciting because it allowed me to do my bit to support the efforts of a man who, then as now, was a political inspiration to me. For most of my friends who attended, who were then in their early twenties, it is more likely to have been exciting because Roy's bag carrier brought with him an item of genuine curiosity: a mobile phone.

To call what we saw then a “mobile phone” is to use the term very loosely. It was only mobile if you were fit enough to lug the somewhat chunky phone and its rather weighty battery up the three flights of stairs to our top-floor flat, and it was only a phone if you happened to be in one of the few places in the country where you could get a signal in order to use it. Despite that, however, we were all excited to have had a small glimpse of what we thought the future held.

In fact, we did not know the half of it. From that time until now, the pace of change in mobile telephony has been phenomenal. Mobile phones are no longer the designer accessory of the moneyed few; they are now an essential part of everyday life for us all. Making calls is the very least of what they can do. They offer opportunities for social interaction and family connection, and they have been, and continue to be, a driver for improved productivity in many businesses, especially small and medium-sized enterprises.

Many of the communities that I represent are those which, because of the size of their populations and their distance from larger centres of population, could derive the most benefit from good connectivity. Unfortunately, they are always the last to see any improvement. Whether one speaks to the doctors, health visitors, vets and other professionals serving those communities, to the farmers, fish farmers and people running their businesses from home, or to the families struggling to raise a young child with complex medical needs or care for elderly relatives, they will all say the same: social and economic development in some of our most fragile communities is being hampered by the lack of mobile connectivity.

I can offer a positive example of a mobile company doing good. I remember attending the switch-on by Vodafone of a femtocell in Walls, on the west side of Shetland. I was told by a constituent, Michael Tait,

about the difference that having mobile reception would make to his ability to run his business as a mussel farmer. For him, it meant having the same access as that enjoyed by his competitors to real-time information about market prices, laboratory test results, and much more. In short, it meant that a business grown in one of our most economically fragile communities could continue to grow there.

Mobile connectivity has produced a new divide in our communities. We now have a new class of haves and have nots: those who have a signal and those who do not. Like the other great digital divide, in the roll-out of superfast broadband, this divide is often between rural and urban communities, but that is not always so. The service is often just as poor in our towns and cities as it is in the areas that surround them.

Ideally, we would look to the market to provide its solutions, and in the early days competition did drive growth and improvement, but it has been clear for some time that a market dominated by a small number of big players is prepared to settle for what, in their view, is adequate, rather than striving for what is best. As a result, while some communities drive ahead with 3G and 4G coverage and now look to what 5G may mean, many of my constituents are left balancing their mobile phones on window ledges in order to get a 2G signal, because that is the only place in the house where even the weakest of signals can be found. The present situation cannot and must not be allowed to continue.

The coalition Government recognised the problem. The solution that we pursued was the mobile infrastructure project. We sought to use public money for the building of masts to eliminate the so-called not-spots, but, for a variety of reasons, that did not achieve the progress that we needed. In 2014, agreement was sought with the mobile phone operators to improve coverage, with the threat of compulsory roaming in the background. Promises were made, and the Shangri-La of connectivity was just over the horizon—or so we thought. It would appear, unfortunately, to have been another false dawn. Now, in 2016, the problem is just as bad, and is showing little sign of improvement.

The root cause of the problem is the imbalance of power between the big corporate providers and the consumers. For the consumer, information is power. It is, to my mind, quite remarkable that, in a regulated market such as this, mobile phone companies have no obligation to spell out to would-be customers just what coverage they can provide and where they can provide it. In fact, my experience as a constituency MP suggests that the companies themselves often have no reliable information. My next-door neighbour in Orkney and I were reduced to helpless laughter recently when he was told quite solemnly by Vodafone that the mast serving our homes from Burgar Hill, just over a mile up the road, provided a signal for 99.8% of the time. He and I know that the situation is very different.

My Bill would place on mobile phone companies an obligation to give detailed information on coverage to their customers, and would allow customers to break their contracts if that service was not provided. It would allow us all, as consumers, to make an informed choice when selecting a service provider. It could reinject into the market a little of the competition that might drive some of the necessary improvements. At the very least,

[Mr Alistair Carmichael]

it would ensure that the information that the companies provide reflects the service that they actually provide, and not the service that they think they provide.

I am often wary when Members speak about using legislation to send a signal. As we all know, that approach often has unintended consequences. My Bill, however, is a signal to the mobile phone operators that customers throughout the country—especially those in our rural communities, remote from the large centres of population—need, expect and deserve a better service than the one that they are receiving. That is the signal I want the House to send to the mobile operators today, and, unlike the signal with which they provide us, it could not be clearer.

Question put and agreed to.

Ordered,

That Mr Alistair Carmichael, Tim Farron, Norman Lamb, Mr Mark Williams, Albert Owen, Graham Stuart, Nick Smith, Mr Charles Walker, Ms Margaret Ritchie and Glyn Davies present the Bill.

Mr Alistair Carmichael accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 4 March and to be printed (Bill 126).

Enterprise Bill [Lords]

[*Relevant document: Second Report from the Environmental Audit Committee, on The Future of the Green Investment Bank, HC 536.*]

Second Reading

2.19 pm

The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid): I beg to move, That the Bill be now read a Second time.

On my Christmas reading list was a book by Labour's policy adviser, Andrew Fisher. I am not going to throw a copy at the hon. Member for Wallasey (Ms Eagle), because I am sure that she already has a copy of her own.

Ms Angela Eagle (Wallasey) (Lab): It is very good.

Sajid Javid: I wonder, then, whether the hon. Lady agreed with one of the comments that Andrew Fisher made in his book:

“The sole focus of economic debate today seems to be about what leads to economic growth.”

“Why”, he asks,

“are we so obsessed with economic growth?”

In the blurb, the shadow Chancellor called it the best thing he has read in years. On the Government Benches we know why sensible people are obsessed with economic growth: it means more jobs, it means prosperity, it lifts people out of poverty, it pays for our health service and our schools, and it allows us to invest in the future of our nation.

We know that growth is not created by politicians or by civil servants. It is not delivered by Whitehall diktat, or by printing money, or by creating an ever-expanding public sector. Economic growth comes from one thing, and one thing alone: successful private businesses.

The role of Government is to create an environment in which businesses can thrive. So, while Labour's policy chief dreams of handing taxpayers' money to trade unions so they can buy out companies, this Government are taking action to back British business.

Margaret Greenwood (Wirral West) (Lab): In November of last year the green investment bank announced it had raised £10 billion in green infrastructure investment in the last three years. At the time the Secretary of State said:

“As this milestone shows, the Green Investment Bank is going from strength to strength and is having a major impact supporting renewable energy projects across the whole of the UK.”

This, at the moment, is not a private company—

Madam Deputy Speaker (Natascha Engel): Order. Lots of Members wish to speak. If the hon. Lady would like me to put her name at the end of my list of those wishing to speak, I will do that, but otherwise interventions must be short, as must the responses.

Margaret Greenwood *rose*—

Madam Deputy Speaker: Order. We have heard what we need.

Sajid Javid: I have got the hon. Lady's point, Madam Deputy Speaker. I will come on to the green investment bank, and she will see that, because I agree with her main point—I want to see it raise more money—we are setting it free.

We have cut corporation tax and red tape. We are devolving the power to cut business rates and have doubled small business rate relief. We have lifted nearly half a million employers out of national insurance contributions. We have supported more than 30,000 companies with start-up loans. And we have launched a five-year programme to help British businesses make the most of export opportunities around the world.

All this work is paying off. In 2016, Britain is home to more private businesses than at any point in its history—almost 5.5 million of them. Over the past eight years more than 600,000 people have made the courageous decision to become self-employed, many in highly skilled professions, but I want to do more.

Fiona Bruce (Congleton) (Con): The Secretary of State is making a powerful speech about this Government's support for the creation of businesses, particularly small businesses, which of course requires not only the energy of the individual entrepreneur, but the support of their family. Will the Secretary of State outline how the family impact test has been applied in developing this Bill?

Sajid Javid: My hon. Friend makes an important point about the support offered to successful businessmen and women by their families. Whenever we develop any of these policies, we will carefully consider the impact on families, and I hope my hon. Friend will see that that is indeed the case as I progress through my speech and we release more detail on the Bill.

As I was saying, 600,000 people have become self-employed over the past eight years, but we want to do more, because, for my sins, I am obsessed with economic growth. That is why I am proud to have introduced the Bill before the House today.

The Enterprise Bill will strengthen the UK's position as one of the best places in the world to start and grow a business. It will cut the red tape that too often strangles growth. It will support investment in the skills that British businesses need to be competitive now and in the future. And it will help deliver the economic growth and security that benefits every single one of us in this country.

Toby Perkins (Chesterfield) (Lab): For someone who is obsessed about supporting small business growth, the Secretary of State's Bill shows very little ambition. Can he say a little more about business rates, because the level of business rates is one of the major barriers to small businesses? It also impacts on manufacturing firms and retailers. Can he tell us more about what he will do to reduce the business rate bill of small businesses?

Sajid Javid: The hon. Gentleman will know that we have already done a lot to cap business rates and slow their growth. We have an ongoing review of business rates at the moment, and there will be more information at the next Budget.

It sounds to me as if the hon. Gentleman does not agree with his own leader, who has proposed

“adding 2% to corporation tax—“*[Interruption.]*

Yes, it is a quote, and the quote continues: he wants to do that to fund a “lifelong learning service”. On top of this, he proposes

“increasing corporation tax...to fund maintenance grants.”

So perhaps the hon. Gentleman agrees with his leader, who wants to see business taxes increase.

Let me turn to deregulation. According to the British Chambers of Commerce, regulations introduced by the last Labour Government cost British businesses almost £90 billion. No doubt this contributed to Labour's great recession, destroying thousands and thousands of jobs across the country. That is a staggering burden for any employer, but it is a particular problem for Britain's millions of small businesses, because when people are running their own company they do not just have one job: they have to be a manager; they have to be an accountant; they are in charge of human resources and procurement; they have to issue and chase invoices, source new suppliers and arrange marketing and advertising. All that on top of the day job. There are not enough hours in the day as it is, and the last thing they need is the Government on their back, weighing them down with petty rules and regulations.

Caroline Flint (Don Valley) (Lab): The Secretary of State talked about how this Bill will contribute to greater growth. Can he be a bit more specific? Will he itemise under the different clauses just how much growth he expects to see as a result of these proposals?

Sajid Javid: I respect the right hon. Lady, but I hope she understands how growth is generated by the private sector. The Government deregulate, cut taxes, get out of the way of businesses and set entrepreneurs free. She has to understand that we cannot just pass a law that will grow businesses. Perhaps she agrees with the leader of her party when he says he wants to restore clause 4 to Labour's constitution; perhaps she thinks that is the way to help growth and help businesses?

One way in which we certainly do help businesses is through further deregulation. That is why in the last Parliament we scrapped £10 billion of Labour's red tape. We have already committed to scrapping another £10 billion between now and 2020. But business owners have told us that the actions of regulators are just as important as the content of regulations. So this Bill will extend the deregulation target to include statutory regulators, and it will increase transparency with a new annual reporting requirement for regulators subject to the growth duty and regulators' code. It will also extend the hugely successful primary authority scheme to give more businesses access to reliable, consistent regulatory advice. This will save them money, and give them the confidence they need to invest and grow.

The Enterprise Bill will also end the “Whitehall knows best” approach to the regulation of Sunday trading. We are a one nation Government and we want to see the benefits of economic growth being felt in every corner of our country. But no two parts of our great nation are identical. The needs and wants of a small rural community in the south-west may be very different from those of a bustling city in, say, the north-east. The people living and working in those communities understand them far better than any Minister or civil servant sitting in a comfy London office. So we will introduce amendments

[Sajid Javid]

in this Bill to allow local authorities to decide whether to extend shopping hours in their areas. Central Government will not be dictating how to use this power. The decision will be entirely local, reflecting local preferences, shopping habits and economic conditions. If the people of Bromsgrove or Barking say they want to see longer Sunday opening hours, who are we here in Westminster to stand in their way?

Louise Haigh (Sheffield, Heeley) (Lab): It is fantastic to hear that the Government's policy is that Whitehall does not just know best, which is indeed what I thought the Government's policy was before. Why then is the Secretary of State closing the BIS office in Sheffield and moving it to central London where, by default, decisions on investment will be much narrower and much more focused to central London, away from the so-called northern powerhouse?

Sajid Javid: First, the hon. Lady will know that no one makes this kind of decision lightly. The Government have a duty to spend taxpayers' money wisely, and that is what we do with every single penny. She is quite wrong in her accusation that this will centralise decision making in London. Once the Department has completed its restructuring by 2020, there will be fewer people in London and the vast majority of officials who work for BIS will be outside London.

Ms Angela Eagle: The Secretary of State has just effectively announced that there will be changes to the Sunday trading rules. Why on earth did he not put them in the Bill? Why is he introducing them at this late stage?

Sajid Javid: The hon. Lady will know that we talked last year about our plans to change the Sunday trading rules, and we had a consultation, to which I am sure she has contributed. The Government's intentions have been clear. It is a question of finding the right vehicle to make those changes, and they will be in this Bill by way of an amendment.

Andrew Griffiths (Burton) (Con): May I draw the Secretary of State's attention to a letter that I received from the owners of the Octagon Centre in Burton? The businesses in that centre are urging me to support this important initiative from the Government because they say that it will help their businesses and that they would employ more people as a result.

Sajid Javid: My hon. Friend is right to point out the economic impact of this measure. As I have said, it might not be right for every area but it is surely correct for each local authority to decide what is best for its area, and if that leads to more jobs and growth locally, that is exactly the reason why we should follow through on this policy.

If any of our friends in the Press Gallery have spent time freelancing, they will be all too aware of the problem of late payments—[*Interruption.*] There are friends up there. If they are not up there, they are listening somewhere else. I have heard of one writer, who may well be listening now, who says that he still has not been paid for copy that was filed two years ago. The most shocking aspect of this problem is just how common

it is. In my six years as the Member of Parliament for Bromsgrove, I have been contacted by many dozens of local business owners who have been pushed to the brink by one thing: the failure of large corporations to pay up on time.

Toby Perkins: May I just take the Secretary of State back to the point about Sunday trading? I cannot remember a similar situation in which a Secretary of State has stood up and made a speech about a provision that is not even in his Bill but that he wished was in it. People are going to be voting tonight on the Bill's Second Reading, and he is announcing measures that they are going to be asked to approve but which they might well be against, and which are not even in the Bill. Is not this entirely the wrong way to legislate?

Sajid Javid: We get this every day from those on the other side of the House. They are obsessed by process. They do not want to focus on the substance at all. They have no respect for the substance.

Ms Angela Eagle: The right hon. Gentleman is asking us to vote on Second Reading tonight on the substance of a Bill which, at the moment, does not contain anything about Sunday trading. We have not seen the response to the consultation; it has not been published. We do not know whether the Government are going to table an amendment or a new clause. He is expecting us to comment on something that we have not even seen, and that shows contempt for this House.

Sajid Javid: The hon. Lady has had plenty of time to consider the issue of Sunday trading and whether she supports the principle or not. There will be plenty of time to discuss that in the House. It will also be discussed and voted on in Committee, so there will be plenty of time for input. It would be far better if she and her party focused on the substance of the issues rather than on process after process.

Kevin Brennan (Cardiff West) (Lab): On a point of order, Madam Deputy Speaker. Is it in order for the Secretary of State to come to the House in the full knowledge that he intends to amend the Bill and to ask Members of this House to vote on Second Reading on clauses that have not even been published? Is not that a gross abuse of power?

Madam Deputy Speaker (Natascha Engel): As the hon. Gentleman knows, it is perfectly in order to do so—[*Interruption.*] Order. This is the Second Reading of a Bill, and if we listen to the Minister, this information might come at later stages. It is in order. The Second Reading of a Bill can be wide ranging. The Secretary of State can mention these things but he does not have to do so, and what happens in the later stages of the Bill is a matter for those later stages.

Kevin Brennan: Further to that point of order, Madam Deputy Speaker. I am grateful for your ruling—[*Interruption.*] I am sorry, do hon. Members have something to say? Further to that point of order, would it be in order for the Secretary of State to ask his officials now to go away and publish the new clauses that he intends to insert into the Bill, so that Members

taking part in the Second Reading debate today can go to the Library to get that information and incorporate it into their remarks?

Madam Deputy Speaker: I think I have got the gist of the hon. Gentleman's point of order—[*Interruption.*] Order. Of course it is in order for the Secretary of State to ask his officials to do that, but that is up to him. I think that we really ought to move on. This is a Second Reading debate and 28 Members are seeking to catch my eye—[*Interruption.*] Order. Let us move on.

Sajid Javid: Thank you, Madam Deputy Speaker.

When it comes to late payments, my Department leads by example. We pay more than 95% of invoices within five days, and more than 99% within 30 days. But many organisations are less scrupulous, including some in the public sector. The average British small business is owed almost £32,000 in overdue invoices. That is a huge sum, and for many it can mean the difference between success and failure and between keeping going for another year and throwing in the towel. However, it is not easy for a small business or sole trader to challenge a larger firm. They might not be happy, but they need that contract. They cannot afford to bite the hand that feeds them. That is not right, and it is not fair, and this Bill will do something about it.

Melanie Onn (Great Grimsby) (Lab): On that point, is the Minister confident that none of those late payments is being made by the Government or any of their subcontractors to small businesses, some of which might be waiting for payment for 60 days or longer?

Sajid Javid: I am confident that, over the past five years, the Government have done a huge amount of work to ensure that central Government and parts of the public sector pay more promptly, but I also think that more work is required.

That is one of the reasons that we are establishing a small business commissioner with a remit to handle complaints by small businesses about payment-related issues with larger businesses. The commissioner will also have the resources to give general advice and information to assist small businesses with supply relationships and direct them to mediation services.

It is not just the late payment of invoices that is a problem. As we have seen all too graphically with the recent flooding, it is vital that insurance companies also pay out quickly. Doing so helps small businesses to help themselves and gets them back on their feet, but it does not always happen. Unnecessary delays by insurers can spell the end for vulnerable small companies, which hits employees, suppliers, the wider community and the economy. The Bill will create a legal obligation on insurers to pay up within a reasonable timeframe.

Insurance can protect many of a business's assets from floods, theft, or fire, but at any company, the most precious asset is not the bricks and mortar or the stock in the warehouse. It is not even money in the bank. It is the skilled, dedicated workforce without which no business can succeed. Developing and growing our skills base is the key to unlocking increased productivity. It is the key to raising living standards and driving that all-important economic growth. That is why the Government have committed to 3 million new apprenticeships by 2020.

We have also introduced a new apprenticeship levy on the very largest employers to help to pay for them. The Enterprise Bill will build on that success. It will introduce apprenticeship targets for public sector bodies in England. It will protect the apprenticeship brand. Unscrupulous providers will not be allowed to offer shoddy training, undermining businesses and letting down apprentices.

I am proud to say that the Bill will also create an institute for apprenticeships. An independent employer-led body, the institute will regulate the quality of apprenticeships and see that standards are driven by the needs of employers. As well as quality assurance and approval functions, the institute will have an advisory role on some funding allocations for apprenticeship standards. We will also be introducing amendments to give employers genuine control of apprenticeship funding through digital accounts as part of the digital apprenticeship service. Together, those measures will make it easier than ever for young people to access vocational training and, just as importantly, for businesses of all sizes to develop the skilled workforce they need to innovate, compete and grow in the years ahead.

Of course, it is much easier to achieve that growth if the taxman is not hovering over people's every turn. I have already talked about how we have slashed corporation tax, ending years of punishing entrepreneurs for their success, but that is not the only tax issue facing Britain's high streets. It is often said that small business owners are working for themselves, but because of flaws in the business rates system entrepreneurs can sometimes feel as though they are working for their local authority. We have started to tackle that by capping business rate rises. We know the appeals system also needs reform, so we are working with ratepayers to develop a modern, business-focused approach to local taxation. The Bill will further reduce the burden on businesses by applying the Government's "tell us once" policy to business rates, and it will put in place provisions to pave the way for better information sharing between local government and the valuation office.

I am sure we all agree that local businesses are the heart of the communities they serve, and nowhere is that truer than in the great British pub. I assume that is one type of business all right hon. and hon. Members are familiar with—if they are not, they can always visit The Little Ale House in Bromsgrove, which I highly recommend. The Small Business, Enterprise and Employment Act 2015 required the creation of a pubs code. When enacted, the pubs code regulations will make life a little fairer for more than 12,000 tied pub tenants across England and Wales. We have just completed a consultation on those regulations and will publish the final version in time for the code to be in place from the end of May.

Many responses to the consultation raised an issue concerning the market rent-only option—the MRO. Specifically, they said that the eligibility of a tenant to choose the MRO at the point of rent assessment should not be contingent on the rent being increased. Good government is all about listening and responding positively. Clearly, that proposal would have had an effect we did not intend, so I am happy to announce that we will be accepting the argument regarding the MRO. Members in the other place tabled amendments to the Bill on that issue. Obviously, we now accept their intent, and we will be tidying them up in Committee.

Charlotte Leslie (Bristol North West) (Con): I am sure that, if my right hon. Friend is getting the rounds in, we will be very happy to join him at his local pub. As he knows, I have been a strong advocate for a pubs code and pub company regulation, which are very long overdue. I therefore welcome the MRO extension and urge him to continue working with our pubs, which are the enterprise heart of our country, to see how that affects them and to make sure they keep their place as that heart.

Sajid Javid: My hon. Friend rightly says we should always look to see what more we can do to help the pubs in our community. Perhaps we can welcome this measure in The Mouse in her constituency, which is a very fine pub.

Andrew Griffiths: As somebody who opposed the initial proposal for the MRO legislation, I welcome the constructive way in which the Minister and the Government have worked with all sides to find a solution. The key to pubs' futures is investment in their estates, so I welcome the Government's recognition that that is most important.

Sajid Javid: My hon. Friend is correct about that. We want to see more and more investment in our local pubs, and I hope that these measures, taken together, will help to achieve just that. Let me also take this opportunity to commend him for the work he has done for pubs ever since he joined this House, not just on this code, but the huge amount of work he did to get the first cut in beer duty in almost 50 years.

Lady Hermon (North Down) (Ind): The Secretary of State began with the words, which I endorse, about being a one nation Government. The Wetherspoon chain, whose interiors I am not familiar with, has 10 pubs in Northern Ireland and also believes that the United Kingdom is one nation. Does he believe that the pubs code should extend to Northern Ireland, where that chain operates pubs?

Sajid Javid: The hon. Lady raises an important point about the pubs code, specifically wanting to know whether we can apply it to Northern Ireland. I will discuss that with my Northern Ireland counterparts to see what can be done and to review what is currently being done to see whether there is any way we can assist.

The Opposition have a renewed enthusiasm for seizing control of the means of production, distribution and exchange. I think it is fair to say that Conservative Members do not share that enthusiasm, but we are committed to delivering the best possible value for money from those assets where the taxpayer retains an interest.

Last May, the Chancellor announced plans for a new company, UK Government Investments Limited, to better manage taxpayer stakes in businesses across the economy. This Bill contains a provision on UKGI, ensuring that the necessary funding powers are in place so it can carry out its vital work. That will include overseeing the sale of government assets in a way that will benefit the taxpayer—that will include the sale of the UK Green Investment Bank.

Established in the previous Parliament to address a failure in the market, the GIB has demonstrated to the wider world that investment in green projects makes good business sense. In fact, that bank has proved so

successful that it has outgrown the need to be financed by the taxpayer. Moving the bank into private ownership will give it access to a much greater volume of capital, mobilising more investment and getting more green projects financed. The Bill contains provisions that will ensure that that move to the private sector can take place effectively and transparently. That will mean the GIB can continue to go from strength to strength, delivering its ambitious green business plan. It is that expertise and that green business plan that private investors will be buying into. As the name suggests, green investment is what the Green Investment Bank does—it is what has made the bank such a success. No sensible investor would look to change that.

Melanie Onn: Investor confidence in the UK renewables industry is at a record low. Does the Minister really think that selling off the GIB sends any signal other than that the Government are stepping away even further from the renewables industry?

Sajid Javid: I will come on to one of the measures we will put in place to make sure that the GIB keeps its mission—something the bank itself has come forward with—but I do really think this move will mean more green investment, because the bank is restricted by being on the Government's balance sheet. If we can take it off that, it will have its own freedoms and ability to raise capital, whether equity or debt, and that will lead to more investment.

Huw Irranca-Davies (Ogmore) (Lab): I wish to ask the Minister a legal and technical point. Did he and other Ministers challenge the advice they received about retaining even a minority share? Would that approach in any way compromise the bank's ability not only to retain its green credentials, but to borrow openly and thrive and prosper, as we all want? Have they just accepted the one piece of advice they have been given, or have they challenged it, asking whether they could retain a minority stake?

Sajid Javid: The hon. Gentleman raises an important issue, and what I am about to come on to perhaps addresses some of the concerns. Similar concerns were raised in the other place, as I am sure he was aware. The GIB will create a special share, which will ensure that its green mission is guarded by an independent party once the bank is sold, and that share will be put in place without legislation. Mandating that in legislation is entirely unnecessary and it is unlikely to work, but the GIB has assured us that that will happen.

Ms Angela Eagle: The Minister will know that a new clause in the other place tried to mandate the green target and focus of the bank. Is he saying in what he has announced today that the Government will be taking that clause out of the Bill and replacing it with something else?

Sajid Javid: I am well aware of that clause, but what I am saying is that it is no longer necessary as the same objective can be achieved if the GIB puts in place a special share that will guard its mission, and that share will be held by an independent party.

Ms Eagle: I thank the Secretary of State for giving way again, and this is an inevitably technical bit of the Bill. Has the Office for National Statistics approved this

change and will it accept it for the purposes that the Government intend? In other words, will the GIB's assets be on or off the Government balance sheet?

Sajid Javid: The ONS does not need to approve anything that the Government do, but I am comfortable that the structure I have just mentioned allows the Government to meet their objectives for the GIB.

Huw Irranca-Davies: I thank the Secretary of State for his generosity in giving way and regret that I will not be able to speak at length today. It will be interesting when the Bill goes to Committee. The cross-party Environmental Audit Committee, which, until recently, I chaired, made several recommendations, the detail of which I cannot go into because of the time constraints. One was:

“The Government should provide an evaluation of whether a ‘phased approach’ involving alternative recapitalisation options would be possible. This could allow for greater consultation, transparency and market testing on the form of any eventual privatisation.”

Is the Secretary of State open to alternative options being proposed in Committee or not?

Sajid Javid: I am aware of the Committee's recommendation. Some of the work that I have just announced that will be done by GIB will help to meet some of those concerns. I will not pretend that all the Environmental Audit Committee's recommendations will be met, but I hope that the hon. Gentleman is reassured that we have considered them carefully and that as we proceed with the Bill we will take many of those issues into account.

Jim Shannon (Strangford) (DUP) *rose*—

Michelle Thomson (Edinburgh West) (Ind) *rose*—

Sajid Javid: I need to plough on, because a number of hon. Members wish to speak.

Finally, the Bill will bring the public sector into line with private sector best practice on exit payments. Too many public sector fat cats are handed six figure pay-offs when they leave a job, which are often little more than a reward for failure. That is an insult to the hard-working taxpayers and business owners who finance them. The Enterprise Bill will end that practice.

Jim Shannon: I apologise that I was not in the Chamber when the Secretary of State referred to Sunday trading and the hours that workers would have to work. I understand that, according to a Populus poll, 66% of the British public said that they were against any changes to Sunday trading and 91% of people who work in shops do not want any change either. Will the Government assure us today that there will not be any changes in the Bill to Sunday opening times?

Sajid Javid: I can clarify that the Government will not mandate any part of the UK to extend Sunday trading hours. We will devolve the power to local authorities so that they can make that decision on behalf of their local community.

When Napoleon called Britain a nation of shopkeepers, he—[*Interruption.*]

Several hon. Members *rose*—

Madam Deputy Speaker (Natascha Engel): Order. Members are starting to make points of order again on this one issue—

Toby Perkins: On a point of order, Madam Deputy Speaker.

Madam Deputy Speaker: Is this a point of order on Sunday trading?

Toby Perkins: Yes, it is, but—

Madam Deputy Speaker: Order. We have had points of order on Sunday trading and if the hon. Gentleman wants to make a point of order at the end of the debate, I am perfectly happy for him to do so, but for now we must move on with the debate. We are getting bogged down in this one issue. The hon. Gentleman has his name down to speak, and I will happily call him, and he can also make an intervention, if the Secretary of State wants to take it, but these are not points of order.

Sajid Javid: When Napoleon called Britain a nation of shopkeepers, he meant it as an insult, but I see it as a badge of honour. I grew up above the family shop and I saw for myself how hard my parents worked day and night, seven days a week, to make their business a success. It takes a special kind of dedication to build something like that from scratch and to keep it going for 30 years or more. Before becoming an MP, I spent two decades at the other end of the business spectrum, working for some of the world's largest multinational companies. For as long as I can remember, I have been surrounded by people who have created, managed and grown successful private businesses. When they create businesses, they create jobs. They create prosperity. They create opportunity.

Businessmen and women are the heroes of Britain's economic recovery and whether they are running an international corporation from Canary Wharf or a one-woman start-up from a kitchen table, they deserve our respect and our support. The Enterprise Bill gives them all that and more and I commend it to the House.

2.55 pm

Ms Angela Eagle (Wallasey) (Lab): I compliment the Business Secretary on one thing at least, and that is the title of this Bill. Just listen to how it sounds when you say it aloud, Madam Deputy Speaker: the Enterprise Bill. It sounds important, dynamic, even exciting. To me, that is the title of a Bill that should be heralding a huge change in how we do business in this country. In time, it ought to be one of those Acts of Parliament that historians will look back on and describe as the most important of the age. After all, it is clear that the world is now on the cusp of the fourth industrial revolution, and if we are not ready for the wave coming toward us, we will miss it. I want us to take advantage of what will be an age of rapidly advancing digitalisation, and an age of robotics and big data that is expected to transform our lives out of all recognition—and to do so much more quickly than we might expect. It will be an age

[Ms Angela Eagle]

that confronts us with profound questions about how to generate and share prosperity and fight for a fairer outcome for everyone in our society.

As the first industrial nation, we need to react to that challenge if we are to mould it to our advantage. To guarantee our future prosperity and to earn our way in this rapidly changing and competitive world, we must be ready to seize the opportunities. So, do we have a Government who realise the importance of change and transformation at this particular time and who are willing to legislate accordingly for a more active, enabling and agile state? Do we have a Government who will rise to the challenge? On the basis of the contents of the Bill, we do not. We cannot fault their high-flying rhetoric, however. According to the Government, the Bill is meant to be about creating an open, enterprising economy, transforming Britain's business culture. It is supposed to

“reward entrepreneurship, generate jobs and higher wages for all, and offer people opportunity at every stage of their lives”.

In the other place, Baroness Brady even claimed it was “an exciting attempt” to improve the business ecosystem. All I can say is that she gets excited pretty easily. We have before us a Bill that has been variously described in the other place as a curate's egg, a hotch-potch of minor measures, a legislative herbaceous border, a dog's breakfast and even

“a big legal pudding made up of all sorts of ingredients”.—[*Official Report, House of Lords*, 12 October 2015; Vol. 765, c. 43.]

The last was from someone who supported the Bill.

We have a hugely ambitious title hiding a collection of worthy but minor and underwhelming measures that it is hard for anyone to oppose in principle—that is, in the Bill as written, although we have heard about new things that might change our minds. What we do not have is a piece of legislation that remotely meets the challenges that we know are ahead. We do not even have a Bill that matches the ambition of the Government's own rhetoric.

Nadhim Zahawi (Stratford-on-Avon) (Con): Despite all the hon. Lady's flowery words, I must tell her that small businesses being paid on time will make a huge difference, that 3 million apprenticeships that give people a real opportunity in life and that are good for business will make a real difference, and that curtailing the big payments to fat cats which were the norm under Labour will make a huge difference. She should be embarrassed by her speech and I advise her to rethink her opening remarks.

Ms Eagle: I am now rather embarrassed that I gave way to the hon. Gentleman.

Hon. Members should make no mistake: our economy faces huge challenges. We have a current account deficit made up primarily of the country's deficit of imports in relation to exports. That now stands at 5.1% of GDP, which is higher than at any point in peacetime since 1830. We also have an export target that the Government are set to miss by a third. Rather than taking action in the Bill, the Government are moving to get their excuses in early, with the Trade Minister recently describing that target as a “big stretch”.

We see no sign of the rebalancing the Chancellor promised six years ago, let alone of the march of the makers that he promised would be carrying us all aloft by now. British manufacturing has been in recession since last year, and output is still falling short of where it was in 2008. A complacent attitude to the UK steel industry is just one symptom of the Government's neglect of manufacturing and our industrial base.

Just six weeks after presenting an optimistic comprehensive spending review, the Chancellor abruptly changed his mind. He turned up in Cardiff, warning ominously that our economy was suddenly facing a “cocktail” of threats in January that he had apparently failed to perceive in November. Instead of presenting radical action to deal with those threats, the Bill bears all the hallmarks of a frantic search by officials around the far-flung recesses of Whitehall for things to put in it. As a result, it has nine parts—mostly unrelated—dealing with issues ranging from the creation of a small business commissioner with little statutory power to the requirement that insurance pay-outs are made in a timely fashion and that regulators should be mindful of their effect on small business.

There is a welcome extension of the primary authority scheme, which was introduced by the last Labour Government, and which has been a great success. The Bill allows Ministers to set targets for apprenticeship numbers in the public sector, but without explaining where the money to pay for that will come from. It also puts a cap on exit payments, which may have unintended consequences for public sector reform.

The Minister for Skills (Nick Boles): The apprenticeship levy.

Ms Eagle: The hon. Gentleman mentions the apprenticeship levy, but it will have to be paid by the public sector, which is being squeezed very hard by Government cuts, so there is no explanation of where the money will come from—if the hon. Gentleman has one, he can stand up and give it to the House now. [*Interruption.*] Well, the Bill amends the Industrial Development Act 1982 in an entirely sensible but minor way, and it tinkers at the edges of non-domestic rates, when what we probably need is major reform of the workings of the valuation office and, indeed, of the entire business rates system.

Richard Fuller (Bedford) (Con): I am intrigued by what the hon. Lady has said about the IDA change, which will allow the Government to increase the amount they can spend without parliamentary oversight from £10 million to £30 million. Does she think this is a good time, with public spending under control, to give that authority to the Government without parliamentary scrutiny?

Ms Eagle: This is a minor change, which Opposition Members will support, simply because it updates the Act. It does not actually allow the Government to spend any more in real terms than the Act did—it just updates the Act to reflect inflation since the Act was passed. If it went a lot further, Parliament would, of course, want to keep a closer eye on this, but this is such a minor change, although it is welcome, that Opposition Members do not feel we need to oppose it.

Richard Fuller: I am interested in the hon. Lady's comment about the inflation increase. She indicated that the Opposition would favour a more substantial increase in the Government's opportunities to use money under the IDA. Will she explain a bit further what the Labour party's position on that would be? If she describes what the Government are doing as minor, what does she have in mind?

Ms Eagle: The changes to the Act are minor, simply because they restore in real terms the original import of the Act—that minor change merely brings the Act up to date. There is no reason why any Opposition Member should worry about that change. It is aimed at a part of the rural broadband roll-out that is very important for a lot of people in rural areas, so it is wholly acceptable, certainly to the Opposition, although I am not sure whether the hon. Gentleman is opposing his own Front Benchers on this issue.

The Minister for Small Business, Industry and Enterprise (Anna Soubry): We are trying to find out what you would do.

Ms Eagle: I am saying what we will do. We support this part of the Bill, because it makes a minor extension that just restores the intention of the original Act.

There are many modest measures in the Bill with which we agree; indeed, the Government resisted many of them during the passage of the Deregulation Act 2015, the Consumer Rights Act 2015 and the Enterprise and Regulatory Reform Act 2013 in the previous Parliament, and we welcome the fact that the Government appear to have come round and accepted them now.

However, there are a number of measures in the Bill with which we are not in agreement.

Richard Graham (Gloucester) (Con) *rose*—

Lucy Frazer (South East Cambridgeshire) (Con) *rose*—

Ms Eagle: Let me just get on with this section, and then I will be happy to give way.

The Opposition will be working hard to secure assurances on amendments on some of the issues I have mentioned as the Bill goes through the Commons. I commend the hard work of Labour colleagues in the Lords, who successfully won some welcome concessions and clarifications as the Bill went through the other place.

Richard Graham: There are two ways of looking at the apprenticeship levy. One is that it is a threat to the public sector, but the other is that it is an opportunity for the public sector to hire more apprentices. Does the hon. Lady not see that as a real opportunity in the Bill?

Ms Eagle: The Opposition are in favour of the apprenticeship levy in principle, but we are taking a very close look at how it will be introduced in practice, and we have an idea that the devil will be in the detail. We will therefore be keeping a close eye on how the levy is introduced and particularly on how it impacts on companies that are charged far more in the apprenticeship levy on their payroll tax than they can actually have in terms of apprentices. What then happens to that money? Can it be driven into the sector's supply chain, for

example? There are issues about how this will impact on public sector spending, and we need to keep an eye on those. As the Opposition, even though we agree in principle with an apprenticeship levy, it is our role to hold this Government—the hon. Gentleman's Government—to account on the detail as it becomes clear.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): My hon. Friend is raising some very valid concerns about the Bill and particularly about the apprenticeship levy. A lot of confusion is being expressed out there to Members of the House about how the levy will work. Ultimately, 90% of apprenticeships are provided in small and medium-sized enterprises that will not be paying the levy, and it is not clear how they will receive any support for apprenticeships. Much greater clarity from the Government is required.

Ms Eagle: I agree with my hon. Friend about the worries she has raised.

Nick Boles: Why didn't you raise them with me? I don't know.

Ms Eagle: Well, we are waiting for the Government to come forward with more detail about how the apprenticeship levy will work. The hon. Gentleman loves being in meetings. He told us that earlier in the day. He was waxing lyrical about how excited he was being in vast numbers of meetings every day. He made even the most banal meetings sound fantastically interesting. I am glad that he enjoys his job. The Opposition would certainly be more than happy to embroil him in even more meetings.

Catherine McKinnell: My hon. Friend is doing a marvellous job. The Minister for Skills, who is chuntering from a sedentary position, had the opportunity to provide much greater clarity on this issue in a debate with MPs from the north-east, but he absolutely and categorically failed to do so.

Ms Eagle: I think another meeting is in order—

Nick Boles *rose*—

Ms Eagle: And I think we are going to hear something from the Minister now.

Nick Boles: I just want to clarify that the debate that the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) mentioned, which lasted for an hour and a half and in which she spoke very well, was on further education colleges in the north-east. "Apprenticeships" was nowhere in its title, and so I am not even sure whether it would have been in order for me to discuss these issues. However, I am happy for her to come and see me with any questions she likes, as often as she likes.

Ms Eagle: Once it gets around that the hon. Gentleman is so free with his diary, I am sure he will be very, very busy.

I would like to speak about a number of areas in what Lord Patten has called this "pudding" of a Bill.

Lucy Frazer: The hon. Lady suggested that these provisions are minor. I am surprised that she does so in circumstances where R3, the body that represents insolvency practitioners, says that some of its members feel that late payments contribute to 25% to 50% of small company insolvencies. Does she think that the difference between solvency and insolvency is a minor issue for many of our small companies?

Ms Eagle: No, I do not, but I think the hon. and learned Lady should read the Government's own impact assessment. The provision on the small business commissioner that the Bill proposes is so minor that the Government's own impact assessment says that they will be able to deal with only 500 cases a year, and yet we know that late payment is a huge issue. I am not saying that the issue of late payments is trivial; I am saying that in dealing with it, the Government's response is far too limited and very disappointing.

Toby Perkins: As a former small business owner, I entirely endorse what my hon. Friend says. The problem with the Government's proposal is not that they are attempting to tackle late payments but that it is an utterly inadequate attempt to tackle one of the great scourges of all business, but particularly small businesses—late payments.

Ms Eagle: I could not agree more with my hon. Friend's words.

Part 1—clauses 1 to 13—deals with the small business commissioner, so let me come on to the Opposition's view on this. In the previous Parliament, Labour argued for the establishment of a small business administration that would be specifically tailored to focus on the very specific needs of small businesses.

Lucy Frazer: Will the hon. Lady give way?

Ms Eagle: No, because I have given way to the hon. and learned Lady.

This Bill contains a much more modest aim in seeking to establish a small business commissioner to assist in late payment disputes and signpost advice services for small businesses. The Opposition will support this, but we are disappointed by its small scale and its very limited remit. Indeed, the small business commissioner's budget is to be a modest £1.3 million a year, and only because of an Opposition amendment accepted in the Lords will the commissioner be independent and able to appoint their own staff. Moreover, the Government intended to allow the role to be abolished by ministerial order without parliamentary scrutiny—a situation that was changed by another Lords amendment. We support the idea of a small business commissioner, but it remains to be seen whether such a modest proposal can really counter the huge imbalances of market power that exist, especially between huge companies and their much smaller suppliers. I certainly wish the new commissioner, whoever they are to be, well in the work ahead, not least because figures showing that the amount owed to small and medium-sized enterprises in outstanding invoices has increased by more than 70% in two years and that almost a third of small businesses are expecting things to get worse this year.

Lucy Frazer: Will the hon. Lady give way?

Ms Eagle: No. I have given way to the hon. and learned Lady and I do not intend to do so again, because I am getting on to other aspects of the Bill.

Part 4—clauses 20 and 21—deals with apprenticeships. This Government are presiding over what employers have described as a “skills emergency”, and productivity in the economy continues to be revised down year by year. The Bill contains welcome measures that aim to strengthen the quality of apprenticeships and to give statutory protection to the term itself. Labour Members have consistently supported the drive to deliver more high quality apprenticeships, but we worry about imposing an arbitrary numerical target, not least because it could militate against high-value, high-quality provision. We note that the Bill gives Ministers the power to set targets for apprenticeships in the public sector but is silent on how these targets will be met when the round of savage public sector cost-cutting continues unabated and FE provision is being decimated.

Clauses 30 to 32, in part 7, deal with the UK Green Investment Bank. The bank has only just been established and the Government are now seeking to flog it off—or, as I think the Secretary of State said, “set it free”. In the light of the Paris climate conference, where Governments, investors and businesses across the world agreed to accelerate the transition to a low-carbon economy, it is absolutely extraordinary that he has allowed the Chancellor to sell off the bank, setting back efforts to build a greener low-carbon economy.

Michelle Thomson: The hon. Lady may have noticed that the Chancellor said:

“With the turbulent conditions we see in financial markets, I hope you agree with me that now is not the right time for that share offer.”

Does she agree that if it is not the right time for Lloyds, why is it the right time for GIB?

Ms Eagle: My view is that the Chancellor should have allowed the Green Investment Bank time to establish itself and certainly not have considered virtually privatising it as soon as it was established. The hon. Lady will know that we are now in a tussle to see whether we can preserve the focus of the bank on sustainable development and a low-carbon economy. That is where the battle has been raging in the other place as the Bill went through its stages there.

Even more extraordinarily, under the Bill as introduced in the Lords, there was a real risk that the bank's focus on green investment would be completely destroyed. Fortunately my Labour colleagues in the Lords were able to come up with a formula that safeguards its green focus even if it is sold, but we have heard today from the Secretary of State that their amendment is going to be removed. I promise him that in Committee we will look very closely at what he intends to replace it with and whether it actually does the job of safeguarding the bank's green focus. We will also focus, in a non-green way, on ensuring that the proposals that the Government come up with are fit for purpose.

Clauses 33 and 34, also in part 7, deal with pubs reform. In January, when it was clear that there was a majority in the Lords for ensuring a fairer deal for the landlords of tied pubs, Ministers forestalled a vote that they would have certainly lost by promising to legislate for a fair market rent only option. Their promise was

taken in good faith, but they then abandoned their previous commitment, causing uproar in the other place. If it is possible to believe that the other place is capable of uproar, this particular event caused it. Yet another U-turn was inevitable, and it was duly announced, much to the relief of us all. The Government must stick to the promises they made to pub tenants and stop dragging their feet. They should legislate on the promises they have made. It is clear that a rent assessment and a market rent only option at rent renewal are the bare minimum that would be required to make good on those promises. This would create a fairer system for pub tenants and pub companies, and it has widespread support from businesses and beer drinkers alike. Again, we will take a close look at what the Government come forward with in Committee.

Clause 35, in part 8, deals with public sector exit payments. Labour Members are concerned that this measure will have unintended consequences.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): I think we would all agree that nuclear decommissioning is both essential and highly specialist, yet this Bill will undermine workforce confidence and human resource planning at Magnox sites. Does the hon. Lady agree that the unique skill sets of this workforce should be safeguarded from the effects of the Bill?

Ms Eagle: That is another example of where something being sold as an attack on what the Secretary of State somewhat insultingly called “public sector fat cats” has a direct effect on private sector workers doing some of the most difficult and dangerous work, which we need to ensure can be carried out properly.

Sammy Wilson (East Antrim) (DUP): I may take a different view from the hon. Lady on the point that she is making, but unfortunately this provision will not apply to Northern Ireland because, despite the financial problems there, Ministers and the Assembly have decided that Northern Ireland should not be covered by the Bill. Does she share my concern that the serial payers of huge pay-offs are exempted from the provisions? For example, the BBC, which seems to hand out public money hand over fist to directors, heads of religion and so on, will not be covered by it.

Ms Eagle: The Bill has a particular phrase attached to it—public sector fat cats—and when we look more closely at it, we see that it applies to non-public sector workers and non-fat cats. We will be taking a close look at that.

Chris Stephens (Glasgow South West) (SNP): The term “public sector fat cats” surely does not apply to a civil servant who earns less than £25,000 a year, whose length of service may be 30 years or more. The unintended consequence of the policy is that it will impact on the longest-serving employees.

Ms Eagle: There are what I have rather politely and generously, in my view, referred to as unintended consequences of the cap, and I noted with some distaste the Secretary of State’s use of a pejorative term such as “public sector fat cats” to justify the existence of the proposed cap. It is clear that the cap could impact, as the hon. Gentleman says, on those on moderate and

even lower pay with long service, and it could impact on pension “strain” payments for workers, rather than on those on the highest salaries with much shorter service.

The Cabinet Office has confirmed that some civil servants earning less than £25,000 a year could be affected by the cap because they have long service. Surely this was not the intention. Again, the Opposition will explore some of the consequences. We have even heard that essential restructuring in some public services is being held up by the unintended consequences of this crude measure.

Dr Julian Lewis (New Forest East) (Con): I am conscious of the fact that I was not present for the Minister’s opening speech so I may have missed something, but I am aware of concerns raised not only by the Prospect union but by one of my constituents about the fact that as someone who has always earned less than £28,000 a year, he may, as a result of early retirement, be unintentionally caught by this provision. I hope we will get some assurance from the Government Front Bench either that that will not happen, or that an amendment will be accepted to make sure it does not happen.

Ms Eagle: The right hon. Gentleman raises precisely the kind of case that has no doubt been raised with other hon. Members in all parts of the House. The only thing he missed was his own Secretary of State calling everyone who worked in the public sector, presumably including his constituent who would be affected by this cap, a fat cat. We will wish to give the provision particular scrutiny in Committee.

I turn to a subject which is not currently on the face of the Bill, but on which the Secretary of State has chosen to make announcements today. It is important that the Government publish their Sunday trading consultation response, along with all submissions. I was rather hoping that it might turn up while we were speaking today so that we could look at it before we vote on Second Reading. The Government must publish it in full and immediately, and tell us what form amendments to the Bill or new clauses relating to the deregulation of Sunday trading will take.

We all await all the details, but it is deplorable that at this late stage in the Bill’s passage through Parliament—after the Bill has gone through the House of Lords—the Government have seen fit to introduce these changes.

Toby Perkins: My hon. Friend will be aware that a huge number of Members are not present in the Chamber. They may well have read the Bill and may be coming at 7 o’clock to vote on it. We know that a number of Government Members feel very strongly that, for Christian reasons, they do not wish to support further extensions to Sunday trading. They may well unwittingly vote for the Bill, not knowing what has been announced from the Government Dispatch Box.

Ms Eagle: That is right, but God does move in mysterious ways Her wonders to perform, so perhaps between now and 7 o’clock those with an interest in the matter will realise what is going to be in the Bill, or the Secretary of State might even do the decent thing and publish the paper and the changes that he is proposing so that we can have a look at it before all of us go through the Lobby tonight.

[Ms Angela Eagle]

Let me remind the House that this is a policy that was not in the Conservative manifesto, which the Government tried suddenly to crow-bar into the Cities and Local Government Devolution Bill, but which they wisely abandoned at the last minute in the face of widespread opposition, not least from their own Back Benchers. The current arrangements were legislated for separately in a stand-alone Bill which received Royal Assent on 5 July 1994. I should know, because I served on the Bill Committee. The current arrangements work well and mean that retailers can trade, customers can shop, and shop workers can spend time with their families on Sundays.

Catherine McKinnell: I apologise for interrupting my hon. Friend's flow. Does she share my concern that the Government's approach appears to be either underhand or incompetent? Will she seek reassurance from the Government that it is neither of those?

Ms Eagle: The Government have spoken. They keep acting as though we know what the changes are, when we do not. They have chosen not to give us any warning that they were going to be in the Bill, not even a private tip-off, so we have to react completely in the dark. Other than what was said from the Dispatch Box, we have no idea what will be in the Bill. [Interruption.] The Minister for Small Business, Industry and Enterprise chunters away from the Front Bench, saying that these changes are minor, but we do not know whether they are minor until she publishes them and we read them. If she would like to publish them now, we can have a five-minute break, go out and read them and check whether she is telling us the truth.

Anna Soubry: The hon. Lady was obviously present during BIS orals, so she heard me say, for example, that this is about devolving power down to a local level. [Interruption.] Hang on! Chill out! Calm down! It therefore gives local authorities the power to decide whether they will extend Sunday opening hours to a very small number of shops. That is what it is about. It is not some huge, major measure. I would be the first to say that this is about the devolution of power. I think the hon. Lady has a problem with letting people at a local level make the decisions in the interests of local people.

Ms Eagle: I have no problem whatsoever with letting people decide locally, but it is not for a Government Minister to tell the Opposition what their attitude to something should be before we have actually seen what the proposed clauses say. The Government are asserting, even as we speak, that the public sector exit payments are all about fat cat public sector pay-offs, but we have discovered—because this has actually been printed in the Bill—that those fat cat payments apply to people on £25,000 a year. The right hon. Lady's view of reality may not be the same as that of the Opposition. As a Minister, she should realise that, if she wants the Opposition to take a view on something, she should publish it.

Anna Soubry: Does the hon. Lady accept that the exit payments will apply to only some 5% of workers, because we are talking about a redundancy payment of £94,000?

Ms Eagle: The provisions will affect people who earn £25,000, but who are being labelled as fat cats.

Anna Soubry: By you!

Ms Eagle: By the Secretary of State! They earn as little as £25,000 and have given their lives to long public service. We know that because the clauses have been printed. The right hon. Lady should publish her Sunday trading clauses. The Government should have published them a lot sooner, if they were going to put them in the Bill.

I can only assume that the Government chose to introduce the changes to Sunday trading at such short notice in the hope that they can bounce them through the House with minimum opposition and scrutiny. This is yet another example of them governing from the shadows. It treats the House of Commons with the utmost disrespect, and it treats the House of Lords with contempt. Given that the Cities and Local Government Devolution Bill was subject to scrutiny by a Committee of the whole House, will the Secretary of State do the same for the Sunday trading amendments that the Government will table to the Enterprise Bill? That is the least he can do in the circumstances.

Unless something else comes to light, we do not intend to oppose the Bill's Second Reading, but we are disappointed at this legislative pudding. We are even more disappointed at the developments on Sunday trading, and we will hold this Government to account as the Bill goes through Committee.

3.31 pm

Mr Jonathan Djanogly (Huntingdon) (Con): I declare my interests as stated in the Register of Members' Financial Interest.

I am always happy to welcome Conservative-proposed legislation that is aimed at assisting the conduct of business, particularly small business, not least because I represent a constituency with one of the largest proportions of small business ownership in the country.

I want to address the role of the small business commissioner proposed by part 1 of the Bill. I am not concerned about the concept of the new role per se—I thoroughly welcome it—but I want to explore its scope and interaction with existing schemes.

On capacity, the new £1.1 million SBC website should handle 390,000 disputes from 70,000 businesses, yet the SBC will deal with only 500 complaints a year. That gives rise to the question of what will happen with the rest of the disputes and what the real impact of the proposal will be. Could the site cope with the workload of significant numbers qualifying for assistance? That remains unclear.

I am also concerned that the background papers are light in identifying what is currently being done to give advice and information to small firms. In other words, is this going to be a consolidation of various existing advice givers, or will it be something new, delivered in a new way?

The law already forces large companies to report payment practices on a six-monthly basis. Likewise, the prompt payment code has been strengthened to start a 60-day maximum payment period. Importantly, the Government have been leading the way by imposing

strict payment terms on themselves. All of that is very good, but it would be helpful to further assess whether those issues are working and where the remaining gaps are. I am surprised that the remit of the SBC covers only large private organisations, not public sector ones. I am not sure why that is.

There is also a regime for statutory interest on late payments where there is no contractual provision. Should we not be asking why that has not worked? Can we assume that to be the case, given this proposed legislation? If so, should we not be getting rid of the old fixed interest legislation? Indeed, where it applies, is it simply being ignored by large firms that might be threatening small firms that try to enforce it?

It is impressive that we have a Small Business Minister—the role in itself is a statement of this Conservative Government's support for small business—and she is doing an excellent job. However, it would be interesting to hear a little more about how the Minister and the commissioner will interact and divide their jobs.

That leads us on to examining what the SBC will actually do. The SBC will take a non-legislative approach and will not give legal advice. There are no proposals to change court rules, and nor do we propose to go down the statutory route for enforced interest or penalties. That is my position, but it would be helpful to hear further justification for discounting the alternatives.

What has been proposed is more mediation and general advice, the complaints procedure and a statutory means for the SBC to make recommendations to the Secretary of State about the publication or provision of advice and information to small businesses. The question is whether the SBC should offer mediation, and the Government are saying no. My concern is that both parties need to agree to mediation, so if the late payer sees that mediation will remain as the low-cost option after a debt summons has been issued against it, why would it bother settling early, especially if one has to pay for mediation recommended by the SBC? I think the position might need to be reviewed. If the position is maintained, it might be smarter to have some kind of penalty or cost implication if one party has refused to attempt mediation before court.

I am also slightly unsure how the SBC will be encouraged to engage in signposting help at an early stage. We will need to tread carefully so as not to allow signposting to become legal advice. On the other hand, the SBC will be able to consider complaints by small companies at an early stage, and that could provide room for conflict. When it comes to providing advice, will that be generic or relevant to the sector in which a company operates, where, for instance, invoice payment times may vary significantly?

The notes focus on late payment advice, but that is only one aspect on which small businesses need help. For instance, a small business may well not have the resources or manpower to check the environmental or child labour practices of a large foreign supplier. Will the SBC help on such an issue? A lot of such signposting activity is currently carried out by business organisations, such as the Federation of Small Businesses and chambers of commerce. Will the SBC be expected to work closely with such organisations?

On the complaints side, the SBC can demand and order little. For example, the commissioner will not be able to order the production of documents from a

company that has been complained about. Given the lack of hard powers for the SBC, the question is how effective they will be. I think that a big part of the answer will be the SBC's ability to name and shame. Will the Minister explain how that will be carried out and publicised? The other key issue will be to have a charismatic leader, who will not be overwhelmed by the number of businesses involved or the lack of powers that go with the job.

That leads to the broader question of what the SBC should be about. In the other place, there was a description of the broader powers of the Australian SBC, and the Minister, Baroness Neville-Rolfe, responded that despite the success of the position in Australia, the Government had deliberately decided not to give our SBC as wide a remit. However, she did not really explain why that was the case, and an explanation would be helpful. Are there, or will there be, provisions in the Bill that will allow the role to be adapted, as is likely to be required? I know that the FSB wants there to be an advisory panel for ongoing consultation. Will that be provided?

Of course, it is not only Australia that has a champion for small businesses. The United States has had a Small Business Administration since 1953, and I once had the pleasure of visiting it in Washington DC. With more than 3,000 staff and a series of forthright commissioners who happily make a huge fuss about proposed Government regulations on business, it is pretty formidable. It has many other roles. Importantly, it leads on efforts to deliver 23% of prime federal contracts to small businesses, and it provides loan guarantees of up to 90% to small businesses. Although I am not saying that we should necessarily copy those foreign small business commissioners, will the legislation enable an ongoing review of what is required for the SBC to ease the way through the difficulties and regulation that we know hinder all small business?

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I advise Members, before the Front-Bench team come in, that there will be a seven-minute limit after Hannah Bardell.

3.37 pm

Hannah Bardell (Livingston) (SNP): I rise to speak for the SNP, and, unfortunately, against the Enterprise Bill, which contains the typical Tory agenda of the privatisation of public assets, and the penalisation of public sector workers. Although we support the long-overdue creation of a small business commissioner, the action to support small businesses does not go nearly far enough. The Bill is, in our view, a wasted opportunity to back small business, incentivise investment and innovation, and encourage entrepreneurship.

The ill-conceived and badly drafted nature of some aspects of the Bill are particularly disappointing. Our key concerns lie in three areas. First, we are concerned about the level of support for small business. We welcome the concept of a small business commissioner, and it is important that the office has real power and teeth to address critical issues facing small businesses. The picture on private sector late payments is getting worse, and the SNP will press for further protections for small and supply-chain businesses around late payments and

[*Hannah Bardell*]

retentions. The SNP Scottish Government have a proud record of supporting small and medium-sized businesses, and we want the UK to do all it can. Unfortunately, a commissioner with no powers of reprimand is of little value, and it comes at a significant cost to the taxpayer.

Secondly, we feel strongly that the UK Green Investment Bank has acted as a core investor in the UK's green economy, and it should continue to do so by sticking to its green objectives. The SNP opposes plans to privatise it, which would result in the loss of a significant public stake and of the bank's green objectives. The GIB is an established means of managing the pressing and vital transition towards a low-carbon economy.

Sadly, the UK Government are not only failing to give the right support to our oil and gas sector, but simultaneously pulling the plug on renewable technology subsidies and projects, while also privatising the very bank set up to help the UK to meet its green objectives. That is a triple whammy of destruction for the future of our energy industries. The SNP support the Government maintaining a significant public stake in the GIB. Given the impact of devolved law, any privatisation of the GIB in part or in full will require a legislative consent motion in the Scottish Parliament.

Thirdly, one of the more poorly thought out and drafted parts of the Bill is the capping of exit payments for public sector employees. Despite the UK Government's rhetoric, that will affect many public servants on low and moderate salaries—midwives, nurses, librarians and social workers—who have given long service to the public sector, as we have already heard. Some parts of the Bill are so poorly drafted that they make little sense. The Bill does not properly reflect the results of the consultation undertaken by the Government or the initial plans drafted following the consultation.

Chris Stephens: Does my hon. Friend share my concern, and that of the Public and Commercial Services Union, that the consultation period did not follow the Cabinet Office consultation principles, under which there should be a 12-week consultation? The consultation on the exit payments lasted four weeks and took place during a peak holiday period for the civil servants involved.

Hannah Bardell: I share my hon. Friend's concern. If we are going to have consultations, we should let them run for the full period and take proper cognisance of their results.

The SNP opposes the Government's plans for caps on public sector exit payments. We note the specific concerns raised in the other place regarding the complete lack of an impact assessment alongside the Bill. That is regrettable, but not unsurprising, as this Government seem to lurch from one piece of disastrous legislation to another.

A small business commissioner may be a great idea on paper, and perhaps even in practice, although I am not entirely sure that, at a cost of about £1.1 million, we will get value for the price paid. If the commissioner has no powers to reprimand, how can decisions be enforced? In 2011, research by the Federation of Small Businesses found that 73% of small businesses had experienced late payment in the previous 12 months, with half having

outstanding invoices of £5,000 and a fifth of £20,000. The Department's own impact assessment sets out research by the payments service BACS, undertaken in January 2015, which shows that the average small business is waiting for £31,900 of overdue payments and that late payment is costing small and medium-sized businesses nearly £27 billion every year.

In Scotland, research released by the Bank of Scotland at the end of January 2016 showed that the amount the typical Scottish SME is owed has ballooned by about 60% in the past two years alone. The research found that the average amount owed to Scottish SMEs on invoices has increased from £50,000 in 2014 to £80,000 in 2016. Late payments were identified as the biggest challenge facing firms. FSB Scotland's Colin Borland has said:

“One in four smaller businesses will go bankrupt if the amount outstanding grows to £50,000.”

We need stronger and more stringent legislation in this area.

The picture on private sector late payments is therefore getting worse. As I have said, we welcome the Bill's creation of a small business commissioner, who would assist small businesses. However, the SBC does not have the necessary powers to do the job. We share the FSB's concerns that little detail has been provided about the exact powers and resources the commissioner will have at his or her disposal—for example, the powers to refer cases to the Competition and Markets Authority or to make legally binding rulings. The UK Government could do much more in the Bill to remedy problems in the private sector caused by moneys being withheld from the supply chain.

I recently met those involved with the Specialist Engineering Contractors Group, which represents 60,000 specialist engineering firms in the UK construction industry. They have called for the Bill to provide for a retention deposit scheme. They explained to me that withholding retentions is a common feature of construction contracts and the devastating impact that has on small and medium-sized businesses. At any one time, £3 billion is held in retentions, and £40 million was lost by UK construction firms in retentions in 2015 due to the insolvency of the main contractor.

We believe that a retention deposit scheme could take the form of the project bank accounts piloted by the Scottish Government. I urge the Minister to engage with my colleague Fergus Ewing MSP, the Minister for Business, Energy and Tourism, to hear how well that scheme operates in Scotland. Our Deputy First Minister, John Swinney, announced in April 2013 that we intend to trial project bank accounts. Trials are taking place in NHS Lanarkshire, Transport Scotland's Inveramsay bridge project and the Scottish Borders Council's Galashiels transport hub project.

The Scottish Government have also taken action on prompt payment in public procurement. We implemented our prompt payment policy in 2009 by introducing a contract term for all public bodies to ensure that supply chain firms were paid within 30 days under all public contracts. We expect all public bodies in Scotland to follow our lead by implementing and enforcing prompt public payment policies that deal fairly and transparently with businesses, and to publish their results. We hope that they will follow suit and consider those points.

Our action on private sector late payments has been supported by the chief executive of the Scottish Chambers of Commerce, Liz Cameron, who said:

“In the current economic climate, businesses need the confidence to invest and grow. Late payments can hold this back and the culture must be tackled from the top down.”

The SNP Government will continue to support the small business bonus scheme, which is delivering rates reductions for more than 100,000 firms across Scotland. We heard earlier at Business, Innovation and Skills questions that there is pressure on the UK Government to look again at that issue. We know that they are considering it and we look forward to hearing the results.

Since its inception, the GIB has acted as a core investor in the UK’s green economy. The SNP wholeheartedly opposes the plans for yet more privatisation, which in the case of the GIB will result in the loss of a significant public stake and the bank’s green objectives. The UK Government must provide assurances that the bank will remain headquartered in Edinburgh and that the full £3.8 billion commitment to the bank will be carried through. We also seek assurances that the UK Government will remain committed to maintaining a significant public stake to ensure that the GIB retains its original purpose as a green bank.

Industry experts have warned that the move to privatise the GIB could deter private sector investment in the UK’s low-carbon economy. Concerns have further been raised over the potential impact that it could have on the tension between the GIB’s longer-term, higher-value projects and the temptation to invest in projects that create short-term returns.

We are particularly conscious of the concerns raised by the Environmental Audit Committee in its 2015 report, which said that

“two key risks to GIB cannot be avoided merely by protecting its green purposes: first, the risk that GIB will move its focus away from novel and complex projects which struggle to find funding in favour of easier and less complex projects, and second, the risk that a privatised GIB could invest in areas which may damage its reputation and undermine its role and leadership in the green economy.”

If a Committee of this House is so concerned, why are the Government not concerned and why are they not taking action in this regard?

It is the firm view of the SNP that the Enterprise Bill’s removal of public sector controls on the GIB would require a legislative consent motion in the Scottish Parliament, given the impact on devolved law. That view is supported by Aileen McHarg, the professor of public law at Strathclyde University, who said it was “incontrovertible” that the green purposes included in the legislation related to devolved matters and that Scottish consent would be required for any change that might

“have implications for future investment in green technologies”.

I hope that the Minister and the Government heed that point and remember that we have devolution for a purpose, not just to mitigate the dire decisions of this UK Government and to pick up the pieces of Tory policy, as is so often the case.

A number of the bank’s investments are relevant to Scotland, including a £2 million investment in a sewage heat recovery system installation programme in locations across Scotland; nearly £30 million of equity investment

in the construction of Levenseat Renewable Energy Ltd’s energy waste recycling plant; and a £6.3 million loan to Glasgow City Council to enable the replacement of its streetlights with lower-energy lights. The list goes on. All those projects are significant to the local communities of Scotland and to Scotland as a whole. We do not want any of these opportunities to be lost to yet more privatisation.

Finally, I turn to the plans in the Bill to cap exit payments for public sector employees, which will, despite the UK Government’s rhetoric—and it has been poor rhetoric at that—affect many public servants on low to moderate salaries. The SNP shares the concerns of the union Unison, which opposes the Government’s plans for caps on public sector exit payments. The Cabinet Office has confirmed that some people who earn less than £25,000 a year could be affected because of their long service—that is, serving the public, often for salaries below those in the private sector.

The trade union Unison has pointed out that the proposed cap would affect redundancy payments for a wide range of NHS staff and would not be limited to groups that the public view as executives. Because, as we have heard, redundancy calculations are made on the basis of length of service and earnings, and because a significant number of NHS staff work unsocial hours, capping the payments could affect staff in band 6 and above. The jobs that fall into band 6 include nurses, midwives and paramedics. Are we really saying that those people are fat cats and that they do not deserve such payments at the end of very long, difficult and challenging careers?

In January 2015, the Minister for Employment promised an exemption for low-paid public sector workers. She said:

“This commitment, which will be included in our 2015 General Election manifesto, will cap payments for well-paid public sector workers... Crucially, those earning less than £27,000 will be exempted to protect the very small number of low earning, long-serving public servants”.

Unfortunately, the Bill does not reflect the promise made by the Conservative Government.

The Government’s plans have also failed to take account of inevitable inflation and earnings growth. If this cap is introduced, there must be a commitment to index-link the cap, to ensure that it meets its original intention without becoming more and more punitive over time. The Local Government Association has criticised the Government’s plans, stating:

“The consensus among the respondents to our consultation exercise felt that the policy as drafted with a cap set at £95,000, which includes strain on fund costs, unjustifiably penalises older, longer serving, junior to middle ranking employees in local authorities.”

Unison highlighted a particularly poorly drafted and concerning section of the Bill—well, perhaps it was intended. Under section 5, payments made in respect of death are outlined as exempt, but in the Government’s hurry to introduce those harsher regulations at the last possible moment before the Bill is enacted, they seem to have decided that dead people might be worried that their exit benefits might be affected if they decide to return to work in the public sector. That does not make sense, and it needs reviewing and proper thought.

The rhetoric of the Tory Government on the pay and conditions of our vital public servants stands in stark contrast to the record of the SNP Scottish Government.

[Hannah Bardell]

The Scottish Government introduced the living wage to the public sector pay policy in 2011, initially helping 6,000 public servants and benefiting around 3,000 workers each year. The living wage of £8.25 per hour is now paid wherever the Scottish Government control the pay bill.

In Scotland, the SNP Government highly value our NHS staff. We have not imposed the same unfair contractual changes on junior doctors that the Tories at Westminster are attempting to impose, and we have protected the nurses bursary, which the Tories have scrapped in England. We have maintained a no-compulsory-redundancy policy, while in NHS England there have been more than 17,000 compulsory redundancies since 2010. Overall, there may be some good intentions buried among some bad ideas in the Bill, but the SNP feels that it is a missed opportunity to back small business, incentivise investment and innovation, and encourage entrepreneurship. It is more “bits and bobs” than the bigger picture.

3.52 pm

Chris White (Warwick and Leamington) (Con): The Bill contains a wide range of measures, but I shall focus specifically on the Government’s further action on apprenticeships. The target of 3 million apprenticeship starts by 2020 is a welcome ambition, but we must ensure that they are of sufficient quality to equip those enrolling on an apprenticeship with the necessary skills, and to increase the flow of talented individuals into the workplace. Addressing the skills gap must be an absolute priority.

I have seen many examples in my constituency of the value of apprenticeships to all parties, and I am pleased to report that since 2010 there have been 3,450 apprenticeship starts, no doubt assisted by the demand created through the strengthening of our economy. Some 99.3% of businesses are SMEs, and it is therefore essential that we incentivise and encourage them to take on apprentices. I welcome the fact that the apprenticeship grant for small businesses has been extended for another year.

The Secretary of State wrote in *The Daily Telegraph* about an imminent fourth industrial revolution, and stated:

“We led the Industrial Revolution over 200 years ago when scientific leaps and technological innovations brought enormous economic benefits and improvements to living standards.”

Industry 4.0 refers to the fourth industrial revolution and the rapid advancement of technology that will change our economic landscape further. Such technology includes machinery that can improve efficiency and productivity. It is therefore vital that our workforce are sufficiently skilled to use that new innovation.

Warwickshire College, in my constituency, is doing its bit to equip young people with the skills necessary to succeed. It has recently opened an engineering block, with provision for a further 285 advanced apprenticeships and 253 higher apprenticeships. As I mentioned in a debate last year on vocational qualifications, we must work harder to achieve parity of esteem between academic and vocational courses.

Melanie Onn: I fully support apprenticeships; indeed, I am taking on an apprentice in my office, which I hope exemplifies the point. Government data published this week show that young people from low-income households

in north-east Lincolnshire are less likely to receive post-16 qualifications than those in other areas of the country, even though they are more likely to get good GCSEs. My concern is that there is an over-emphasis on apprenticeships and insufficient support for other training opportunities, with apprenticeships being the only game in town. I am concerned that insufficient training is available for young people in post-16 education to meet the skills gap that so obviously exists.

Chris White: I appreciate the hon. Lady’s comments. We should ensure that each part of our society and all parts of our education system recognise what our young people need to succeed. The target of 3 million apprenticeships by 2020 is a major step towards achieving that, but we must recognise that there are other needs as well.

It is important to recognise that our young people need to see the benefits of earning and learning. The Government measure to protect the term “apprenticeship”, in the same way that the term “degree” is protected, is excellent. If the target of 3 million apprenticeships is reached, the achievement will, of course, be more significant if they are high quality.

The move will add to the strengthening of the reputation of apprenticeships as a good way to start a career. It may be worth the Government investigating the possibility of allowing those who have completed an apprenticeship to use a suffix after their name, similar to the recognition given for achieving a degree. Coventry City Council offers the freedom of the city to those who have completed an apprenticeship. I understand that it is the only local authority in the country to do so. I see such initiatives as an excellent way to build prestige around apprenticeships. I encourage other local authorities to do the same.

The all-party group on manufacturing and industry leaders, in discussing the future of the sector, made it clear that we need to make a concerted effort to invest in skills to improve our productivity and competitiveness on the international stage. Apprenticeships can be instrumental in addressing the skills gap, which is absolutely vital for the future of the UK economy.

I welcome the measures in the Bill that allow the Secretary of State to set targets for public bodies in relation to the number of apprentices employed. Progress has been made, with a number of apprentices working across Whitehall, but the new powers will ensure that the public sector is a part of that ambition. I would like to touch on the use of the Public Services (Social Value) Act 2012 and the positive effect it can have on apprenticeship schemes. Partnerships between the public and private sectors to deliver projects have resulted in the commissioning of tenders that include an aspect of social value, such as the creation of additional apprenticeships.

We have come a long way since the concept of apprenticeships began in this country in the 12th century, but their value cannot be overstated. With 2.3 million apprenticeship starts in the previous Parliament, we have made great strides. The further Government target for 2020 is to be welcomed. I sense a tipping point with apprenticeships and I, for one, look forward to a new generation benefiting from these schemes and to how strongly the initiative will contribute to our economy.

3.59 pm

Mr Iain Wright (Hartlepool) (Lab): It is a pleasure to follow the hon. Member for Warwick and Leamington (Chris White), my colleague on the Business, Innovation and Skills Committee.

In the main, notwithstanding the concerning revelations about future unknown clauses relating to Sunday trading, this is not a bad Bill. There is a bold and lofty ambition to the rhetoric accompanying the Bill, which is, I would suggest, somewhat at odds with reality. I think even the Minister would have to accept that the impact of the Bill will be very marginal in promoting a step change to improve the productivity, profitability and competitiveness of firms.

It is excellent news that the number of UK business births has increased to 351,000—the highest number since comparable records began in 2000—and I am particularly pleased that the north-east has the highest proportion of new business starts, albeit from a smaller business base. The increase in the number of start-ups is a commendable achievement, and it would be churlish not to acknowledge the Government's positive role in helping to bring it about.

The Government hope that the Bill will continue that trend, stating that it

“will cement the UK's position as the best place in Europe to start and grow a business”.

I support that ambition, but I doubt it will be achieved. Although they have been successful in encouraging business start-ups, they have been less so in facilitating business survival and growth. It is difficult to see how the Bill will change that. In the same period as we saw a record number of business births, we also saw a marked increase in the number of business failures: the number of business deaths increased to 246,000, which was three times the rate of business births.

That could be seen as the natural churn of a dynamic economy—it is a function of a market that businesses are born and naturally die—but business survival rates are worrying. The UK does well on firms that survive their first year in business—the average of 93% is well above the EU average of 83%—but the more sustained survival rate for British enterprises is poor. Less than 40% of UK companies last more than five years. Only Latvia, Slovenia, Portugal and Lithuania fare worse. A failure to last for any length of time limits British companies' ability to scale up and become more resilient, innovative and outward-looking, thereby taking market share, winning export orders and employing more people.

Sherry Coutu's report on scale-ups showed that a 1% growth in firms scaling up in Britain would create an additional 238,000 jobs and add £38 billion in gross value added to the UK economy. Similarly, the recent report by Octopus Investments on high-growth small businesses showed that a tiny number of firms—22,740, or just 0.43% of the business stock in the UK—accounted for an unbelievable one in three new jobs in 2014 and 20% of all growth in the UK economy. These firms have the potential to do so much more, yet one in four finds it difficult to get the funding it needs and three quarters say that lack of access to funding is a significant barrier to growth. The problem of access to finance remains a pertinent issue for firms, which is why the Select Committee has launched an inquiry into it. If the Bill's purpose is to make the UK the best place in Europe to grow a

business, why does it not tackle access to finance? If the Government are serious about ensuring growth, why does the Bill not put in place measures to facilitate an expansion of scale-ups to power employment and economic growth?

A recent report by the RSA said that the complexities of the UK tax system, a lack of bank lending and the cost of running a business were the top reasons for failure and early corporate death. That being the case, why do the Government consider tax changes to be out of the scope of the Bill's deregulatory activities? Given that complexity in the tax system is seen as a drag on economic and business growth, to the point of often fatally overwhelming firms, why is tax not considered part of the business impact targets? The Government propose to make small businesses file their tax returns on a quarterly basis. That will have an enormous impact on small firms and place a regulatory burden on business. Should that sort of thing not be within the scope of the Bill?

Richard Fuller: I thank the hon. Gentleman, a fellow member of the Select Committee, for giving way. His Front-Bench team talked about the Bill being more ambitious, and he is talking about cutting taxes and looking at ways to create more innovative financing. May I urge him to table his own amendments, from his own experience, so that the Government can come up with an even better Bill?

Mr Wright: I thank my colleague from the BIS Committee for his intervention. We share the same view about freeing businesses from unnecessary regulatory burdens. I want the Bill to be more ambitious and to bring about a step change. I mentioned the business impact target in clause 14. Is the Minister aware that, as drafted, the Bill imposes an additional cost on businesses? The accompanying impact assessment states that the best estimate of the cost of the business impact target is £10.5 million a year, with “no monetised benefits identified”. How can she justify that for a Bill that is intended to free up small businesses?

On taxation, small and medium-sized firms believe that the rules are applied rigidly against them, and that the larger and more powerful a company becomes, the more the payment of UK tax becomes almost an option—something like a casual thing to consider. That bullying and intimidation also applies to payment of suppliers by large companies. In that regard, the introduction in part 1 of the small business commissioner to handle complaints by small businesses about payment matters is a welcome step. I am pleased that the Government are establishing that.

As has already been said in the debate, the commissioner's powers are rather narrow. Part 1 grants the SBC the power to provide only “advice and information” to small firms, rather than enforcement powers. The commissioner has the capacity to consider in the region of only 500 cases a year. I question whether that is appropriate, given the huge, often endemic and structural problems certain sectors face with late payment. As the hon. Member for Huntingdon (Mr Djanogly) mentioned in a good speech, the commissioner could be too limited in scope; something akin to the Small Business Administration in the US may be more appropriate. For over 60 years, the SBA has been a consistent part of the small business support

[Mr Iain Wright]

ecosystem, providing funding, access to public procurement and mentoring to small businesses. Have the Government considered something similar here?

I shall finish with some comments about clause 21 and what can be defined as an apprenticeship. As the hon. Member for Warwick and Leamington, who sits on the Select Committee, said, this is a welcome step. Yesterday, we published our report on the Government's productivity plan, and we welcome that part of Government policy, although we are slightly more critical of other parts. However, there is a risk. The Minister will want to do all he can to ensure that the 3 million apprenticeships target will be met by 2020. In that context, there may be a temptation to double-count or rebadge apprentice numbers. Is that still possible under the Bill? Subsection (2) of new section A11 in clause 21 states where employers do not commit an offence if they describe a non-statutory apprenticeship as an apprenticeship. Will the Minister reassure me that only statutory apprenticeships will be included in the 3 million target?

In the main, this is not a bad Bill. It will help in some ways around the edges, but it will not provide the step change that small businesses need to scale up.

4.7 pm

Alberto Costa (South Leicestershire) (Con): Today the Government have brought before us an exciting and much needed Bill that, if passed, will significantly and beneficially impact on enterprise in my constituency and, indeed, throughout our United Kingdom.

I would like to focus on the particular benefits brought by part 2 regulators and the business impact targets. This measure is an excellent way for the Conservative Government to help fulfil our manifesto commitments to our country by promoting a much better environment for business and enterprise to thrive.

As we have heard from my hon. Friends, Labour's record on regulation is appalling. When last in government, Labour oversaw the creation of six new regulations every working day, and that new red tape cost British businesses billions of pounds from 1998 onwards. Indeed, Labour Members do not understand the needs of businesses—and, worse still, they appear not to want to understand those needs on the basis of what we have heard from the Opposition Benches today. Under the last Labour Government, taxes on businesses were too high, and by all accounts, Labour planned to increase the rates of national insurance.

Achieving £10 billion of regulatory savings for businesses over the course of this Parliament is a key manifesto commitment—I stood on it—of this Conservative Government. This will build on the success of the previous Government's deregulation agenda, which itself delivered £10 billion of deregulatory savings over the course of the last Parliament.

Businesses constantly tell me and, I am sure, many Members that the actions of regulators are as at least as important as the content of legislation in determining their experience of regulation. For example—and this was mentioned earlier—according to recent business perception surveys, 46% of businesses agreed that preparing for inspections or dealing with inspectors was burdensome, 49% considered that they did not receive good enough

advice from regulators to make confident investment decisions, and 73% of scale-ups thought that they would be able to grow faster if dealing with regulators were easier.

David Rutley (Macclesfield) (Con): My hon. Friend is making a very considered speech. I agree that cutting red tape is a huge priority. We made progress in that respect during the last Parliament, and we intend to cover much further ground by means of the Bill. Does my hon. Friend agree, however, that it is also vital for us to push back regulation from the European Union, and that the European Union could learn from us? Does not Tusk's latest announcement show that even the EU is now learning from what we are doing in this important area?

Alberto Costa: I welcome any measure that cuts inappropriate regulation, whatever the source of that regulation.

Considerable progress was made under the last Government through initiatives such as “one in, two out” to help businesses achieve regulatory compliance while not hindering growth. My own local enterprise partnership, covering Leicester and Leicestershire, served as a pilot in various initiatives to strengthen the relationship between businesses and regulators, which ranged from considering ways of improving information-sharing between regulators to working with groups such as the Federation of Small Businesses and chambers of commerce. That has been a priority, and we have seen some early successes which the Bill will undoubtedly further encourage.

According to the 2015 Leicester and Leicestershire business survey, 94% of employers saw regulators as professional and courteous, but just 49% felt that they were consulted by regulators when developing policies. [Interruption.] Opposition Members might want to listen to this. They might learn a few things about the importance of the Bill.

Those findings showed that there was considerable scope for further joint working and improvements that might be made by means of the Bill. [Interruption.] “Listen and learn” is the key today. [Interruption.] Opposition Members are more than welcome to intervene.

The Small Business, Enterprise and Employment Act 2015 commits future Governments to publishing, and then reporting on, their performance against a deregulation target, the business impact target. Little has been said about that by the Members who are now chuntering from a sedentary position.

Mr Iain Wright: I have just mentioned it.

Alberto Costa: The hon. Gentleman is more than welcome to intervene and comment on its benefits if he wishes to do so.

The Bill will extend the business impact target to include the actions of statutory regulators, and will ensure that they must carry out assessments of the economic impacts on business of any changes in their regulatory practices or policies. That will provide a wider focus for the Government to reduce regulatory burdens on businesses, thus enabling them to free up resources and boost productivity. It will ensure that there is even greater transparency in relation to the impact of regulation on business, as opposed to the opaqueness

that we saw during the 13 long years of Labour misrule. It will enable regulators to contribute to the Government's deregulation target of £10 billion of regulatory savings during the current Parliament, and—very importantly—it will give regulators more incentives to design and deliver policies that better meet the needs of British business.

Bringing the activities of regulators into the scope of the business impact target will ensure that the impact imposed on business by regulators is routinely measured and reported on—a move that was scorned by Opposition Members a matter of hours or even minutes ago. It will increase the clarity of the system, and give businesses greater assurance that any costs and benefits that are imposed on them will be thoroughly assessed. Legislating to extend the business impact target will most comprehensively achieve the increase in transparency that I have mentioned, and will bring about the reduction in burdens on businesses that Conservative Members wish to achieve. It represents not a small ambition, but a significant ambitious development of previous policies designed to improve the ways in which regulations are enforced.

This Bill will help to make sure that our United Kingdom is the best place in Europe to start and grow a business, and that people who work hard and start and run a business have the opportunity to succeed without inappropriate regulatory burdens suffocating their much needed enterprise.

Lady Hermon (North Down) (Ind): Will the hon. Gentleman give way?

Alberto Costa: No, I am going to wind-up. *[Interruption.]* I did offer many Members on the other side of the House the opportunity to intervene, but they chose not to do so.

This Enterprise Bill will help to promote a real reduction in red tape, which the Members opposite simply do not seem to understand, and it will encourage businesses to expand and in so doing create more jobs and help people in our country thrive. That is the key to a successful Enterprise Bill. This Bill will allow British enterprise to flourish in my constituency of South Leicestershire as well as across our United Kingdom.

4.17 pm

Caroline Flint (Don Valley) (Lab): May I start by apologising for having to leave shortly after my contribution, but I am meeting the prisons Minister, the hon. Member for South West Bedfordshire (Andrew Selous), about enterprise in prisons and enterprising criminals—a debate about criminal entrepreneurs is for another day!

It is a pleasure to follow the hon. Member for South Leicestershire (Alberto Costa). He made quite a big deal about how Labour does not understand the needs of business. I gently remind him that it was his Government who announced the introduction of a new national living wage, and quite a lot of concern has been expressed by small businesses about how that is going to affect them, because there has been little consultation—*[Interruption.]*—as my hon. Friend the Member for Great Grimsby (Melanie Onn) reminds me.

Alberto Costa: Will the right hon. Lady give way?

Caroline Flint: No, I am going to make some progress.

I have to say that I think it is quite fraudulent to call this an Enterprise Bill; it would fail under the Trade Descriptions Act. What do we actually have? We have the creation of a small business commissioner, and, as has been said, we are not against that, but the hon. Member for Huntingdon (Mr Djanogly), who has now left the Chamber, made it very clear that the danger in the creation of this post is that it will be meaningless—that the small business commissioner will not have the authority and power to do something about small businesses not being paid for their services in good time, which we have discussed so many times over so many years.

Also under this Bill, Ministers are considering how they can give regulators more responsibility for looking at the impact of anything they do on the businesses they regulate. I understand that as well; sometimes I think it would be simpler if we just put on every civil servant's screensaver the words, "Why am I doing this, and is this really necessary?" to nudge them into thinking about what they are doing and how it is affecting not only businesses but other areas of public policy.

As for regulation, however, we have been here many times before. When the last Government had a policy, they talked about "one in, one out". They advertised on websites for what regulations to scrap, but the problem was that they received many more suggestions for more regulations, not fewer, even from businesses themselves.

I would love to know the Government's regulation scorecard. The Secretary of State did not talk about the savings for business, but the truth is that many Governments often leave their term in office with more regulations in place than they inherited. For me, regulation has to be shown to have a purpose, and I have no problem with getting rid of regulations that are out of date or need updating, but they are important to make sure we keep products and people safe, and to ensure fair competition. If this Bill is hinting that the reason why enterprise in this country is not succeeding is purely down to centrally imposed regulation, I suggest that the Government do not understand what we need to do. I do not believe that the banking collapse, which affected people in this country and around the world as both consumers and businesses, was to do with over-regulation.

Let us look to the European Union in this regard as well, because the EU REFIT programme has already led to the withdrawal—*[Interruption.]* I will thank my hon. Friend—*[Interruption.]* It would be great if the shadow Front-Bench spokesperson, my hon. Friend the Member for Cardiff West (Kevin Brennan), would let me finish my speech instead of taking interventions from those on the other side. As the House of Commons Library has confirmed, the EU REFIT programme has already led to the withdrawal of more than 400 proposals and to the repeal of some 6,000 legal measures in the past decade. That is good; that is what we want to see from the European Union.

To me, what is really important is the way in which Governments support and assist the development of foundation industries such as steel as well as the new emerging sectors in which businesses of all sizes have a stake. Truly, this Bill is disappointing in that regard. For those areas, it will be largely irrelevant. It could have done something to promote and protect responsible enterprise. It could also have brought in measures to

[Caroline Flint]

protect UK-based firms that pay fair and responsible taxes from being undercut by global firms that offshore their profits beyond the reach of HMRC.

The Bill is also disappointing on apprenticeships. I welcome apprenticeships. For too long, there has been an imbalance between the support for those who go to university and the support for those for whom the way into a good career and job prospects is through an apprenticeship. I have some questions, however. I welcome the clearer definition of an apprenticeship. There was concern in the last Parliament about too many arrangements being badged as apprenticeships and not quite meeting the test.

I also have some questions about the Minister's setting of targets for apprenticeships. The Bill appears to set out how the Government will meet their own apprenticeship target by creating obligations only on the public sector to provide those apprenticeships. If that is to be followed by specific targets for different public sector bodies, will she tell us what proportion of the Government's target of 3 million apprenticeships is to be created by the public sector rather than by private business? I, too, want the public sector to be model trainers, to grow the future workforce and to have model apprenticeships. We should be aware, however, that many local authorities will soon be less than two thirds the size they were in 2010. Many have been forced to shed thousands of experienced public sector staff. If they are now to take on more apprentices, this could appear to be a case of sacking experienced staff and backfilling with apprentices.

If public sector bodies are to be required to help to meet the apprenticeship targets, why does the Bill not extend the right of public bodies to require apprenticeship quotas in their public procurement contracts, in the way that the Government have done with centrally issued contracts over a value of £10 million? By imposing targets only on the public sector, the Government appear to have little confidence that the private sector will step up to deliver the apprenticeships that the Government and the country need.

The UK Green Investment Bank was intended to be a body that could make long-term investments in green and sustainable technologies, and I think it has done a good job. It worries me that it is being privatised just to get it off the balance sheet, but I hope the points that have been made about the special share situation will ensure that its green ambitions are protected.

I am looking forward to serving on the Bill Committee. I am sure that we will have further discussions about Sunday trading, and I hope we will be able to ensure that the Bill adds up to more than it does at the moment.

4.23 pm

Nadhim Zahawi (Stratford-on-Avon) (Con): I thank the right hon. Member for Don Valley (Caroline Flint) for at least being supportive of the apprenticeship agenda. Let us see whether she votes for the Bill tonight. I support the Bill and would like to congratulate the Minister for Skills on the excellent measures relating to apprenticeships. He took the time last week to speak at the national apprenticeship awards, which, as the Prime Minister's adviser on apprenticeships, I hosted. The Minister

showed the commitment of this Government to recognising the brilliant achievements of existing apprentices and the desire to spread those opportunities even more widely.

I start by mentioning the national apprenticeship awards because they are a perfect illustration of the success that apprentices can achieve, and this Bill will play a key part in expanding that success even further. The event was attended by more than 800 apprentices and business people, all of whom had come together to celebrate. It was a celebration of what an apprenticeship had done for them personally or for their business—even though the great and the good of Great Britain plc and the future stars of our economy had to sit through almost five hours of me co-hosting the event.

I can share with the House the fact that the overriding emotion of that evening was huge optimism. There was optimism about the great careers stretching out before those apprentices, the extent of which those young people were just starting to glimpse for themselves. There was optimism about the new, well-skilled workforce that is pushing businesses to the next level, and about the better products and greater services that those apprenticeships can help to create. It was a humbling moment standing in that room and seeing what apprenticeships can do for both apprentices and businesses. This Bill is all about extending these opportunities.

One nation Conservatism—compassionate Conservatism—has to be, at its root, about providing opportunity: an opportunity for everyone, wherever they have come from, whoever they are, whatever they dream of doing or being, to be provided with the resources they need to achieve that. Great Britain is a country of great opportunity. We sometimes forget that much too easily, but I know it so well, having come from Iraq to being a Member of this House. I want everyone—every single person in this country—to have the opportunities I had. This Bill provides the measures to ensure that the next generation can find opportunity in this country, through apprenticeships, a route often as good, if not much better, than a traditional university degree.

I am delighted by the measures in this Bill to expand apprenticeships in the public sector and protect the quality of the brand.

Ian Paisley (North Antrim) (DUP): I appreciate what the hon. Gentleman is saying about apprenticeships, but does he also accept that there must be a rebalancing and that that cannot be at the expense of public sector workers? It has to be done thoughtfully and in a fair way.

Nadhim Zahawi: The hon. Gentleman makes a good point, and I will address the public sector element of what I think is a very positive measure in a moment.

As someone who worked in marketing in a previous life, I know that when trying to sell something to someone, it is very important that the product is high quality. That is why I congratulate the Minister on adding legal protection to the term “apprenticeship”. It is vital that that is done; apprenticeships must be aspirational, and any misuse of this word on low-quality courses can be extremely damaging. Both the apprentice and the employer are let down by poor-quality courses, and have their time wasted. Even worse, it could mean that they are put off from being involved in the apprenticeships agenda ever again. Even a small minority

can damage the brand and detract from the majority of good news stories which should be shining through. In my work as the co-chair of the Apprenticeship Delivery Board, I have spent time speaking to many businesses, both small and large, and I have found that there is a real appetite to hire apprentices, bring younger people into the company and protect the skills base for years to come. We cannot let them down with poor quality and chip away at this good will.

The hon. Gentleman mentioned the public sector, and the 2.3% public sector apprenticeship target is equally important. As we move towards achieving 3 million apprenticeship starts, it is only right that the public sector delivers its fair share. The public sector employs 16% of England's workforce but lags behind on apprenticeships, and that is a real shame. There are many brilliant careers both in this country and on offer in our public sector. I am delighted that apprentices will be given a route into our civil service and have this great opportunity provided to them. But this is not just about providing opportunities for apprentices; I believe this provides a huge benefit to the civil service itself.

David Simpson (Upper Bann) (DUP): Does the hon. Gentleman agree that in order to achieve that higher level of apprenticeship and to create the apprenticeships themselves, there needs to be a working relationship between further education colleges, universities and the business community?

Nadhim Zahawi: That is absolutely right, and the hon. Gentleman raises a very important point. It is why we are organising a roadshow for FE colleges so that best practice can be shared. The Secretary of State has met all the universities, including the Russell Group ones, to explain to them the opportunity here, in both the public sector and the private sector. Degree apprenticeships are going to be a massive opportunity for our universities and for our public sectors. Employers have told me that they are likely to run graduate recruitment alongside apprenticeships, as a means of using the apprenticeship levy funds. That is a real opportunity for universities, because a lot of those employers will be looking for degree apprenticeships. They want to hire the best people as apprentices at a young age, getting them into their company earlier, so that they can develop their skills, build loyalty and enhance productivity. It would be a real shame if the public sector lost out on those talented men and women by not offering enough places and not competing for that talent. I am a firm believer that for any organisation, the most important resource is the human resource.

Good government requires excellent people. Apprenticeships are key to ensuring that that resource remains strong and that the public sector can compete for talent. We must remember that 3 million apprenticeship starts are 3 million chances—3 million opportunities to expand one's skills, to get a real job, to earn a wage, to contribute, to take part and to get on and do better. The measures in the Bill are vital in meeting that target and we must welcome them. I am delighted to support them tonight.

4.30 pm

Albert Owen (Ynys Môn) (Lab): It is a pleasure to follow the hon. Member for Stratford-on-Avon (Nadhim Zahawi). This is a big, clunky Bill that covers four

Departments, but today we have the captain of the ship, the Minister for Small Business, Industry and Enterprise, to take it through on her own. She is the sole survivor on the Government Front Bench. I hope that she will be a listening Minister, and will show that when she responds to the debate.

This is not an inspiring Bill, as many have said, but it does support apprentices, and I welcome that. The provisions in part 7 on industrial development will assist the roll-out of telecommunications and broadband to reflect the economic realities of the 21st century. My main issue is with part 8, which covers the restrictions on exit payments.

On apprentices, I am sure that we all agree that training and providing young people with skills and workplace experience is a good thing, but it is vital that we have real training for real apprentices, and that we have real skills for the future. We should not consider the targets alone; we should consider not just the quantity but the quality of apprenticeship schemes.

Part 4 applies mainly to apprenticeships in England, but some provisions apply to England and Wales. Indeed, the Employment and Training Act 1973 applies to Scotland, Northern Ireland and Wales. Contracts for apprenticeships are contracts for employment as defined in the Employment Rights Act 1996, so conditions for apprentices are UK-wide. English votes for English law might apply to the Bill, so I want clarification from the Minister on that point. I know that now is not the time to go over the anomalies of EVEL, but it is important that there is clarification because of the cross-border issues. People in Wales might have apprenticeships with companies in England, and such provisions would therefore apply to them. However, it is good that the Government are valuing apprenticeships and I support them on that.

The provisions on industrial development allow financial assistance of £10 million to £30 million to be given to projects under section 8 of the Industrial Development Act 1982 without a resolution from the House of Commons. As my hon. Friend the Member for Wallasey (Ms Eagle) said, that is a good thing, but a very small thing. Again, I want clarification from the Minister—who is concentrating, I am sure—that this applies to Welsh Ministers. If it is a UK project in Wales, will Welsh Ministers have the resources to roll out broadband in Wales?

I welcome these provisions, which are designed to get telecommunications rolled out across the United Kingdom. I have long been an advocate of universal broadband and I welcome the Prime Minister and the Government's U-turn on universal coverage. From time to time—[*Interruption.*] The Minister says “What?”, but if she had listened to Department for Culture, Media and Sport Ministers she would have known that they were dead against it up until Christmas, and that they have now changed their minds. I hope that roll-out will now happen. I would like a pilot scheme on the Isle of Anglesey. It is an ideal place to have it: an island community on the periphery of this country. If it works there, it can be rolled out across the rest of the United Kingdom.

The Bill will cap exit payments, and that is important. The proposal is designed for city hall chief executives, but the hon. Member for Stratford-on-Avon (Nadhim Zahawi) was wrong to say that it will apply just to fat

[Albert Owen]

cats. Nurses are not fat cats, and workers on nuclear installations in my constituency are not fat cats. We need to look at this issue.

The Treasury has the power to restrict the public sector workers covered by this measure. I would add to the list of exclusions, which already includes employees of the Royal Bank of Scotland, the Magnox employees in my constituency, who do difficult, dangerous nuclear decommissioning work. They have been caught up in this because the ONS deems them to be in the public sector. The Secretary of State said, “We don’t listen to the ONS.” I would ask the Government to look at exemptions for Magnox workers. There are 23 constituencies that have Magnox estate, with Magnox workers, in them—14 are Conservative, five are Labour, three are Scottish National party and one is Plaid Cymru, so this is not a partisan trade union issue. This is indeed important.

These workers feel let down. One of the 120 constituents who have written to me said:

“To retain highly skilled workers in the nuclear sector, employees were promised that their contractual employment and pension arrangements would be safeguarded”.

If the Bill passes in its present form and does not exempt Magnox workers, they will be unfairly penalised. I think that that is an unintended consequence of the Bill, which is, as I said, intended to get the so-called fat cats. However, I am talking about decent, hard-working men and women on the Magnox estate who have been in the sector for a long time. When they negotiated their wages and their terms and conditions, they would often forgo wage increases to better their pension pots. They feel let down that the Government are looking to take away their conditions of service.

Kevin Brennan: Is it not also important to note not just that these workers should be classified by the ONS as being in the private sector, but that they are in fact private sector workers, yet they are being caught up in this Bill very unfairly?

Albert Owen: Yes, the Government recently put the estate out to tender, and it was won by a private company. Although, technically, these are Magnox workers, they work for various private companies in the decommissioning sector. I do think that this is an unintended consequence.

I ask the Minister to talk with her Treasury colleagues about this issue to get an exemption. Leaving this to mandarins in the Treasury is not good enough. Magnox workers feel let down by the Government, and the Government can and should act to exempt them from the Bill. I repeat: they are not fat cats, but decent workers.

If I had more time, I could talk about the Green Investment Bank, which I supported under the last Government. I worry about its privatisation, and my concerns about moving it to the private sector are very real.

I am surprised to see Sunday trading as part of this process. We should have a proper debate about the issue, and it should have been in the Bill so that we could see exactly what the proposals entail. The public do not want changes, although some businesses do, and I understand that. However, I think we have the balance right as it stands now on Sunday trading, and

that is why I oppose changes to leave decisions on Sunday trading to individual areas. We should keep Sunday special—that is what the House agreed when it had the opportunity to have a full debate, but it has been denied that opportunity now.

Let us get those exemptions for workers, let us support apprentices and let us roll out broadband through grants.

4.38 pm

Andrew Griffiths (Burton) (Con): I am delighted to be called so early to speak in the debate. It will not surprise colleagues that I want to talk about one specific element of the Bill: pubs. I should draw the attention of the House to my entry in the Register of Members’ Financial Interests, not just because I am the chairman of the all-party beer group, and I see lots of our members in the Chamber today, but because Burton is the home of not only beer and British brewing, but three of the country’s largest pubcos—Marston’s, Punch and Greene King. Obviously, therefore, the issues in the Bill are hugely important to not just my constituents and the people employed in those companies, but publicans and communities across the country.

Graham Evans (Weaver Vale) (Con): These days, pubs are not only competing with other pubs—they also have to compete with high-street cafés such as Starbucks. Does my hon. Friend agree that it is therefore essential that we encourage investment in pub facilities?

Andrew Griffiths: I congratulate my hon. Friend on the work that he does to support pubs, not just in his constituency but in this Chamber, in standing up for British pubs and British brewing. He is absolutely right: this is a competitive business. Pubs are not just competing with each other for trade—for business—but with the likes of Starbucks. It is therefore absolutely essential that we allow them to invest in their estates. I will come on to that point later.

I have to admit that I was one of those who opposed the market-rent-only legislation when it first came in during the previous Parliament, because I was concerned about unintended consequences. We all want our pubs to thrive, our pub estate to grow, and our pubs to be successful and pay a good living to the publicans who run them, but we must also be aware of unintended consequences. I warned of repeating the mistakes we made with the beer orders. I know, Mr Deputy Speaker, that you are not old enough to remember the beer orders coming before this House, but that mistake, with the Government intervening in the marketplace and sticking their oar in, led to the break-up of the successful breweries and, indeed, to the pubcos that we have today. We have to be very careful.

The debate on this subject has been contentious; there has been a great deal of heat, and sometimes it has become somewhat unpleasant. I congratulate the Minister on the work that she has done in finding a way through this. She has not only shown an immense interest in the subject in talking to both sides and properly understanding the implications of what we do as a Government, but has not been shy in standing up to both sides. We know that there is a famous tradition of female Conservative MPs handbagging people around the table in order to get the best deal possible, and that is what the Minister has done to find a way forward. We must not forget

that pubs are not charities—they are businesses that employ 1 million people across our country and raise £21 billion for the Exchequer. We must therefore make sure that we have the right conditions to allow them to grow as businesses, and that is what the Minister is able to do.

My hon. Friend the Member for Weaver Vale (Graham Evans) mentioned investment. I am pleased that the Minister's proposals allow publicans to opt out of—to waive their right to—an MRO for the purpose of significant investment. It is absolutely right that our pubs need to be the best offering possible. They need to have good facilities, nice loos, and good heating. They need to be pleasant environments if people are going to go there and spend their money. He is absolutely right that they are competing with the likes of Starbucks. If we want people to pump money into our pubs, we have to give them security in making that investment. Why would the likes of Punch in my constituency invest a couple of hundred thousand pounds, perhaps even £300,000, in a pub to renovate it if it was likely to lose control of it in just 12 months' time? The simple answer is that it would not. The Minister's decision to allow the opt-out from—the waiving of the right to—an MRO will give some comfort to the industry and allow such important investment to go ahead.

I am concerned about red tape. The adjudicator, when introduced, could potentially have to deal with some 14,000 pub tenants. There is therefore a real risk that the adjudicator could be swamped with complaints. I hope that the Minister will be well aware of that when she brings forward the secondary legislation on how this thing will actually work. I am also concerned about the amount of red tape when somebody signs up for a pub tenancy.

Toby Perkins: Given how busy publicans are, they do not want to spend their time at the adjudicator. They want to be serving punters and getting on with running their business. What does the hon. Gentleman think it says about the way the industry is currently working if the setting up of an adjudicator creates the likelihood that it will be swamped because all those publicans are so unhappy?

Andrew Griffiths: I do not think creating an adjudicator does that at all. Very few tenants come forward with complaints under the current voluntary scheme. But as in any other sphere, when a new way to complain is advertised, people will undoubtedly come forward. Some of those complaints will be valid, but many will not be. We need to make sure that we do not ruin a perfectly workable system by allowing it to be flooded with the wrong kind of complaints.

The requirement first set out by the Government would have meant that a pubco had to provide more than 80 pieces of information to somebody who wanted to sign up for a tenancy, and those would all have had to be checked off and a receipt accepted. That compares with about 10 pieces of information that have to be provided to somebody signing a normal commercial lease. I agree that we should make sure that tenants walk into the arrangement with their eyes open and with all the information, a business plan, advice from a financial adviser and a clear understanding of what that business is currently doing and what their earning potential

is, but we should not make it impossible for a pubco to sign up a willing tenant who understands the business and understands what they are taking on.

On time scales, the suggestion is that the measure will come in at the end of May. Time is ticking and I hope the Minister will be attuned to the fact that this is a huge thing for tenants and pubcos to understand. Will she consider some interim measures to make sure that the measure can be introduced in a manageable way, and that the information does not swamp both tenants and pubcos?

Finally, I wholeheartedly support Sunday trading, as it would be good for the pub trade. The Association of Licensed Multiple Retailers and the British Beer and Pub Association say that encouraging people to come into our town centres on a Sunday to do shopping would also be good for our pubs. I entirely support that, but I remind the House of a letter that I received from Peter Hardingham, the manager of the Octagon shopping centre in Burton. Urging me to lobby for the important devolution to councils of Sunday trading regulation, he wrote: "Such a change in the law is critical to allow bricks and mortar retailers to compete with online retailers and to satisfy the customer demand that exists." That is absolutely right.

The legislation, devolving the power to local authorities, giving our local councillors control over what is best for their high streets, will allow our shops to compete with online retailers. We can order from the internet on our phone and get something delivered on a Sunday afternoon. How can our shops compete with those retailers? The measure is a great idea and I hope the House will get behind it. I thank the Minister for her work on pubs. Please listen to our concerns, and I will be in the Lobby supporting Sunday trading.

4.48 pm

Michelle Thomson (Edinburgh West) (Ind): I am grateful for the opportunity to contribute to the debate. In general terms, I have to describe the Bill as a missed opportunity. On the occasions that I have spoken in the House, I have reiterated my support for enterprise and how important I consider business to be, particularly small business, not just in creating wealth and jobs, but for the vital role it plays in our society and on our high street. In my maiden speech I commented that I will be "watching to see whether . . . an appropriate level of ambition and vision"

is in place, and I asked whether the Enterprise Bill would

"provide measures that really encourage and support small businesses?"

I added:

"Will it start to take steps to address the chronic lack of available liquidity for those businesses?"—[*Official Report*, 3 June 2015; Vol. 596, c. 630.]

I reiterate the comments of my fellow member of the Business, Innovation and Skills Committee, the hon. Member for Hartlepool (Mr Wright), that something must be done, and I am glad that BIS is taking that forward. The problem is not just liquidity, but tax. The hon. Member for Bedford (Richard Fuller), who is no longer in his place, talked about tax cuts. However, it is complexity and the regulations that still inhibit businesses with ambition that start to grow. Much, much more could have been done in that respect.

[Michelle Thomson]

Where are the measures to encourage research and development, by which I mean grants, not loans? Where are the measures for innovation, for emerging sectors such as technology, and for manufacturing, which still trails behind at 10%?

The Federation of Small Businesses is correct to ask what specific powers the small business commissioner will have. I and businesses are worried that it is this voluntary regime that will be trying to effect serious change. It is almost like Sergeant Wilson from “Dad’s Army” saying, “I wonder would you mind awfully if you could pay this bill at some point.” I do not think that that is going to work. I issue a challenge to the UK Government. The Scottish Government have had measures in place since 2009 whereby public sector bodies have to pay their supply chain after 30 days. How is it possible for us to do that, but not the UK Government?

My biggest concern is about the UK Green Investment Bank, which nestles on the border of my constituency and was one of the coalition Government’s few success stories. It was set up in November 2012 and has invested in the green economy in every nation in the UK. I understand that it was always planned to become an enduring institution that operated independently of Government, but I am concerned that that process is being rushed for political reasons and that its green focus and its headquarters in Edinburgh will be put at risk as a result.

The GIB has made a positive contribution. It has become the No. 1 investor in the green economy, taking a 50% share of the green investment market. Projects it has funded have removed millions of tonnes of waste from landfill; increased the amount of energy produced from renewables to power the equivalent of 3.9 million homes; and cut this country’s CO₂ emissions by more than 4 million tonnes.

More importantly, the bank is now making a profit, which could have been reinvested in any number of ways. As a state-owned institution, the money it makes could be of benefit to the taxpayer. Why do Government asset sales privatise profit and nationalise debt?

The green focus of the bank must be maintained. The Environmental Audit Committee has suggested that there is a

“risk that a privatised GIB could invest in areas which may damage its reputation and undermine its role and leadership in the green economy.”

That said, I welcome the amendments tabled by Lord Teverson, who suggested setting up a structure with a single special share owned by a charitable company, whose trustees would have to agree unanimously to any changes to the company objectives, with “no public input whatever”. That is absolutely vital.

Lord Kelvin has provided reassurances that he sees no need to move the bank away from Edinburgh, which was chosen as its headquarters, but that is not the point. During my lifetime in business, I have seen a steady drip of key functions that should be maintained at a headquarters being moved to London. That is what I am concerned about—not a wholesale, lock, stock and barrel move, but a dripping, corrosive effect that many areas of the UK have experienced to their detriment. The Scottish Government’s view is that a legislative consent motion could be required, because, if there is a

softening in the focus on the importance of green projects, that could impact on what the Scottish Government are trying to do.

In general, the Bill clearly has some positive elements, but it is nowhere near ambitious enough and nowhere near the sort of vision that I would personally like to see in supporting business, particularly small business.

4.54 pm

Amanda Solloway (Derby North) (Con): It is an honour to follow my fellow member of the Business, Innovation and Skills Committee, the hon. Member for Edinburgh West (Michelle Thomson).

The Bill will contribute to the UK continuing to be a leading nation in supporting businesses that show the initiative and courage to start up on their own. I want to touch on three provisions—those relating to late payments, late insurance payments and the capping of exit payments—all of which not only highlight the positive changes being made to business culture, but support the Government’s offer to businesses.

I have always believed that to ensure that the economy continues from strength to strength, we must start by repaying the contributions made to it by the smaller businesses in the UK. They employ more than 15 million people across the UK; that is 48% of our private sector employment. The provisions in the Bill aimed at making the UK a better place for them to go into business should create an encouraging environment in which they can carry out their day-to-day work and thrive at business.

The proposed small business commissioner will address many of the issues that smaller firms face when dealing with larger firms. Late payments are a problem that most small firms have to deal with regularly, and securing those payments can prove to be a costly and long-drawn-out process. I was shocked to read the numbers: SMEs in the UK collectively spend more than £10 billion a year on trying to recover late payments. That figure is simply unacceptable. I have first-hand knowledge of how late payments by larger businesses, which often have a late payment policy, can cripple small businesses.

In the current system, too often, payment disputes cannot be resolved without cases going to court. That process is limiting for small businesses, and the costs can spiral out of control, which makes it a barely viable option for SMEs. A recent study found that one in five businesses in the Derby region is the victim of late payments. Those late payments are a primary factor in a fifth of corporate insolvencies. That element of business culture must change. We must show smaller businesses that other options are available to them, that advice and support are on offer, and that we will not directly hit their business cash flow. Of course, large firms can, if they choose to, fund such procedures, but the expectation that SMEs will do so is unreasonable.

Andrew Griffiths: My hon. Friend is making an effective and strong case in support of small businesses, and in describing the problems that they face with late payments. Does she also find that small businesses are struggling with deferred payments, over longer terms? The fact that they are not being paid by bigger firms within 90 days, or even 180 days in some cases, is severely affecting their ability to survive.

Amanda Solloway: Absolutely, and the insolvency record proves that that is the case. We need to stop that awful practice.

It is important to maintain the ability of any business, large or small, to trade. Incidents sometimes unfold that are out of the control of the business owner, and they often necessitate insurance claims. The pay-out is often vital to the survival of the business but, as things stand, there is no legal obligation to pay valid insurance claims within a reasonable time. With no timeframe, businesses are often left in limbo about when they can realistically expect to start trading again, and the knock-on effects can be disastrous. I welcome the Government's commitment to combating unreasonably late payments.

Finally, I want to mention the six-figure exit payments to public sector workers. Such payments are required for a variety of reasons, such as voluntary or compulsory redundancies, and although I acknowledge that it is important that those payments be fair, we need to make sure that they are not disproportionate to the modern place of work. I reference Derby City Council, where a couple of redundancies led to payments of £140,000 and £180,000 respectively. It does not seem right to me that the taxpayer has to fund extortionate pay-offs for public sector workers.

I have no doubt that the Bill will contribute to a much more transparent, friendly and desirable business culture in the UK. It will create an environment that encourages more people to start a business here, and it will cement the UK's position as one of the world's leading nations in supporting business and enterprise.

4.59 pm

Toby Perkins (Chesterfield) (Lab): I start by drawing the attention of the House to my entry in the Register of Members' Financial Interests.

Whenever I hear the Secretary of State speak, I am struck by the fact that I am listening to someone who appears to believe that Government do not work very well, and that business always knows better than Government. Indeed, he has set out to prove that by bringing to us a Bill that does not even contain its most contentious element. I am very concerned about the Sunday trading legislation, both because the Government are heading in the wrong direction and because this is a really important democratic matter.

The hon. Member for Enfield, Southgate (Mr Burrowes)—he has not been with us today—is very passionately against any extension of Sunday trading. Having read all the briefings and the Bill, he may very well walk into the Lobby at 7 o'clock in support of the Bill, without realising that he is actually supporting an extension of Sunday trading, as he would have heard had he been in the Chamber. He may very well be contacted by people who had previously been in touch with him, saying, "Why did you vote for Sunday trading?" He would reply that he did not know that he was doing so. How the Government are dealing with Sunday trading is an important democratic matter.

Melanie Onn: Does my hon. Friend agree that the current Sunday trading laws represent a great British compromise? They allow retailers to trade, customers to shop and staff to work, while Sunday remains a special day, permitting shop workers to spend time with their family.

Toby Perkins: I absolutely agree. We had long and very passionate debates about that during the last Parliament, particularly in the run-up to the Olympics, when the Government made what they said at the time was a short-term change to the Sunday trading legislation.

I have an interest in this matter in that my son works at Morrisons and is often there on a Sunday. One thing that will happen—I have had very few representations in favour of this—is that the supermarkets, finding that the others are opening, will have to start to open. That will not add any extra business, but it will extend or spread out the shopping week. It will mean that people have to work very late on Sundays, and people wanting to work during the week will find there are fewer shifts available during the week. No more business will be created; it will just be spread over a longer period. The period after 4 o'clock on a Sunday is vital to the convenience store sector, which is under incredible pressure.

Andrew Griffiths: I am listening carefully to the hon. Gentleman and I understand his concerns, but why does he think that the workers in Sainsbury's and Tesco deserve to have their Sundays protected as special, but not the workers in Sainsbury's Local or Tesco Express? They work for the same business, but one set of workers gets protection and the other does not.

Toby Perkins: The hon. Gentleman asks a legitimate question. All of those questions were debated at the time of the original legislation. As my hon. Friend the Member for Great Grimsby (Melanie Onn) said, a compromise was reached. The existing compromise is vital for the convenience store sector. The number employed in large Tesco, Morrisons or Sainsbury's stores far outweighs the number employed in those other stores. I will not say anything more about that matter, but the exchange between the hon. Member for Strangford (Jim Shannon) and the Secretary of State entirely exposes the fact that many people do not entirely understand what they are being asked to vote for today.

I come to this subject as someone who ran his own small business for five and half years before entering this place and who spent the previous 20 years working in a range of medium-sized businesses—I was once a human being. I have also had the opportunity, as a shadow Business Minister, to debate many of the issues.

I was struck by what the hon. Member for Derby North (Amanda Solloway) said about the impact of late payments on small businesses in particular. Late payments beget late payments: when someone receives payments late from their customers, they end up being late payers to their suppliers, and so it goes on. She is absolutely right to say that action needs to be taken. She may want to research the amendments that we tabled to the Small Business, Enterprise and Employment Bill during the last Parliament. Those were far more powerful proposals, and I may encourage my Front-Bench colleagues to dust them off and have another look at them. Those serious legislative proposals would have outlawed late payment and removed the incentive for late payment.

When discussing late payments, we must understand why they exist. Payments are made late because businesses like to keep the money in their account for the purposes of cash flow. There will be an opportunity for a small business to go off to the commissioner and report their customer, but in the course of that process the big

[Toby Perkins]

company may well have paid the small business. That will not get the small business paid any quicker; it just puts in place a bureaucratic process. The idea of a small business commissioner in itself is not a bad one—it may well deal with some of the disputes between suppliers—but the idea that it is the solution to late payments is entirely wrong. It will make very little difference to whether or not companies are paid late.

The hon. Member for Burton (Andrew Griffiths) spoke about major companies that are setting out with purchasing terms of 90 or 180 days. They are paying after 90 days and they are not even late. The Government may say that, if companies do not pay within 60 days, they cannot be classified as a prompt payer under the prompt payment code, but these are relatively small measures. They do not provide legislative protection against major firms in the way that the amendment I proposed in the last Parliament would have done. I urge the Government and all members of the Bill Committee to look at how we can strengthen the proposals, because this is a matter of real importance.

It always strikes me that the Secretary of State believes all regulation to be a bad thing. Recently, I met the UK Weighing Federation, which had a reception in Parliament. It said that the lack of policing of the regulations in the weighing industry leaves the UK market open to cheap foreign imports that are not compliant and that undercut good-quality British manufacturing.

I agree with my right hon. Friend the Member for Don Valley (Caroline Flint) that we do not want unnecessary burdens, but we do want a regulatory regime that protects not only the consumer, but British businesses that are doing things in the right way. A similar case was made by NAPIT recently in respect of the electrical competent persons register and the lack of policing of building regulations.

Part 7 includes measures on the pubs code. I was pleased to hear the Secretary of State say today that the Government have listened and learned from the discussions in another place, and that the four triggers that were originally put in place when the legislation passed in that famous defeat of the Government in the last Parliament will be retained in the pubs code. It is incredibly important that the code continues to operate in that way.

It is important to remind Members who were not here in the last Parliament why we decided to legislate for the pubs industry in a unique way; we have not used that for any other industry. There was a simple unfairness in the relationship between the major pub companies, with all the power they had, and the small individuals who owned a single pub, who often put their life savings into it, only to find that the information that they had going into the relationship was very misleading. As a result, those people often found that they were not in a position to get the deal that they thought they were signing up to. It was incredibly important that we came up with an arrangement where they had the opportunity, at certain trigger points, to say, “I don’t think this relationship is working for me. I’d like to take my chances on the open market and buy beers from wherever I can.”

Greg Mulholland (Leeds North West) (LD): Is the hon. Gentleman concerned that pubcos are misrepresenting their investments and seeking, via that loophole, to game the legislation and avoid the market rent-only option?

Toby Perkins: I am very concerned about that and I think that we need to inspect it. We want to encourage investment into the industry, but it is wrong if publicans are being told that an investment that was basically just to tidy the place up means that they no longer have the MRO option.

In summary, the Bill will do very little harm but will not do anything like the amount of good it could do. We have an opportunity to make it a Bill that is transformational for small businesses by ending the scourge of late payments, having a regulatory framework that really supports British businesses, and ensuring that publicans are supported and that small businesses have a fair opportunity to compete. At the moment, the Government are missing that opportunity. I hope that they put that right.

Several hon. Members *rose*—

Mr Speaker: I am afraid that the time limit for Back-Bench speeches has to be reduced to six minutes, with immediate effect.

5.8 pm

Edward Argar (Charnwood) (Con): The Bill contains a wide range of specific provisions that are diverse in their detail but united by a common thread: a belief in business, particularly small and medium-sized businesses, as the driver of growth and jobs, and a determination to support businesses and make this country the best place in Europe to start and grow a business. Indeed, there is a determination to make this country a place where those who strive and work hard have the opportunity to flourish—something that the Minister for Small Business, Industry and Enterprise is very committed to.

The past five years have seen the deficit halve, the number of jobs go up and growth go up. The economic recovery in this country has been driven by businesses and workers, and by those who have taken the brave decision to set up a new business. We should be in no doubt that businesses have done the heavy lifting of economic recovery, and it is they, not the Government, that have delivered growth. However, the legislative and regulatory environment plays a large role in their ability to do so, which is why I welcome the intent and content of the Bill. Before my election to this House I worked in businesses that ranged from small privately owned firms to FTSE-listed companies, so this is a subject close to my heart.

On the specifics of the Bill, I welcome the establishment of a small business commissioner. I know that in the other place some called for that role to be strengthened, and I agree with the comments of my hon. Friend the Member for Huntingdon (Mr Djanogly). None the less, I believe that the proposal represents a significant and important step forward in helping to redress the balance between small and large businesses in respect of late payment. As my hon. Friend the Member for Derby North (Amanda Solloway) set out, to a small business late payments are not some minor matter because they can have a huge effect on cash flow. A large business may be able to absorb late payments or use their lawyers to pursue payment, but for a small business it can be the difference between that company’s survival or collapse. I hope that further consideration will be given to the role of small business commissioner, and to extending its scope to include the public sector and possibly late

repayments by HMRC. Although HMRC is keen to be paid swiftly, it often repays rather less quickly. Similarly, the prompt payment code continues to play an important role, and I hope that its effectiveness will continue to be monitored and reinforced.

Another sphere in which late payments can be a problem is late insurance pay-outs. Following a flood, fire or similar event, getting a swift insurance pay-out can mean the difference between a business rising, phoenix-like, from the ashes, or not rising at all. Although concerns were raised by Lord Flight about the impact of the Bill's provisions on insurance markets, I welcome them. I hope, however—like all of us, I am sure—that insurers will seek to pay promptly, regardless of any legislative stick.

In my remaining minutes, I wish to touch briefly on other aspects of the Bill. First, this Government have an impressive record of increased apprentice numbers, and an ambitious but achievable target of many more. Apprenticeships are real jobs that teach real skills and help the long-term employment prospects of many people, and I believe that the public sector should play its part and welcome the skills of those talented young people. It is vital that apprenticeships do what they say on the tin, and that they are genuine apprenticeships in which everyone can have confidence. Like guilds in the middle ages and the original apprenticeships, the Bill seeks to protect that quality and the apprenticeship brand, which I welcome.

Finally, part 7 of the Bill increases the maximum amount of aid payable before parliamentary authorisation is needed from £10 million to £30 million, which is a sensible reflection of inflation and cost since the 1980s. I also welcome the extension of the provision to include broadband services. Broadband is increasingly a vital public service, and it is essential to businesses, especially SMEs in rural areas and places such as my constituency. I hope that such support ensures that a good deal is achieved for the customer and not just for telecommunication companies, and that public money does not inadvertently create or reinforce market share or quasi-monopolistic provision by particular telecoms providers, but instead fosters competition and drives a customer-focused service. That means not just coverage, but new firms being connected swiftly and not facing myriad delays, obstructions and a poor service when getting themselves up and running.

Britain is growing and jobs are increasing, and that success is down to the work of businesses and those who work in them in this country. I am proud to support a Government and Minister who are placing trust in business, and the creation of conditions in which it can thrive, at the heart of the Government's agenda. The Bill helps to deliver that and should be welcomed by businesses and workers alike, and indeed by all Members of the House.

5.14 pm

Louise Haigh (Sheffield, Heeley) (Lab): This debate is vital for our economy, particularly if the Government are ever to put any meat on the bones of the so-called northern powerhouse. In a week when jobs have been moved from Sheffield to central London, and amid rumours that the chief executive of Tech North has resigned because of attempts by Whitehall to centralise that company in London, Ministers should be increasingly worried about how they can justify such a lofty term.

The missed opportunities the Bill represents have been admirably expressed by hon. Members and by those in the other place, whether on improving finance to SMEs, a broadened scope and sharper teeth for a small business commissioner, or some real vision for our renewables industry rather than a further undermining of investor confidence and security.

The focus of my remarks today will be on the cap for exit payments for civil servants. Labour Members are all for the best possible use of taxpayers' money. We are well aware that the headlines that disguise the real impact of the measures—to clamp down on pay-outs for so-called fat cat civil servants—will be very appealing, particularly at a time when so many people are still struggling. The Government know all too well, however, that that is not the whole tale.

On the face of it, this is a wholly reasonable policy. There are, however, several issues relating to employer flexibility, the public purse, people suffering from ill health, whistleblowers and staff morale at a time of huge change. I hope they can be ironed out in Committee. The proposals come at a time when we are about to see changes to the rules on recovery of exit payments and a consultation on reducing redundancy terms across the civil service. The latest proposals unilaterally override recently revised terms and conditions, and undermine agreements made at the highest levels of the Government's own employer representative organisations.

The recent exit payment policy for the NHS was signed off by the Secretary of State in February last year, when NHS trade unions entered into an agreement with NHS Employers and the Department of Health to apply an absolute cap on exit payments. After extensive negotiations, it was agreed that section 16 redundancy payments would be set out by a formula that recognises length of service as its key element. This was implemented in only April last year and is on the back of Lord Maude telling civil servants in the previous Parliament that their settlements would be sustainable for a generation. We know from the Government's own survey work that morale in the civil service is at an all-time low, with workers feeling year on year that they do not trust their leadership. Is that any wonder, when the rug is constantly being pulled from under their feet?

Toby Perkins: My hon. Friend is making an incredibly important case. Does she agree that there is a bitter irony in a Secretary of State, who obviously does not believe in government, spending £200,000 on employing consultants to come up to the northern powerhouse, shut the Sheffield office and move all the jobs down to London?

Louise Haigh: I completely agree. That point was made forcibly in the urgent question last Friday. Department for Business, Innovation and Skills workers were watching and were horrified by the Minister's response to that question. It is not understandable that those people should be concerned that their jobs are only secure for the time being, until the Government can force through weakened redundancy terms? Given the announcement last week, people across the civil service will understandably be further concerned.

On the specific issues, people who have given long service to the public sector—midwives, nurses, librarians, social workers; people whom we, on either side of the

[*Louise Haigh*]

House, could not describe as fat cats—have dedicated their lives to improving society. Is the Minister comfortable that these incredible workers will be impacted by the cap on exit payments? Why, when this policy was proposed last year by the Minister for Employment, the right hon. Member for Witham (Priti Patel), were people earning less than £27,000 explicitly exempted to

“protect the very small number of low earning, long-serving public servants”?

Christian Matheson (City of Chester) (Lab): Does my hon. Friend share my concern that, on the one hand, the Government are always ready to praise the work and contribution of public sector workers, in particular at the lower end of the scale, but that, on the other, it seems they are not ready to recognise that financially when those workers come to the end of their careers and face the difficult decisions that have to be taken by management?

Louise Haigh: Exactly. That is a really important point, given that this is a clear U-turn in Government policy following the announcement last year. There is absolutely no such exemption in the Bill. In the NHS, for example, even without the inclusion of pension strain payments, according to research by the union Unison, the proposed cap will affect nurses, midwives and paramedics with long service. These issues were the subject of very high level negotiations, where a higher level cap was set to mitigate against penalising long service in key front-line services. For this reason, will the Minister consider exempting people with salaries on or below average earnings?

On industrial relations, the exit payment cap will be implemented across a range of public service areas that already have fair, transparent and effective procedures in place which arise from collective agreements negotiated between employers and trade unions that are sensitive to the specific issues facing each sector. If we have anything to learn from the junior doctors’ action, it is that good industrial relations are vital and that we should not legislate haphazardly to weaken terms and conditions.

The Secretary of State said we should move away from the “Whitehall knows best” attitude—I could not agree more—but the Bill weakens that ambition by imposing an arbitrary cap across the civil service on exit payments and by restricting the freedom and flexibility that employers require to manage restructuring and redundancies effectively, at a time when public sector employers require it most. The public sector is in the middle of its most dramatic budget cuts in decades, and employers are having to restructure almost every aspect of public services to meet their new budgetary constraints. In moving the goalposts in the middle of an extended period of large-scale reorganisation, without an initial period of protection, particularly for staff over 50, the Government are further limiting the opportunity for employers fairly to reconsider strategic and operational decisions made in previous reorganisations and planned to be effected in stages on the assumption that current agreements and policies would apply. Will the Minister therefore consider a grace period for public sector employers undergoing reorganisation?

On the public purse, the Government seek to justify the cap solely on the basis of the cost of payments to staff in the public sector between 2011 and 2014. This is the only evidence provided in their consultation, but it fails to recognise that, during the same period, employment in the civil service fell by 107,350, under the current civil service compensation scheme arrangements. No evidence is provided to demonstrate that the cap will deliver value-for-money savings, as changes in the compensation payments naturally affect the number of staff willing to exit the public sector, which might engender higher costs elsewhere.

As for the coalition Government’s early conciliation scheme, which has actually worked quite well, the proposals could have a perverse impact by diverting people to tribunals, where settlements will not be capped, and avoiding settlements at this optimal stage. Ministers should therefore consider exempting such conciliation payments from the cap.

Finally, two more important exceptions should be considered: first, whistleblowers, and secondly, people retiring on ill-health grounds. Whistleblowing is a vital part of our democracy, and capping settlements in such cases could easily deter people from blowing the whistle, given that this often puts their livelihoods and reputations at risk. The Government have made clear their intention not to include those retiring on ill-health grounds and that this will be put in secondary legislation, so will the Minister take this opportunity to make it clear that this is the case and that such people will be explicitly exempted?

5.22 pm

David Mackintosh (Northampton South) (Con): I believe that, thanks to the Bill, small businesses will be able to achieve their goals. We are removing red tape and implementing policies that will let them get on with running their businesses and helping to grow our economy further, on both a national and, equally importantly, a local scale. I am sure that all colleagues would welcome that.

In my constituency, it is possible to see how enterprise has been able to flourish in recent years. Since 2010, some 5,800 new apprenticeships have been created, thanks to the Government’s long-term economic plan—that means over 5,000 more young people in my area in work and learning valuable skills that will help them to pursue a full-time career and get on in life. Every apprentice I have met when I have visited businesses in my constituency has been positive about the experience and their future plans. It is crucial, therefore, that the Government meet their goal of delivering 3 million apprenticeships and continue the great progress being made in constituencies such as mine.

Apprenticeships are crucial to allowing young people a valuable insight into industry and teaching them many valuable skills they could not have picked up in the classroom. We all acknowledge that university or college is not for everyone. Apprenticeships allow everyone an equal opportunity to enter the workplace. I saw just last week on a visit to the Royal Opera House in Covent Garden how important apprenticeships were to the performing arts industry. From set designers to costume makers and stage managers, apprentices are crucial to passing down knowledge from one generation to the next. Those skills benefit other industries, as apprentices

go on to work in other areas, such as fashion design, and secure the survival of the creative industries. I am sure that the award-winning theatre in my constituency, the Royal and Derngate, will also benefit.

For that reason, I fully support the Bill and its aim of protecting the term “apprenticeship” from misuse, so that it will be treated in the same way as a traditional university degree. I am sure there can be nothing more frustrating for students than to learn that an opportunity labelled as an apprenticeship is not quite the real thing, when they have tried hard to be accepted on the programme and then put in so many hours. This is a move that I hope will be welcomed across the House—one that will ensure that apprenticeships are here to stay. I hope this means that they are now respected as much as a degree is—they rightly deserve to be.

There is some debate in my constituency on the issue of Sunday trading, but I fully support the measures that would let this be decided at local level. I support, too, the debate that would have to take place before my council could make any decision.

In a recent Centre for Cities report, Northampton was named the second-best place in the country, after London, for business start-ups. This is obviously great news and an amazing achievement by small businesses in Northampton. In the same period for 2013 and 2014, Northampton had the highest average increase in the number of businesses, at 9.9%, while it also had the UK’s second-highest rate of employment, at 78.6%.

I am pleased to have lobbied the Government for Northampton to receive an enterprise zone, which has played a vital role in the regeneration of the town, providing good-quality jobs and attracting high-calibre companies to Northampton. There are huge opportunities for businesses to grow there and to embrace the entrepreneurial spirit for which Northampton is rapidly becoming known. I know that this Bill will help the town’s businesses to continue to develop, and I know that its measures will be welcomed in my constituency and across the country.

5.26 pm

Greg Mulholland (Leeds North West) (LD): I share the view of other right hon. and hon. Members that this is a hotchpotch of a Bill that rather loses the focus on what it claims to be about in its title. In the limited time available, I shall rattle through a few key issues and spend a little time on the section that deals with pubs.

Let us remember that the Green Investment Bank has been a huge success. This bank, which was a direct result of Liberal Democrat policy, has invested £2.3 billion into the UK green economy, which then attracted a further £7 billion of private sector money. This means that it is already profitable. Considering that it was set up only in 2013 with a statutory purpose, the fact that it is being privatised now with such indecent haste really exposes the ideological decision making behind this rather than what the Green Investment Bank was set up to do. I pay tribute to my colleague in the other place, Lord Teverson, and congratulate him and other colleagues on inserting their clever initiative on special shares being looked after by green guardians. I ask Ministers to think about what message is being sent out by this Government’s record on hitting our climate change targets.

Small businesses are the driving force of our economy. There are 5.4 million private sector businesses and 99.3% of them are classified as small. However, there are not enough measures in the Bill, which is an opportunity wasted. I welcome the creation of the small business commissioner. It is vital for small businesses to have a champion with a statutory footing, but the reality is, unfortunately, that this commissioner has no teeth. Any recommendations for resolving complaints will not be legally binding. We believe that the commission should have real sanctions, particularly over late payments, where repeat complaints against the same larger companies should result in state-level sanctions or penalties.

There are a number of measures to widen the responsibilities of regulators and to ensure that decisions do not impact negatively on small businesses. Clearly, that is welcome, but the measures will have little real impact. Has any assessment been made of whether this will lead to a significant boost for small businesses, which is what we want to see? We also want to see greater use of the growth duty.

Apprenticeships, of course, were yet another Liberal Democrat flagship policy during the coalition Government. Conservative Members keep talking about “the Government” over the last five and a half years, but that is simply not honest. It was the Liberal Democrats who pushed the apprenticeship agenda, and it was the former Business Secretary Vince Cable who oversaw that policy and the creation of 2.4 million apprenticeships. We warmly welcome the decision to make it an offence to describe a programme as an apprenticeship scheme when it is not officially classified as one.

Late payment is clearly a huge issue for small businesses. In 2014 alone, £46.1 billion was owed in late payments, and that simply cannot continue. We need stronger measures to deal with it.

I agree with what has been said about public sector exit payments, but I should like to hear from the Minister why, given that local government workers, teachers, health workers, police officers and fire and rescue workers are included in the cap provisions, public financial institutions have been excluded. Fred Goodwin, former chief executive officer of the Royal Bank of Scotland, reportedly receives an annual pension of £342,500. The public will surely demand that banks that have been bailed out should be the first to be subjected to the cap.

In the limited time that remains to me, I want to say something about pubs. I declare an interest as chair of the British Pub Confederation. The confederation gives a new voice to pubs and publicans and enables them to stand up to the British Beer and Pub Association, which represents the interests of the pubcos. Its members include the Federation of Small Businesses and the Forum of Private Business, the two leading small business organisations. We warmly welcomed today’s announcement of a U-turn on the disgraceful clause 8.12 of the draft pubs code, which will not now go ahead. It should never have been there in the first place, and where it came from we can only surmise, but I think that it must have originated from pubcos or their supporters.

What concerns us most now is the current proposal for the pubs code to allow a waiver for investments before someone signs up to a tenancy. That would clearly enable the pubcos to game the position.

Toby Perkins: There is talk of substantial investment, but a substantial level of investment by a city-centre pub will be far greater than a substantial level of investment by a small pub on a street corner. Is it clear what the Government mean by substantial investment?

Greg Mulholland: It is not clear, and I do not believe that there is sufficient understanding of the reality of pub investment. I suggest that Ministers in the Department and other Members read an excellent article in *The Publican's Morning Advertiser* by Robert Sayles, published on 6 January 2015, which exposes part of the myth that has been created by pubcos and their supporters. For instance, in 2015 Enterprise Inns invested £66 million—which sounds a lot, but only amounts to £13,200 per pub across the estate—and, interestingly, made a loss of £66 million at the same time, which it can offset against tax. Who is really investing in its pubs?

BIS has said that it will look at ways of preventing the pubcos from gaming the position. However, I want to deal with another myth. The last Conservative Government were right to introduce the Beer Orders in order to bring about competition. The fact that they gave way to industry lobbying and provided a loophole to allow the creation of the stand-alone pub companies was the problem, not the Beer Orders themselves. The Government must not do the same thing again. We must have a market rent only option that is triggered in the way that was intended in the legislation, and there must be no opportunities for the pubcos to game that, including abuses of the investment waiver. I look forward to continuing to work with the Minister and her team to deliver that.

5.33 pm

Amanda Milling (Cannock Chase) (Con): I am incredibly grateful for the opportunity to speak, and to speak after fellow members of the Business, Innovation and Skills Committee. I shall focus on clauses 20 and 21 in part 4, both of which relate to apprenticeships.

Addressing the skills gap is a key component in improving our productivity, and it is an issue that is regularly raised by businesses in my constituency. The Government's target of 3 million apprenticeships in England by 2020 is a key policy, demonstrating their commitment to addressing that gap. It is right for our young people, our workforce, our businesses and the economy. While university is the right choice for some young people, apprenticeships will suit others better, and it is time we recognised that.

If we are to achieve the overall 3 million target, all employers in both the public and the private sector must play their part. While there are examples where public sector organisations are already employing apprentices, such as in my local fire service in Cannock Chase, the measures set out in clause 20 will set targets on the public sector to ensure that they all fulfil their duty.

For too long there has been inequality between degrees and apprenticeships. This is why I welcome the measures set out in clause 21 to protect the term “apprenticeship” and ensure only those courses that meet the statutory requirements can be described as an apprenticeship. The term “degree” is protected in legislation so it is absolutely right that the term “apprenticeship” is put on an equal footing and protected too.

To achieve our 3 million target we must engage young people, parents, schools and employers. To reach this figure, we must increase awareness and understanding of apprenticeships, and also, critically, ensure that they are valued. The measures in clause 21 will strengthen and protect the apprenticeship brand and provide the foundations for increasing awareness and understanding, and enhance their value.

I was particularly pleased to hear the Secretary of State for Education's announcement last week that will require schools to give access to apprenticeship providers and colleges to create a level playing field in terms of academic and vocational career options. To date, there has been an imbalance, and little incentive for schools to direct young people towards apprenticeships. In my experience, the best advocates are more often than not the apprentices themselves.

I ask the Minister, however, what other measures are being taken to promote apprenticeships. Exports are another Government priority and they are being promoted through the “Exporting is GREAT” campaign. May I suggest that we enter into a similar high-profile campaign to promote apprenticeships? I ask the Minister to update the House on whether such plans are being considered.

Simon Hoare (North Dorset) (Con): My hon. Friend mentioned schools, and does she agree that it might be helpful for Ofsted, when it inspects schools, to ascertain how many pupils have been put on to apprenticeship schemes as part of how it measures a school's success or failure? That could be a driver to encourage schools to engage more proactively with the apprenticeship scheme.

Amanda Milling: I agree that we need to do more, and there is a role for Ofsted in that, by promoting apprenticeships in schools.

I would like to draw the House's attention to a number of facts which I believe go to show the value of an apprenticeship. Some 96% of businesses which have taken on an apprentice believe their company has benefited, and 86% of those who did an apprenticeship stayed in work afterwards, 67% with the same employer. We should contrast that with data that show that 47% of recent graduates who were in employment in 2014 were in “non-graduate roles.” A report published by the Sutton Trust in October 2015 suggested that the earning potential of the best apprenticeships rivals that of degrees. For example, level 5 apprenticeships result in greater lifetime earnings than undergraduate degrees from non-Russell Group universities.

I realise that in reality the majority of apprenticeships are currently level 2, but I am concerned that some of the commentary regarding level 2 can be quite negative, which, in my view, is rather dangerous. Level 2 apprenticeships give young people the opportunity to develop their skills and are a gateway to advancing on to higher levels. If we are not careful, we may create a two-tier apprenticeship system, replicating the very problem we have faced and are trying to address in terms of the inequality of qualifications. I therefore ask the Minister what measures we are taking to encourage level 2 apprentices to go on to level 3 and beyond.

To conclude, I welcome clauses 20 and 21 and believe they will provide the foundations to build awareness and understanding of apprenticeships and also to build their perceived value.

5.39 pm

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in the debate. I would like first to express my concern over the redundancy payments. Other Members have already done so, and I know that the Minister has taken note of their comments. I have been contacted by constituents who are civil servants, and they are greatly concerned that the commitment they were given on the capping of mobile exit payments has now, as they see it, been reneged on. Some of the employees that this will target earn less than £30,000 a year.

I welcome the Government's commitment on apprentices. It is excellent to see that, but the Bill reminds me of the curate's egg, in that it is good in parts. Unfortunately, not all its parts are good and some of its proposals are quite unpalatable. However, we are pleased with the Government's commitment on apprentices. I also want to see more young ladies and girls getting involved in the science, technology, engineering and maths—STEM—industries, and particularly in engineering, which has some fantastic opportunities in Northern Ireland. We want to encourage that participation as well.

I commend the Minister for the strong stance that she took in the debate in Westminster Hall last week on late payments by big stores to small businesses and their suppliers. She will know that a lot of those payments are delayed, and that there have also been delays in the invoicing of receipts. The groceries ombudsman took the decision to penalise Tesco stores in particular, although it was unfortunate that they were unable to enforce a fine because of the timescale involved. However, the Minister clearly stated that she was pleased to see that decision, and we as MPs are also pleased by it. I commend her for her strong stance on that issue.

It will come as no surprise to hon. Members that I am about to raise the matter of the impact of the Government's changes to the rules on Sunday shop opening. I want to talk about the effect that the changes could have on the staff who work in those shops. The Minister will know my stance on this issue. Pressure to make the changes will be placed on shops, mostly smaller ones, across the whole of the United Kingdom. I understand that this measure is England and Wales-oriented, but there will be an impact on the way in which the regional devolved Assemblies view the matter. There will be pressure from the big stores to ensure that the changes in Sunday opening also happen in those regions where this is a devolved matter.

The claim that the changes will help small businesses is simply not correct. Many people feel that extending the hours will simply mean an influx of shoppers to the big chain stores, with the small shops suffering as a result. Earlier in the debate, the Secretary of State mentioned the pluses for small businesses, but I am not convinced by his argument. Indeed, many Members here today and many people outside this Chamber are unconvinced. Let us look at the evidence. I remember asking a question about this when the hours were relaxed during the London 2012 Olympics, and I was told that the smaller shops had felt little difference.

In fact, many of them lost money. Let us look at the facts. They had to pay staff to work extra hours but they did not generate enough extra business.

In an earlier intervention on the Minister, I mentioned that polling conducted by Populus in September 2015 had found that more than two thirds of the general public supported leaving the existing Sunday trading hours alone. In other words, don't change them! There is no need to change them, and people do not want them to be changed. They want them to stay as they are. The same poll revealed that 91% of shop workers were against extending Sunday trading hours. Allowing large shops to open for longer hours will lead to a displacement of trade from the smaller stores.

Victoria Borwick (Kensington) (Con): Is the hon. Gentleman aware that staff in many garden centres across the country are already working longer hours because they go in to feed the animals? So for some shops, more flexibility around opening on Sundays would be beneficial. I have been asked to make this representation on behalf of garden centres.

Jim Shannon: I am sure the hon. Lady knows we may have a different opinion on this matter, but I understand her point and accept that. She has put her point clearly to the Minister and I appreciate the intervention.

It has been stated that convenience stores lost some £26 million in trade during the Olympics, when Sunday trading rules were abandoned for eight weeks, although many Members in the House asked questions at that time to ensure that things would not go the wrong way. Only large traders would benefit from this move and no matter how the Government put it, the change to allow local authorities to do their own thing will lead to unfair competition, angst among some of the workers and a mishmash of Sunday trading laws. The Government have indicated that this will be introduced on Report, but let me make a final quick point on devolution to councils. Let us imagine that Manchester's council changes the Sunday opening hours but Liverpool's does not, that Burnley's does but Blackburn's decides not to, that Bournemouth's changes but Portsmouth's says, "No, we are not going to do it" and that Darlington changes but Newcastle does not—how ludicrous is that? What a mishmash, dog's dinner of Sunday opening hours there would be across the United Kingdom. There would be no consistency—it would just be everyone for themselves.

Kit Malthouse (North West Hampshire) (Con): Does the hon. Gentleman accept that it is for businesses to decide whether they open on Sunday, so it is perfectly possible to have that mismatch already when business owners make that decision for themselves?

Jim Shannon: I thank the hon. Gentleman for the intervention, but we disagree on the matter—he probably knew that before he got to his feet.

Let me just say this: don't ignore 66% of the general public and 91% of the workers who say they do not want change. Whether you like or not, those are the facts and they have to be considered. On behalf of those with strong religious beliefs who want to keep Sunday special, those who have concerns about their family time being shattered and altered forever, and shop workers, whose opinions are being ignored, let me

[Jim Shannon]

say gently to the Government that many Conservative Members are not happy with these changes either. It is not for me to say, because Ministers know their Members better than I do, but I am aware of a certain number who could be the difference between this legislation going through or not. I respectfully suggest to the Government that when we look at this on Report they should consider the hon. Members for Congleton (Fiona Bruce) and for Enfield, Southgate (Mr Burrowes), who are not in their places, and many other Conservative Members who have concerns. I believe that if the Government pursue this legislative change on shop opening hours, there is every possibility of them being defeated. They should consider this legislation carefully before they go forward with it. Let us keep Sunday special. They should not ignore the general public and they should not ignore their workers.

5.47 pm

Neil Carmichael (Stroud) (Con): I am grateful to be called to speak at this time, Mr Speaker. This is a good Bill, because any Bill dealing with enterprise should be removing shackles and this one does so, to a large extent. I therefore welcome it, but some aspects need to be discussed in more detail, one of which is the small business commissioner. I welcome that role, because some small businesses in my constituency complain frequently about payment problems and this allows me to reassure them and, in particular, the Federation of Small Businesses, that meaningful action has been taken. The Bill says that the commissioner will be giving out advice, and that is a good thing. I am not sure about the scope of this “advice”, but it has to include encouraging small businesses to grow and advice on how that growth might take place. This should be within the context of an interesting speech made by Andy Haldane, the chief economist at the Bank of England, who has noted that we need to ensure that firms think about long-term planning and strategic investment, rather than just exit routes, dividend payments and so forth. The Government should be thinking about how this commissioner might start moving firms in that direction.

Let me pick up a point made by my fellow Select Committee Chair, the hon. Member for Hartlepool (Mr Wright), who compared this commissioner’s role with that of the Small Business Administration in America. That is a worthy comparison to make and we should be thinking about it. We need more long-term planning and more strategic investment, potentially encouraged by some form of advice through the small business commissioner, in line with the Bank of England’s thinking.

The second question we should be considering is that of apprenticeships. It is absolutely right that an apprenticeship should be saluted and should be a cast-iron position. We must ensure that all 3 million apprenticeships that we hope to have in the course of this Parliament have a quality hallmark beneath their name and are successful. That is imperative. As for the institute that will be created, which should be up and running in April 2017, we should ensure that it has the capacity to ensure that the apprenticeships are of cast-iron quality. I hope that the Minister will be able to tell us that that is the case. Although it will be an arm’s length institution, it should not lose sight of other organisations in the world of education. We must ensure that we think not

simply about universities and apprenticeships but about everything else that forms part of the process. It is all interlinked. I must put in a shout for the further education colleges, because they have an important role and we must ensure that that continues.

Mrs Flick Drummond (Portsmouth South) (Con) *rose*—

Stephen Kinnock (Aberavon) (Lab) *rose*—

Neil Carmichael: No, I cannot give way, as I am already pressed for time. I apologise.

We need to emphasise the importance of technical and professional apprenticeships. That is what we should be calling them. Everyone has a vocation—I have a vocation, a shopkeeper has a vocation—but the question is what we are doing about technical and professional apprenticeships. Some reassurance on that front from the Government would be helpful and encouraging.

Let me make one last point about the UK Green Investment Bank. In the last Parliament, the Environmental Audit Committee did some work welcoming the GIB but said that it needed to be able to raise capital. If the Bill moves the bank in the direction in which the Government want it to go, that will happen. An added advantage is that it will not be hampered by EU state aid rules, and that will be a great benefit for the future. We must ensure that it sticks to being green, being investment-oriented and being a bank. I am making a serious point, as those three things could all be at risk. We do not want to end up with the GIB as some kind of fund or something else that is not in its original job description. In short, the bank should be a driver for more green investment. We need to see some coverage for the changes to energy, for example, that have led some firms to think that the subsidy has been reduced a bit too quickly. I do not agree, but we need to demonstrate some commitment to investment in technology in how the GIB will deliver.

On the subject of the small business commissioner, I absolutely welcome the focus on late payments, but we must think of a way of making our small businesses feel easy about wanting to grow and to feel successful in that growth process. Ultimately, that will deliver more exports, higher pay and more job opportunities. As for apprenticeships, it is important to ensure that they stand up to scrutiny and have value. The institute will have a role to play in that process. In short, this Bill is a further step in rebalancing the economy towards enterprise, technical development, production, output and exports.

5.53 pm

Alan Brown (Kilmarnock and Loudoun) (SNP): As other SNP Members have said, the Bill is a typical Government effort. It claims to be ambitious, but does not do enough. It has too much of a scattergun approach and includes too many subjects, although it does allow the Tories to squeeze in old favourites, including privatisation and attacks on public sector workers.

Let me start with the Green Investment Bank—another supposed Better Together demonstration of the merits of Scotland’s staying in the UK, given the decision to site the bank in Edinburgh. Here we are a few years down the line, and it looks like that might go the way of the onshore renewables subsidies, which were also originally

provided on the UK Government's so-called broad shoulders. It beggars belief that a publicly owned green initiative should be deemed suitable for sell-off and privatisation. We therefore need to know what the Government's commitments are to environmentally beneficial projects and specifically to Edinburgh.

On public sector payments, I have been contacted by constituents who want me to oppose part 8. Those hard-working public sector workers see it as yet another attack on their terms and conditions. We have heard about fat cats, but I can almost bet that the so-called civil servant fat cats will be the ones who get the waivers and their big lump sums. Meanwhile, lower-paid public sector workers with long service will get no waivers, and their lump sums will be limited.

We have heard a lot recently about the Women Against State Pension Inequality campaign and women who took early retirement and who are now struggling to get back into the workplace and struggling financially. That demonstrates that we should not limit people's choices. Some women have just discovered that they need to work six years longer. They will be looking at the options, and at whether they can take early retirement and leave the workplace. The caps in the Bill could affect their choices.

Chris Stephens: My hon. Friend is emphasising the discrimination that could come from the exit payments. Does he agree with me and with trade unions such as Unison and the Public and Commercial Services Union that, before these changes are implemented, an equality impact assessment should be carried out?

Alan Brown: I fully agree with my hon. Friend. The Lords asked for an impact assessment to be undertaken, but that has not happened, so I hope the Minister will take note of that.

To finish on the public sector payment cap, what we need is good governance, not Whitehall-imposed caps. We heard earlier that this is all about devolving power to local government, and this issue is an example of where we could follow that through, rather than allowing Westminster to hit care workers, teachers, nurses and emergency workers.

Let me turn to an issue that other Members have raised: prompt payments and their effect on small businesses. Once again, I would suggest that the UK Government could take a lead from the Scottish Government. The Scottish Government have commissioned a review on public sector procurement in the construction industry, where cash flow can be a major issue.

I am a civil engineer, so I am well aware of the problems late payments can cause, particularly when companies have to make large outlays on materials as part of a job specification. I have actually been a client and a consultant, so I have been at both ends—I have received begging phone calls from companies that are desperate for money, and I have had to go cap in hand to chase up money that a company needed for its cash flow.

That is why I welcome the Scottish Government's current project bank account trial for public sector procurement projects. Project bank accounts are ring-fenced and underpinned by legal trust status. They allow subcontractors to receive their money at the same time

as contractors, rather than having to wait for it to be channelled through the main contractor, which leads to delays and allows the main contractor to withhold moneys to have leverage over the subcontractor.

Another omission from the Bill, which was raised in the Lords, is cash retentions in the construction industry. For too long, that has been the elephant in the room. The Government have not wanted to talk about it, and that seems to have been the case again today. From my experience in the construction industry, I understand the need for a mechanism to deal with snagging at the end of a project or during the maintenance period. I know how difficult it can be to get a contractor back on site once they have moved on to the next job. Equally, however, no contractor should have to wait years to get their retention money back, because that hits cash flows. The 5% retention money is also often the contractor's profit margin on the job, which shows how important that money is to contractors. With up to £3 billion held in retentions at any one time, and with £40 million lost in 2015 alone due to insolvencies, we can see how important cash retentions are in the construction industry.

The cash-flow problems that can be caused manifest themselves in different ways, such as an inability for companies to bid for other projects because the risk is too high, or borrowing from banks being impeded. Banks do not recognise retentions as a future income because of the uncertainty that goes with the release of retention moneys. That completely impedes companies' ability to invest in training and apprenticeships. That is counter-intuitive considering that, while one section of the Bill is about encouraging apprenticeships, it does not tackle the issue of cash retentions that stops companies taking on apprenticeships. It seems incredible that the Government recognise cash-flow issues in general, yet avoid dealing with retentions being paid years late.

We can also imagine the administration time that is wasted in chasing these retention moneys up. I mentioned main contractors using payments as leverage over subcontractors, and it is absolutely the same for retention moneys. Specialist engineering contractors have correctly observed that a scheme could be implemented without impeding the Government's ongoing review. That review is completely reactive in terms of amendments tabled to the Bill in the Lords, and not proactive. Again, that is indicative of the UK Government's approach.

The suggested model is a retention deposit scheme based on the tenancy deposit scheme. That seems logical, and it would easily align itself with the trial currently being operated by the Scottish Government. A constituent has said to me that he has given up on this issue being addressed in his lifetime. We can deal with it in this Bill.

6.1 pm

Mrs Maria Miller (Basingstoke) (Con): It is a great pleasure to follow the hon. Member for Kilmarnock and Loudoun (Alan Brown). I listened with interest to his points about cash retentions, particularly in relation to the construction industry. We have been looking at the issue in the all-party parliamentary group on the built environment, particularly the fact that such cash retentions do not apply to residential construction and whether that should be considered.

I rise to speak in support of the Bill because the most important thing that we can be doing at this time is talking about enterprise and how we further it. Let us

[Mrs Maria Miller]

all remember, however, that the best people to run British business are businessmen and businesswomen, and that while many of us in this House may well have run businesses ourselves in the past—I was a director of an advertising agency—that is not our role here today. That role, whether as Ministers such as my right hon. Friend the Minister for Small Business, Industry and Enterprise or as parliamentarians, is to make sure that we have the right environment for business to thrive.

The Bill has the credentials to suggest that the Government are doing exactly the right things to make sure that British business is thriving. They have cut corporation tax to 20%, and it is now the lowest in the G20. We have the fastest growing economy in the G7. We are building the sorts of trade links that unfortunately were neglected for too many years before this Government came to power. It is important that we acknowledge this up front, because our role is to make sure that we create the environments for businesses to succeed and that we have a Government who understand how best to do that. Our Government do have a good track record on that, and perhaps that is why we are best placed in Europe in terms of starting businesses or growing new businesses.

I urge the Minister to assure me in her closing remarks that the Government are continuing to work collaboratively not only with local authorities but with our local enterprise partnerships, because through such collaborative work my constituency is now enjoying some of the lowest levels of unemployment we have ever seen. We have secured, with the tenacity of our local enterprise partnership, designation for Basing View as an enterprise zone, with the opportunity to create thousands more new jobs through the sorts of targeted interventions that the Bill sets out. We are working with award-winning organisations such as SETSquared, which is a business accelerator helping, I hope, hundreds of new businesses to come to Basingstoke and—thinking about the comments of the hon. Member for Hartlepool (Mr Wright)—helping more businesses successfully to access finance.

There are two other aspects of the Bill that I want to talk about. The first is the importance of the Bill in supporting an even better environment for businesses to access the right people and the right practices to succeed. I applaud the measure in the Bill to further strengthen apprenticeships, and the commitment by the Government to support more than 3 million new apprenticeships. In my constituency in the past five years we have seen 4,000 people start apprenticeships. That is important because it will help to solve some of the productivity issues that we know we still have to resolve in Britain.

If this ambitious scale of apprenticeships is to be achieved, we need to ensure that the funding of apprenticeships works in the way that Ministers want it to do. I was pleased to hear the Secretary of State for Education say that she will do more to make sure that schools make children aware of the benefits of apprenticeships. I would like to hear more from the Minister about how we can ensure that, for organisations such as Basingstoke College of Technology in my constituency, which is seeing a 9% annual increase in the number of apprenticeships secured, the funding is available to support this dynamic growth in apprenticeships. There are at present more businesses wanting to place

apprentices than there are apprentices coming forward. We need a flexible way of ensuring the availability of funding to meet that increased demand and need.

The second aspect is the provision for establishing a small business commissioner—an interesting way of trying to overcome the problems that many hon. Members have talked about in relation to late payments. In Hampshire we have on average £109,000-worth of outstanding payments to small businesses—a figure supplied by the Federation of Small Businesses. Further measures in that area are to be welcomed. I urge the Minister to consider how we can ensure flexibility within these measures to adapt the role of the small business commissioner if we find that new and different ways could be used to support businesses struggling as a result of late payments.

There are many provisions in the Bill. It contains a further set of measures that will help support business, and I hope it secures the full support of the House tonight.

6.7 pm

Ben Howlett (Bath) (Con): As the grandson of a shop keeper and as someone who ran a small haulier business, it will come as no surprise that I support the Bill. As the Secretary of State said earlier, although Napoleon used the phrase “a nation of shopkeepers” as an insult, the British public took the phrase under their wing and treated it with great affection. Small independent businesses have been the lifeblood of our country for centuries and we must do all we can to keep enterprise alive and well. It is enterprise that enables our country to grow, our small island to bat well above its weight on the international stage, and our young people to aspire to a brighter future.

In my constituency of Bath, independent small businesses keep our city alive. Without them, thousands would struggle to find employment and it would be a much less dynamic place to live. Given my own background in helping to start up a small business and having first-hand knowledge of the challenges that start-ups face on a daily basis, I was delighted to see that this Government are driving through an Enterprise Bill. We should be doing everything we can to ensure that enterprise is the driving force at the heart of our economy. That is why I am pleased to see the introduction of a small business commissioner and all the powers that come with it. Changes to late payment of insurance claims, the sale of Government shares in the Green Investment Bank, and grants or loans towards electronic communications facilities are welcome. All these changes will help Britain to continue to be the best place in Europe to do business. It is disappointing to see how few Labour MPs there are on the Opposition Benches. That shows that the Conservative party is the party of true enterprise.

As I have worked alongside the NHS and other public sector bodies for over seven years in my career before entering the House, I will concentrate in the short time available on last year’s announcement that the Government intended to end six-figure exit payments for public sector workers. Constituents will no doubt be shocked to hear that between 2011-12 and 2013-14 the cost of exit payments in the public sector was around £6.5 billion. More than £1 billion of that came as a result of exit payments costing more than £100,000. Indeed, according to the response to a freedom of

information request by the TaxPayers Alliance, Haringey Council in London spent £12.6 million on pay-offs in three years.

Six-figure exit payments that are far in excess of those available to most public sector workers and others in the wider economy are not fair and do not offer value for money for the taxpayers who fund them. I therefore welcome clause 35(1), which introduces a cap of £95,000 on the total value of exit payments. The scope, level and design of the cap has been out to consultation, and I look forward to hearing more from the Minister about the specific technicalities. I hope she will also update the House on the consultation regarding the calculation of compensation terms and employer-funded early retirement in circumstances of redundancy.

During the seven years that I worked alongside the public sector, I saw numerous examples of permanent employees being shifted to a new role and getting a double pay-off. That is why I am pleased that the Government are ensuring that exit payments do not exceed £95,000. However, although I am pleased that the Bill will cap public sector exit pay-offs at £95,000, is the Minister considering whether to prevent public sector workers who receive a pay-off from being able to set up a limited company, apply for an interim role within the same department, receive a large daily rate and thereby effectively circumnavigate the reduced exit payment scheme? If we are to keep a lid on public sector exit payments, I strongly suggest that that is considered in Committee.

At the general election, this Government promised to create 3 million new apprenticeships. The fact that 2.3 million were created in the previous Parliament is a fantastic achievement in itself. I pay tribute to the amazing work of my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi), who is no longer in his place, in championing apprenticeships. When discussing apprenticeships, we often forget the superb benefits that they give to people's lives. Not only have they provided new skills; they have turned around the lives of many and given new opportunities to millions of young people in the UK.

Mrs Drummond: Does my hon. Friend agree that older people and people with disabilities should also be allowed to take up apprenticeships?

Ben Howlett: I completely agree with my hon. Friend, who makes her point well. Apprenticeships should be available to older people as well as younger people. I hope the Minister will address that in her summation.

Apprenticeships have delivered that deeply Conservative belief of aspiration—something that an entire generation lost when I was at school from 1997, just as Tony Blair took the leadership of the Labour party, to 2003.

Simon Hoare: Child!

Ben Howlett: Thank you.

Young people who once thought that they would be second-class citizens if they did not go to university now have a new nationally recognised and praised status. Apprentices are building Britain and driving our country forwards while others have stayed static. To those millions of people who have delivered that growth for us, we must say thank you—in particular, I thank those in my

constituency and Bath College for the work they have done—and we ought to do everything we can to deliver even more.

In order to do that, we must ensure that all sectors of our economy deliver. The private sector has taken the lead in creating apprenticeships. It has seen that they are hugely beneficial not only to ending skills shortages, but to productivity growth and future profitability. The same must be applied to the public sector if we are to hit our target of 3 million by 2020. I therefore welcome the amendment to the Apprenticeships, Skills, Children and Learning Act 2009.

As the Government look to increase the number of people who are able to access an apprenticeship, it would be very valuable if the Minister would consider the small number of older people taking on an apprenticeship, as mentioned by my hon. Friend the Member for Portsmouth South (Mrs Drummond). There is no statutory reason why older people cannot take on an apprenticeship, but there seems to be a stigma that prevents them from taking up such an opportunity. I hope the Minister will consider that issue in her summation.

In summary, this nation of shopkeepers has continued to grow while other nations have remained static or contracted. The British entrepreneurial spirit and tenacity for business and enterprise have created jobs and opportunity. The more we champion the sector, encourage more people to upskill, and create more opportunities for businesses to grow, the stronger Britain will become. I look forward to supporting the Bill later.

Several hon. Members *rose*—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Sadly, we are running out of time. This is such a popular Bill, so I have to reduce the time limit to five minutes.

6.14 pm

Mr Alan Mak (Havant) (Con): I draw the House's attention to my entry in the Register of Members' Financial Interests. Having founded two small businesses, I support the Bill because it tackles some of the biggest issues faced by business today and cements the UK's position as one of the best places in Europe to start and grow a business. This Enterprise Bill not only strengthens our enterprise nation but builds our opportunity society—a society where anyone can work hard and get on, whether in a high street shop such as the one my family ran, or in a start-up at the heart of our digital revolution.

The Bill's plans for a new small business commissioner, support for apprenticeships and deregulation complement the good actions the Government have taken during this Parliament to support small businesses, whether by cutting corporation tax, cutting red tape or supporting pro-business initiatives such as Small Business Saturday. Such actions have made the UK one of the best places in the world to do business.

I welcome the Bill's proposals for a small business commissioner. Receiving payment for work done or services supplied is fundamental to any business, especially a small business. Late payments hit cash flow, affect working capital and limit growth, jeopardising the future of our small businesses. The FSB last year estimated that 59% of small businesses were negatively affected by late payments. That is why I welcome clauses 1 to 13, which will create a new small business commissioner.

[Mr Alan Mak]

The role of the commissioner will be to consider complaints made by small businesses against suppliers and to signpost small businesses to appropriate resolution services, such as sector ombudsmen. That should result in positive outcomes. The commissioner will help small businesses to settle disputes quickly and cheaply, raise awareness among small businesses of alternative dispute resolution and encourage a long-term culture change whereby businesses treat each other with respect and fairness.

Getting slow-paying businesses off the backs of SMEs is vital, but so, too, is paring back the regulatory pressures that they face. That is why, last year, the Government's new business impact target focused Whitehall's mind on the economic impacts on businesses of new regulations that come into force during the Parliament. It is absolutely right that the Enterprise Bill extends that target and that duty to include the action of national regulators. Businesses consistently tell me that the actions of regulators are as important as the content of legislation when determining their experience of regulation. It is absolutely right that we get the regulator off the back of businesses and on their side—not just sitting back and regulating, but stepping up and supporting the economic growth that drives our country's prosperity.

Apprenticeships play a key role in helping people in every community represented in this House to build a more secure and prosperous future. The lifetime benefits associated with the acquisition of an apprenticeship at level 2 and level 3 are significant, and higher apprenticeships help our young people to achieve a higher level of income. It is good news that since May 2010, there have been more than 2.6 million new apprenticeship starts across England. Like my hon. Friend the Member for Bath (Ben Howlett), I pay tribute to my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi), who is no longer in his place, for the great work that he has done on apprenticeships.

Members from all parts of the House who organise job and apprenticeship fairs know that the most enthusiastic supporters are often private sector employers. In my constituency, Innova Design, Fasset, Greggs the baker and Barratt Homes have jumped at the chance to help our young people on to a new path of success. The Bill will ensure that the public sector also plays its rightful role in apprenticeships. I welcome the fact that the Bill will impose a new target on public sector bodies to increase their recruitment of apprentices, to ensure that such bodies play their role at the heart of the Government's policy. That is not only strategically right, but economically right. Research from the Department for Business, Innovation and Skills suggests that apprenticeships have a high level of return on investment. The research indicated, for example, that adult apprenticeships at level 2 deliver £26 of economic benefit for each £1 of Government investment. Apprenticeships are incredibly good value for money.

In conclusion, the Bill reinforces the UK's place at the heart of the global economy as a great place to start, run and grow a business, and as a country that invests in its young people. The Bill helps every business, in every part of the country, to play an important role in our economy and to benefit from the success that the Government's long-term economic plan is delivering.

6.18 pm

Wendy Morton (Aldridge-Brownhills) (Con): It is a pleasure to follow my hon. Friend the Member for Havant (Mr Mak) in this debate. Before I entered this place, I spent most of my career working in the private sector, and I draw Members' attention to my entry in the Register of Members' Financial Interests. I have worked with and for small businesses, including our family manufacturing business, which we started thanks to the enterprise allowance scheme.

It is estimated that there are 5.4 million small businesses in the UK, and that they account for 48% of UK private sector employment. In my constituency, small and medium-sized businesses are the backbone of our local economy. Newer companies such as SHS, which manufactures stainless steel handles, work alongside longer-established and often larger firms such as Whitehouse Cox and Phoenix, echoing the industrial heritage of the west midlands.

I want education, skills and business to drive our economy and a culture of encouragement that nurtures and develops aspiration, builds confidence and supports enterprise. From my own experience and from speaking to local businesses, I know we need a business framework that supports, not hinders, and that works to reduce red tape and Government bureaucracy. That is why I welcome the measures in the Bill.

One of the biggest challenges facing any business is cash flow. It has been reported that 59% of UK small and medium-sized businesses have been impacted negatively by late payments, and that the average small business is waiting for £31,000 of overdue payments, which is a lot of money. That can cause huge challenges to a business, as well as being a distraction, when all it wants to do is to get on with doing business. The introduction of a small business commissioner is therefore a very welcome move. It will boost the resilience of small businesses by helping with unfair late payments and poor contractual processes. I look forward to our being able fully to assess the contribution and effectiveness of the commissioner in due course. Perhaps the Minister will say how that will happen.

Red tape is another challenge: it can stifle and swamp a business through the volume and the complexity of it all. The previous coalition Government's agenda delivered £10 billion of deregulatory savings during the last Parliament, and it makes absolute sense to continue to do that and to drive for greater deregulation by placing more bodies in the scope of deregulation.

There is much in the Bill to talk about and I do not have time to talk about it all, but I want to mention apprenticeships. Last week, I was able to host a meeting of local businesses, with my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi). Sadly, he is not in his place at the moment. Since 2010, over 4,000 apprenticeships have been created in my constituency, which is allowing people to earn and learn, and to develop skills for the future of the workforce, our local businesses and the greater west midlands economy.

One of the messages I hear loud and clear is the need to focus on quantity and quality, so I welcome clause 21, which will protect the term "apprenticeship" in the same way that the term "degree" is protected in legislation. That will benefit apprentices, employers and training providers, and is a clear demonstration of the importance,

value and reputation of apprenticeships. Quality and reputation will equally be integral to that, and that should be embraced as a positive step. Apprenticeships should be a key part of developing key skills for today and for tomorrow, so that we can fill more jobs involving more skills locally and so that we can encourage local enterprise.

I am mindful of the clock ticking, so I will conclude by saying that there is much in the Bill to celebrate. It puts enterprise at the heart of this Government. I believe it demonstrates that this Government are backing business and that Britain is truly back in business.

6.23 pm

Kit Malthouse (North West Hampshire) (Con): I draw the House's attention to my entry in the Register of Members' Financial Interests, as the proud founder and owner of a small business, which, miraculously, has now been going for 20 years.

I am thrilled to speak in support of my right hon. Friend the Minister for Small Business, Industry and Enterprise in her mission. She is one of our most effective performers at the Dispatch Box. I see that she has been joined on the Front Bench by another two, the Minister for Skills and the Under-Secretary of State for Life Sciences—I had to get that in—and now by a fourth, the Minister for Universities and Science. Like me, she is an ardent capitalist who knows that a well-tempered economy requires a gentle hand from the state, not hobnailed, Government-sized boots stomping all over it. On that basis, the Bill has much to commend it.

First, on the small business commissioner, all Conservatives should be on the side of the little platoons over the big battalions. Anything that gives strength to David's arm as he takes on Goliath is to be welcomed, not least because the rise in county court costs is making it extremely difficult for small businesses to recover large sums from big businesses. The commissioner will help in that matter. I share the concerns of the hon. Member for Kilmarnock and Loudoun (Alan Brown) about the construction industry. I urge the Minister for Small Business, Industry and Enterprise to ask the commissioner to look at that sector, and at the food industry, about which many farmers in my constituency complain.

There is one other big bad beast in the jungle who is very bad at paying and to whom I urge the Minister to consider extending the commissioner's remit, and that is the Government. Only last week, I had a couple of businessmen in complaining about how long it was taking to get their VAT reclaim, albeit with a supplement. It was causing them all sorts of problems. It would be a good discipline for HMRC if the remit were extended to it. Frankly, it should also be extended to the EU. Any rural Members who are here will have received complaints from farmers about delays in the payment of the single farm payment. It would be great if the EU was on the bandwagon too.

Secondly, apprenticeships are vital for our young people and our higher-skills economy. Given the new imperatives that were placed on the private sector in the autumn statement and the Budget, it is only right that the public sector should play its part. I am very proud of the work I did at City Hall as deputy mayor for business and enterprise to drive apprenticeships forward

in London and to recruit many thousands of young people. Some of the difficulties that we saw in getting the public sector, not least Government Departments, to play ball will be solved by the Bill.

Thirdly, I have personal experience of insurance companies gaming the system, particularly in catastrophic situations. As my hon. Friend the Member for Charnwood (Edward Argar), who is not in his place, said, when a business is completely wiped out by an event, very often the insurance company will delay, hoping that the business will go bust before it has to pay, because that means that it will deal with a receiver or administrator who is more than willing to do a cheap deal on the claim. I have seen that again and again. The Bill will bring some discipline in that area.

Fourthly, the mysterious and exciting clause 28 on broadband, which is hidden away in the depths of the Bill, sounds very interesting to a Member like me who represents a constituency that is in the bottom 30% in the UK in terms of connectivity. Many businesses in North West Hampshire are literally screaming down the phone at me to get their connections put in, so the ability for the Minister and the Secretary of State to shower my constituency with grants and loans to dig up the drives and pathways up to the barns that have been converted into offices to put in high-speed broadband is fantastic.

Finally, I have a couple of disappointments. First, given the Minister's hunger for capitalism and her pledges after the election on red tape, I had hoped to see a long list of repeal clauses in the Bill, but they do not seem to be there. If Members suggest regulations that could be repealed during the passage of the Bill, I ask her to accept amendments on those repeals later on. There is still a huge thicket of regulations for us to go at and I know that she wants us to help her in her task.

Secondly, I am with the hon. Member for Hartlepool (Mr Wright) in wanting the regulator's regime to extend to HMRC. It is absolutely the case that the biggest brake on our economic growth is the sheer complexity of our tax system. It runs to 20,000 pages and comes in several volumes. As a chartered accountant, I have wrestled with it over the years and it is mind-boggling, even for me. I therefore urge the Minister to include the Revenue in her work.

6.28 pm

Seema Kennedy (South Ribble) (Con): I draw Members' attention to my entry in the Register of Members' Financial Interests.

To enable markets to function properly, businesses to thrive and jobs to be created, the Government have a regulatory role, but there is always a fine line between correcting market distortions and passing laws that stifle entrepreneurship. I believe that the Bill is on the right side of that line. It is wide-ranging, so I will limit my remarks to three of the proposals.

I very much welcome the appointment of the small business commissioner. I know from my own business the hours that are spent every week chasing late payments, and that is a medium-sized business with a bookkeeper. I can only imagine how acute the situation must be for those with no formal in-house accounting function and for sole traders. As many hon. Members have remarked, late payments have severe effects on a business's cash

[Seema Kennedy]

flow and, consequently, on its ability to pay its staff and, more crucially, to invest. It is estimated—we have already heard this figure—that small businesses are, on average, waiting for about £32,000 in late payments.

I note what hon. Members have said about the small business commissioner not having statutory enforcement powers and echo others in saying that whoever is appointed should have experience and authority. Does the Minister intend to lay down any criteria for recruitment in statutory legislation or guidance? Will there be any immunity or privilege for the small business commissioner's report, above the usual defences in law? I note that respondents have a right to make representations before publication, and I fear that that could be open season for defamation lawyers.

In my role as vice-chair of the all-party group for apprenticeships, I hear from schools, further education colleges and employers about their desire for the quality of apprenticeships to be paramount. They want to make apprenticeships a real alternative to degrees, and protecting the term will preserve and enhance that brand. We must encourage more of our constituents, of all ages and at different stages of their lives, to take up apprenticeships and to achieve the laudable aim of 3 million apprentices by 2020.

I am extremely happy with provisions in part 5 that deal with late payment of insurance claims and oblige insurance companies to pay within a reasonable time. A few weeks ago my right hon. Friend the Minister for Small Business, Industry and Enterprise visited Croston in my constituency, where businesses had been affected by the Boxing day floods. She and I talked to pub and restaurant owners about the need for prompt payment by insurers. Late payment can affect a business's ability to start trading again, and I welcome the clauses that clear up previous anomalies. There is only one way to increase productivity and the wealth of our nation, and that is enterprise. The Bill is part of the Government's pro-enterprise agenda, and I am happy to support it tonight.

6.31 pm

Lucy Frazer (South East Cambridgeshire) (Con): Small businesses are critical to our economy and make up 99% of businesses nationally, and the Bill is designed to assist them. I want to focus on the resolution of disputes and debt collection, and I refer to my entry in the Register of Members' Financial Interests. As a barrister who specialises in business law, and insolvency in particular, I have seen at first hand the impact that uncollected debts can have on a company.

Sometimes the inability to collect debts can have a significant impact on a small company. The most obvious consequence is simply the customer's failure to pay, which means that their supplier is out of pocket. We know from BACS that an average small business has overdue payments of almost £32,000. However, it is not just the lack of cash flow, it is also the cost of collecting debts, and we know that £10 billion is spent per year in trying to recover overdue payments. It is not just the expense; it is also about management time, and in the end many small businesses simply give up. Indeed, the consequences can be even greater than that—sometimes

they mean a lack of survival. R3, the trade body for the insolvency profession, has said that late payment by customers for goods and services is often cited as a cause of insolvency.

Andrew Bridgen (North West Leicestershire) (Con): My hon. Friend is giving a great speech with her experience in insolvency. Does she agree that companies do not go bankrupt because they run out of profit; they go bankrupt because they run out of money, and late payment is part of that?

Lucy Frazer: That is absolutely right. Often, the cause is cash-flow insolvency, which is a test of insolvency, as well as the balance sheet.

The measures to introduce a small business commissioner to give free advice and information, and to operate a complaints scheme, are a welcome step in the right direction. Indeed, a similar scheme set up in Victoria Australia has had considerable success. The hon. Member for Wallasey (Ms Eagle) suggested that the Bill does not go far enough, but in 2014-15, with 704 mediation sessions, the Victoria scheme had an 80% success rate.

As my hon. Friends the Members for Huntingdon (Mr Djanogly) and for South Ribble (Seema Kennedy) mentioned, we must ensure the success of this scheme, and to do that, we must ensure that the small business commissioner has good identity, good awareness, and is effective.

We need to ensure that the person appointed has the gravitas to command the respect of businesses big and small. We need to ensure there is public awareness of the role. There are already a number of mechanisms to resolve disputes—there is already a free small claims mediation telephone service—but such schemes are successful only if the public know about them and so can use them. Finally, the small business commissioner will have to take full advantage of his or her powers to ensure speed, efficiency and an effective service.

The measures set out in the Bill are extremely welcome. The Government do not create jobs; businesses—often small businesses—do. It is our job to create the right environment for them to thrive in. This is a significant part of that process.

6.35 pm

Kevin Brennan (Cardiff West) (Lab): We have had a very good debate, with 25 speakers from the Back Benches. I congratulate everybody on their contributions. I will not go through them all because of the time available, but I will say it has been a very interesting debate.

A lot of Members have tried to categorise or describe the Bill. My hon. Friend the Member for Wallasey (Ms Eagle) said at the outset that it is easier to say what the Bill is not than to say what it is. Clearly, yet confusingly, it is not what it is called: it is not really the enterprise Bill. It is not a well-thought-through coherent visionary piece of proposed legislation that sets out a clear strategic industrial strategy to use every lever at the Government's disposal to promote British business and enterprise to ease the path for British exports—a real problem at the moment—and take on the underlying fundamental problems of the British economy.

Instead, the Bill is, to use yet another description, a bit of a lucky dip: stick a hand into the bran tub and we will not be quite sure what will come out. Long-serving, modestly paid workers in the public sector—in some cases, as we have heard, even in the private sector where workers, including those at Magnox, have been privatised—might want to remove their watches and rings before they put their hand into the bran tub. The Government are not just after top earners with their exit payments cap; they are drawing on those who have worked loyally for many years on modest pay. They are, as the Secretary of State would say, fat cats. That is what he called them in his opening remarks. He said this provision would capture fat cats. What a disgraceful thing to say about loyal public and private sector workers who will be caught by the provisions. The Government will have to think again and look very carefully at the effects of the provisions. We will scrutinise these parts of the Bill extremely closely in Committee to see if the people the Secretary of State talked about really will be caught by the provisions. Every single one of those individuals will be insulted by what the Secretary of State said earlier on.

We now hear that the Government are adding another little surprise to the bran tub. They are introducing changes to Sunday trading hours, having abandoned previous attempts and having studiously avoided putting the proposal in the Bill when it was introduced in the other place. We now hear they intend to table amendments to the Bill tomorrow. They were not prepared to let us have them today by putting them in the Library, as we asked for. There are, of course, bishops in the House of Lords. I wonder whether the Government were afraid to mention Sunday trading when the Bill was going through the Lords. I wonder whether that had anything to do with it.

How very convenient for the Government that the result of their consultation on Sunday trading should be published the day after Second Reading in this House and not when the Bill was going through the House of Lords. How very unfortunate for the House of Commons that the Government, with all the resources at their disposal, could not manage to publish the consultation before today's Second Reading, despite having had it for five months, or even manage to timetable the debate for a time after the consultation was ready to be published. How interesting that the Government are rushing into Committee next week, without leaving the customary two weekends between Second Reading and the Committee stage to allow this House enough time to prepare and table amendments. That was done without the usual indications when discussions were held. I will not go into what is said via the usual channels. It is enough to say that a whole new controversial proposal has been introduced into the Bill. That is typical of the Government's *modus operandi*—governing from the shadows and treating the House and proper democratic accountability with utter contempt.

The Government have no mandate in their manifesto to change the laws on Sunday trading, no compelling case or evidence of significant economic benefit, and no justification for the late addition to a Bill already more than halfway through its parliamentary scrutiny. It has been through First Reading, Second Reading, Committee, Report and Third Reading in the Lords, and now Second Reading in the Commons, without our having

seen the proposals. It is not in their manifesto or the Bill we are voting on tonight, and it is not even in the Library of the House of Commons, so extra time will have to be made available on Report to consider it. They will have to give way on that.

It is a lucky-dip Bill. We can pull out some nicely wrapped goodies, but, as so often with a lucky dip, on unwrapping and closer inspection, it might well leave us underwhelmed by our prize. We welcome the proposals for a small business commissioner, but the Government's proposal is a pale imitation of what is needed. There are more than 5 million small businesses in this country, but the Government anticipate that the small business commissioner will deal with just 500 cases per year. We know about Australia's experience, particularly of the small business commissioner in the state of Victoria, the splendidly named Mark Brennan—no relation as far as I know, so I do not have to declare an interest. We know from their experience, that for a small business commissioner to work, they must have the right roles and responsibilities. Our Labour colleagues in the other place have strengthened the small business commissioner proposal, but the Government's model does not live up to the best practice shown in Australia, or to the Small Business Administration in the USA.

We welcome other bits in the bran tub of the Bill, such as the extension of the primary authority scheme—the local authority one-stop shop for business regulation, which the last Labour Government introduced—and the emphasis on apprenticeships. We also acknowledge that the Government want to build on the achievements of the last Labour Government in rescuing apprenticeships from near oblivion and expanding their numbers considerably, but we need to know about their quality and how the Government will pay for their plans, as my hon. Friend the Member for Wallasey rightly indicated. We also need to know how it will impact on the proposed apprenticeship levy and public services.

We welcome the amendment to the Industrial Development Act 1982 and the extension to digital, but that needs to be set in the context of a proper industrial strategy for the country, not an anti-European, *laissez-faire* free-for-all that will lead to a race to the bottom for jobs, wages and productivity.

The clauses on late payments and non-domestic rates are welcome, but I want to mention two new items in our lucky dip introduced in the other place. The first are the provisions on the pubs code, which has been mentioned already. I recall as a Minister in the Department, back in 2009-10, clearing all the necessities before proceeding with the proposals for pub tenants. I went so far as to square them off with the Tory Opposition Front Benchers to ensure that they would proceed after the change of Government. Since then, the coalition and now this Government have had to be dragged reluctantly to do the right thing. As has been said, a market rent option at rent renewal was the minimum required for the Government to fulfil their commitments to tenants, so I welcome the Secretary of State's acceptance of Labour's amendments in the Lords. It is about time the Government stood up for local pubs, instead of just sucking up to the pubcos.

The other place introduced amendments relating to the UK Green Investment Bank. The proposed privatisation of the bank by the Government, deleting its statutory green purpose, has become even more pressing with

[Kevin Brennan]

the Chancellor's announcement about Lloyds bank. Do the Government accept that their privatisation proposals are a mess? They said that they would remove the changes made in the House of Lords to the Green Investment Bank, but do they have a mechanism that will satisfy the Office for National Statistics—my hon. Friend the Member for Wallasey asked for that—and guarantee the bank's green mission? If they do not satisfy the Office for National Statistics, how can they possibly proceed with the privatisation of the Green Investment Bank on those terms?

If it is the wrong time to sell Lloyds, why is it the right time to sell the GIB? Does the Minister agree with her colleague, the hon. Member for Waveney (Peter Aldous), about the privatisation of the GIB? At the Environmental Audit Committee on 26 November, he said to the Minister:

“Why now? The bank has just made £100K profit. Some people might accuse you of selling your turkey on August Bank Holiday and not Christmas Eve.”

The Minister answered:

“I think it is the right time to do it. The market is in a good place and clearly people are interested so let's get on with it and do it.”

Christmas eve has come and gone, and the Chancellor tells us the market is far from in a good place, so what is the rush to truss up the GIB and sell it at this point? Would it not be prudent, if the Government want to sell it off, to fatten it up first and sell it later rather than now—if indeed it is possible to privatise it without it losing its green purpose? I put that to the Minister.

In conclusion, my hon. Friend the Member for Wallasey commented on the smallness of this Bill's vision in comparison with the hyperbole of the Government's rhetoric. It lacks the ambition to set out a real strategy to meet the real challenges facing British business and industry. Some of its contents are helpful; some are likely to have unintended consequences and cause harm to the lower paid, pensioners and industrial relations. We will scrutinise it carefully in Committee and, if necessary, oppose the parts that are likely to cause harm. We shall not vote against Second Reading this evening, but there are issues in the Bill that we will undoubtedly have to divide on at a later stage. If this is a lucky dip Bill, it is one where the main prize—a proper strategy for UK enterprise and business—has been left out with the raffle.

6.47 pm

The Minister for Small Business, Industry and Enterprise (Anna Soubry): I congratulate everybody—and I mean everybody—who has contributed to what I believe has been a very good debate. I am going to look at the areas of contention and the particular topics in respect of which hon. Members have made good points and raised good concerns. I shall not go through all the clauses and topics in the Bill, but deal with it in the way I have suggested.

This may be a small Bill, but I think it is beautifully formed. Each part of it, each small piece, cog, wheel, nut and bolt is not perhaps in every instance beautifully and finely finished, but if we bring all of them together, it forms a wonderful small machine that is part of the

bigger engine—the role of business in our economy. That is indeed what provides jobs and prosperity, and in turn the money that allows us then to provide services for everyone throughout our nation. It is an important Bill.

I pay tribute to my right hon. Friend the Member for Basingstoke (Mrs Miller), who rightly said that it is all about creating the right environment for business. I believe that the Bill is part of that. It is interesting that, with the exception of the hon. Member for Chesterfield (Toby Perkins)—others will correct me if I am wrong—it is only from Conservative Members, such as my hon. Friends the Members for Aldridge-Brownhills (Wendy Morton) and for North West Hampshire (Kit Malthouse), that we have heard the voice of business from those who have actually run businesses themselves and who, frankly, know what they are talking about.

Let me deal first with apprenticeships. We heard some good contributions, including from my hon. Friends the Members for South Ribble (Seema Kennedy) and for Warwick and Leamington (Chris White) and from the right hon. Member for Don Valley (Caroline Flint). I am afraid I had too many enterprising criminals when I was working as a criminal barrister, but I look forward to the contribution that she will undoubtedly make in Committee. I pay particular tribute—[*Interruption.*] There is a lot of chuntering going on.

Madam Deputy Speaker (Mrs Eleanor Laing): Order. The right hon. Lady is right: there is a lot of chuntering, and if it gets any louder, I will have to stop it.

Anna Soubry: Thank you very much, Madam Deputy Speaker. We do not like chuntering, do we?

I stopped speaking because I wanted to pay a big tribute to my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi) and my hon. Friend the Minister for Skills for their outstanding work on the advancement of apprenticeships, which will help us to go forward and achieve our goal. We are seeing a golden age of apprenticeships—a revolution in apprenticeships—and people will now appreciate their full worth. That is what the Bill seeks to achieve by enshrining the true value of apprenticeships in law.

I can tell my hon. Friend the Member for Cannock Chase (Amanda Milling) that there will be a national advertising campaign to promote apprenticeships in the next few months. That is just a part of the great work that has been done by my hon. Friends the Member for Stratford-on-Avon and the Minister for Skills.

In relation to public bodies, I pay tribute to my own borough council under Labour: a record number of apprenticeships were created in the borough. The number rose to 20 over two years, and now, under a Conservative administration, the target is 20 each year. If we can do that in Broxtowe, other local authorities can do it.

I pay tribute to the work of my hon. Friend the Member for Burton (Andrew Griffiths), and, indeed, that of the hon. Members for Leeds North West (Greg Mulholland) and for Chesterfield, in relation to the pubs code. All three made important points today. We must get the balance right between allowing pub companies to invest in our great pubs and securing fairness for tenants. That is what I want us to do, and I believe that we are well on the way to doing it.

Let me now deal with the issue of Sunday trading. I can tell the hon. Member for Strangford (Jim Shannon)—my friend—that we will introduce legislation to improve the terms and conditions of people who do not wish to work on Sundays. We think it important to protect those workers, so that will be part and parcel of our changes in Sunday trading laws. I must stress, however, that this is not mandatory. We want to give councils the power—a power that many Labour councils want—to make local decisions that are based on the needs of their own people and businesses. If a local authority does not consider such action suitable, it will not take it. As we heard from my hon. Friend the Member for Kensington (Victoria Borwick), an authority might want to extend the hours of a garden centre to suit that particular business. It is a question of fine-tuning.

Let me repeat to the hon. Member for Strangford that working on Sundays is not mandatory, any more than it is mandatory to go shopping. Sundays will still be special for those who want to keep them special.

Toby Perkins: Will the Minister give way?

Anna Soubry: I will give way briefly, but I will take no more interventions after that.

Toby Perkins: What the Minister is saying, and what she is setting out to do in regard to Sunday trading, is entirely wrong, but something even more important is happening here. For the first time ever, workers' rights are being devolved, and will become different in different areas.

Anna Soubry: They will not be devolved. Let me make that absolutely clear. We will introduce legislation for all work that will affect any worker working on a Sunday—

Ms Angela Eagle: On a point of order, Madam Deputy Speaker. The Minister is spending time talking about provisions that no one but her has seen, because they are not in the Bill. How can that be in order?

Madam Deputy Speaker (Mrs Eleanor Laing): The Minister can choose what she wants to talk about as long as it is related to the Bill. When it is not related to the Bill, I will stop her.

Anna Soubry: Thank you, Madam Deputy Speaker. I specifically wanted to deal with those points, because I think that the hon. Member for Strangford made them better than anyone else.

In the six minutes that remain, I want to talk about the small business commissioner. We heard an excellent speech from my hon. Friend the Member for Huntingdon (Mr Djanogly) and contributions from the hon. Member for Livingston (Hannah Bardell), my right hon. Friend the Member for Basingstoke, my hon. Friends the Members for Bath (Ben Howlett), for Havant (Mr Mak), for Aldridge-Brownhills and for South Ribble, my hon. and learned Friend the Member for South East Cambridgeshire (Lucy Frazer), my hon. Friend the Member for Derby North (Amanda Solloway), the hon. Member for Chesterfield, the right hon. Member for Don Valley, the hon. Member for Hartlepool (Mr Wright) and others.

I just want to say about the small business commissioner that many will say “Well, it sounds like a good idea, but he or she won't have the teeth and the powers.” It is important to understand that the many businesses that rightly complain about late payment already have a contract with the other party, so the late payment is a breach of that contract's terms and conditions and they do therefore have redress to law, as Members have outlined. However, the following good point was made: this is not just about the cost of going to litigation; it is also about the relationship between the smaller business and the other party and it not wanting to undermine that relationship. There is, therefore, a reluctance to go to court. Those people can go to the SBC to make their complaint, but it would be wrong to put that person in some quasi-judicial role given that there is an existing legal relationship between the two parties in that instance and they can go to law.

The other sort of case that we anticipate will interest the SBC is when a small business is in effect making a complaint before a contract has been signed about terms that are being put on them by the other party. They will be able to go to the SBC and raise that complaint.

What happens in Australia has been mentioned. I have spoken to the SBC in Australia and have learned a great deal from his wise words. He does not have any greater powers—[*Interruption.*] No, he doesn't—not in relation to late payments. What he does do, however, and what he has achieved by virtue of the huge credibility he brings to the post and the huge respect he has, is change the culture, and that at its heart is what we seek to do. We want to change the culture so those bigger businesses understand that this is no longer acceptable, regardless of whether they put it into their Ts and Cs or just in practice do not pay small businesses in a reasonable length of time. This is about changing culture. That is what we seek to achieve, and I am confident we can do that.

I just want to finish off by dealing with exit payments. I want to say a few words to the hon. Member for Ynys Môn (Albert Owen) and my hon. Friend the Member for Charnwood (Edward Argar). I say to the hon. Gentleman that Wales will get the benefit of the extra powers we intend to put in. I pay credit to him for the work he and the Secretary of State are going to do to make sure we extend superfast broadband throughout the whole of the UK—and to make sure everybody can get a proper mobile phone signal, too. That is absolutely critical.

On public sector exit payments, I want to say the following. On Magnox workers, I am more than happy to meet any Members to discuss this important issue in relation to them. On NHS workers, I specifically asked for that work to be done and my officials tell me that no NHS employee on £47,000 will be affected—[*Interruption.*] Opposition Members say that is not true; I do not know whether they have done the work on it, but my officials have. I am absolutely determined that we will look at these figures when we go into Committee. We will get that evidence and we will make sure that the figures are put to everybody so that we all know the real situation. What we do know is that there is a very small number of workers in the public sector on about £25,000 who could be caught by this—[HON. MEMBERS: “Ah!”] But those are extremely rare conditions. We will do this in Committee. I urge everybody to vote for the Bill.

Question put. That the Bill be now read a Second time.

The House divided: Ayes 300, Noes 62.

Division No. 181]

[6.59 pm

AYES

Adams, Nigel
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Andrew, Stuart
 Ansell, Caroline
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Baker, Mr Steve
 Baldwin, Harriett
 Baron, Mr John
 Barwell, Gavin
 Bebb, Guto
 Bellingham, Sir Henry
 Beresford, Sir Paul
 Berry, Jake
 Berry, James
 Bingham, Andrew
 Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Borwick, Victoria
 Bottomley, Sir Peter
 Bradley, Karen
 Brady, Mr Graham
 Brake, rh Tom
 Brazier, Mr Julian
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burns, Conor
 Burns, rh Sir Simon
 Burrowes, Mr David
 Burt, rh Alistair
 Cairns, Alun
 Carmichael, rh Mr Alistair
 Carmichael, Neil
 Carswell, Mr Douglas
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Mr Christopher
 Churchill, Jo
 Clark, rh Greg
 Cleverly, James
 Coffey, Dr Thérèse
 Collins, Damian
 Colvile, Oliver
 Costa, Alberto
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Davies, Byron
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Dr James
 Davies, Mims
 Davies, Philip
 Davis, rh Mr David

Dinenage, Caroline
 Djanogly, Mr Jonathan
 Donelan, Michelle
 Dorries, Nadine
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, James
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Elliott, Tom
 Ellis, Michael
 Ellison, Jane
 Elphicke, Charlie
 Eustice, George
 Evans, Graham
 Evans, Mr Nigel
 Evennett, rh Mr David
 Fabricant, Michael
 Fallon, rh Michael
 Farron, Tim
 Fernandes, Suella
 Field, rh Mark
 Foster, Kevin
 Fox, rh Dr Liam
 Frazer, Lucy
 Freeman, George
 Freer, Mike
 Fuller, Richard
 Fysh, Marcus
 Gale, Sir Roger
 Garnier, rh Sir Edward
 Garnier, Mark
 Gauke, Mr David
 Ghani, Nusrat
 Gibb, Mr Nick
 Gillan, rh Mrs Cheryl
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gummer, Ben
 Gyimah, Mr Sam
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matthew
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Hart, Simon
 Haselhurst, rh Sir Alan
 Hayes, rh Mr John
 Heald, Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter

Henderson, Gordon
 Herbert, rh Nick
 Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 Hollobone, Mr Philip
 Holloway, Mr Adam
 Hopkins, Kris
 Howarth, Sir Gerald
 Howell, John
 Howlett, Ben
 Huddleston, Nigel
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Kennedy, Seema
 Kirby, Simon
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lancaster, Mark
 Latham, Pauline
 Leadsom, Andrea
 Lefroy, Jeremy
 Leigh, Sir Edward
 Leslie, Charlotte
 Letwin, rh Mr Oliver
 Lewis, Brandon
 Lewis, rh Dr Julian
 Liddell-Grainger, Mr Ian
 Lidington, rh Mr David
 Lilley, rh Mr Peter
 Lopresti, Jack
 Lord, Jonathan
 Loughton, Tim
 Lumley, Karen
 Mackinlay, Craig
 Mackintosh, David
 Main, Mrs Anne
 Mak, Mr Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McLoughlin, rh Mr Patrick
 McPartland, Stephen
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Mordaunt, Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James

Morton, Wendy
 Mowat, David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Nokes, Caroline
 Norman, Jesse
 Nuttall, Mr David
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Pawsey, Mark
 Penning, rh Mike
 Penrose, John
 Percy, Andrew
 Perry, Claire
 Philp, Chris
 Pickles, rh Sir Eric
 Pincher, Christopher
 Prentis, Victoria
 Prisk, Mr Mark
 Pritchard, Mark
 Pugh, John
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Mr Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Mary
 Rosindell, Andrew
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Selous, Andrew
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Solloway, Amanda
 Soubry, rh Anna
 Spelman, rh Mrs Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Streeter, Mr Gary
 Stride, Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Mr Desmond
 Swire, rh Mr Hugo
 Syms, Mr Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom

Turner, Mr Andrew
 Tyrie, Mr Andrew
 Vaizey, Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, Mrs Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, Mr Ben
 Warburton, David
 Warman, Matt
 Watkinson, Dame Angela
 Wharton, James
 Whately, Helen
 Wheeler, Heather

White, Chris
 Whittaker, Craig
 Whittingdale, Mr John
 Wiggan, Bill
 Williamson, Mr Gavin
 Wilson, Mr Rob
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, William
 Wright, Mr Jeremy
 Zahawi, Nadhim

Tellers for the Ayes:
 Sarah Newton and
 Stephen Barclay

NOES

Ahmed-Sheikh, Ms Tasmina
 Arkless, Richard
 Bardell, Hannah
 Black, Mhairi
 Blackford, Ian
 Blackman, Kirsty
 Boswell, Philip
 Brock, Deidre
 Brown, Alan
 Cameron, Dr Lisa
 Chapman, Douglas
 Cherry, Joanna
 Cowan, Ronnie
 Crawley, Angela
 Day, Martyn
 Docherty, Martin John
 Donaldson, Mr Jeffrey M.
 Durkan, Mark
 Edwards, Jonathan
 Ferrier, Margaret
 Gethins, Stephen
 Gibson, Patricia
 Grady, Patrick
 Grant, Peter
 Gray, Neil
 Hendry, Drew
 Hermon, Lady
 Hosie, Stewart
 Kerevan, George
 Kerr, Calum
 Law, Chris
 Mc Nally, John
 McCaig, Callum

McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McDonnell, Dr Alasdair
 McGarry, Natalie
 McLaughlin, Anne
 Monaghan, Carol
 Monaghan, Dr Paul
 Mullin, Roger
 Newlands, Gavin
 Nicolson, John
 O'Hara, Brendan
 Oswald, Kirsten
 Paisley, Ian
 Paterson, Steven
 Ritchie, Ms Margaret
 Robertson, Mr Angus
 Robinson, Gavin
 Saville Roberts, Liz
 Shannon, Jim
 Sheppard, Tommy
 Simpson, David
 Skinner, Mr Dennis
 Stephens, Chris
 Thewliss, Alison
 Weir, Mike
 Whiteford, Dr Eilidh
 Williams, Hywel
 Wilson, Corri
 Wishart, Pete

Tellers for the Noes:
 Marion Fellows and
 Owen Thompson

Question accordingly agreed to.

Bill read a Second time.

ENTERPRISE BILL [LORDS] (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Enterprise Bill [Lords]:

Committal

(1) The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

(2) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 25 February 2016.

(3) The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and up to and including Third Reading

(4) Proceedings on Consideration and proceedings in legislative grand committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

(5) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

(6) Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.

Other proceedings

(7) Any other proceedings on the Bill (including any proceedings on consideration of any message from the Lords) may be programmed.—(*Kris Hopkins.*)

Question agreed to.

ENTERPRISE BILL [LORDS] (MONEY)

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Enterprise Bill, it is expedient to authorise:

(1) the payment out of money provided by Parliament of:

(a) any expenditure incurred under or by virtue of the Act by the Treasury, any other Minister of the Crown or the Commissioners for Her Majesty's Revenue and Customs;

(b) any increase attributable to the Act in the sums payable under any other Act out of money so provided; and

(2) the payment of sums into the Consolidated Fund.—(*Kris Hopkins.*)

Question agreed to.

Lady Hermon (North Down) (Ind): On a point of order, Madam Deputy Speaker—[*Interruption.*]

Madam Deputy Speaker (Mrs Eleanor Laing): Order. The House must be quiet, as I am trying to hear a point of order.

Lady Hermon: I am most grateful to you, Madam Deputy Speaker, for accepting this important point of order. I think that this is the first time that this has arisen. I am in no way challenging the certification by the Speaker of provisions in this Bill as exclusively English or English and Welsh only. The guidance I seek relates to the Order Paper published for today's business, which on page 6, under the title "Enterprise Bill [Lords]: Second Reading", gives a note of Mr Speaker's certification. At the very end, it states:

"The Northern Ireland Assembly decided not to approve a Legislative Consent Motion in respect of this Bill."

That unfortunately gives the impression that the Northern Ireland Assembly has considered the whole Bill. Since we are in a three-month trial period, I wonder whether I might have some guidance.

I will stand corrected if this is wrong, but it is my understanding that as of this evening the only provision of the Bill that the Assembly actually considered was considered on 7 December 2015. In a letter dated 9 December, the Clerk to the Assembly wrote:

"I am writing to notify you"—

that is, the Clerk of the House of Commons—

[Lady Hermon]

“that...the Northern Ireland Assembly did not consent to the provisions dealing with public sector exit payments contained in the Enterprise Bill”.

To the best of my knowledge, the Assembly has not yet fixed a date to consider whether to pass a legislative consent motion on the rest of the Bill. I am simply looking for guidance on the notes that appear in the Order Paper.

Madam Deputy Speaker: I am grateful to the hon. Lady for drawing her concerns to the attention of the House and to my attention, and I will, of course, pass that on to Mr Speaker.

The hon. Lady is correct about the wording of page 6 of today’s Order Paper, and I appreciate what she says about what has actually occurred in the Northern Ireland Assembly, about which I have no information, but I will take it that the hon. Lady’s description is correct, in which case there might be a discrepancy between what has occurred in one place and what has occurred through this Order Paper in this place.

As the hon. Lady rightly said, we are still in the experimental stages of this type of consideration of legislation—[*Interruption.*] Order. The House must be quiet when I am dealing with a point of order. As I said, the hon. Lady is aware that we are still in an experimental period, and the point which the hon. Lady has made is one that ought to be taken into consideration, and it will be taken into consideration, first, I am sure, by Mr Speaker—I will draw his attention to it—and also, I am sure, by the Procedure Committee, when it looks at how this new procedure is working. I am grateful to the hon. Lady for drawing this matter to the attention of the House.

House of Commons Commission (External Members)

7.18 pm

The Deputy Leader of the House of Commons (Dr Thérèse Coffey): I beg to move,

That the following appointments be made to the House of Commons Commission in pursuance of section 1(4) of the House of Commons Commission Act 2015 -

(1) Dame Janet Gaymer DBE QC (Hon.), until 30 September 2018; and

(2) Jane McCall, for a period of three years.

Towards the end of the last Parliament, the House of Commons Commission Act 2015 gave statutory effect to recommendations made by the Committee on Governance of the House of Commons, including that there should be two external members of the Commission. The Act said that those members should be appointed by resolution of the House and that a motion for a resolution appointing an external member may be made only with the agreement of the Commission. I am pleased to report that the Commission has agreed the terms of the motion tabled today.

The motion identifies two appointments, and I will briefly outline the two people identified and the process they went through. Dame Janet Gaymer was formerly an external member of the House of Commons Management Board. She has attended the Commission as an acting external member since January 2015. In September 2015, the Commission decided that she should be invited to continue to serve until September 2018, in line with best practice relating to the maximum terms of non-executive board members.

Jane McCall was recruited following a fair and open competition, including attendance at an interview panel comprising Mr Speaker, other hon. Members, the Clerk of the House and an external panel member, Joanna Place, in December 2015. The motion would have the effect of appointing Jane McCall for three years, the Commission having agreed that the term limit for external members should be a period of three years, with the possibility of two further extensions of one year each. The Commission agreed that both would make a valuable contribution to its work. Further biographical details and an explanation of the process, written by the Clerk of the House, have been made available to all Members by means of an explanatory memorandum accompanying the motion. I am sure that the whole House will want to welcome them both to their appointments, and we look forward to their making a contribution to the work of the House in future. I therefore commend this motion to the House.

7.19 pm

Chris Bryant (Rhondda) (Lab): I do not intend to delay the House for very long either. I think the Deputy Leader of the House has got a bit of a cold and has been in bed all day, so we are very grateful to her for managing to struggle in this evening. The phrase in Wales is that she has been “bad in bed”—though not, I think, under the doctors in this case.

As a member of the Commission myself, I have obviously met the two members who are joining it. Dame Janet Gaymer is an eminent employment lawyer

who has already brought a great deal of her experience and intelligence to many of our discussions about employment in this House, particularly that of staff of the House rather than staff of Members. She has been with us in all the time I have been on the Commission—which is not very long. Jane McCall is the deputy chief executive of Trafford Housing Trust, and she too brings a great deal of experience from a different world from that which most of us would necessarily know. So far, they have not shown any signs of going native in terms of their contributions to discussions. I think they are excellent appointments.

I would just make one other tiny point, which is that all six Members of the House of Commons who are members of the Commission are men, so it is quite a delight to have two women joining us as well. With that, I fully support the motion.

7.21 pm

Pete Wishart (Perth and North Perthshire) (SNP): I will be even briefer than the Deputy Leader of the House and the shadow Leader of the House in welcoming, on behalf of those on the SNP Benches, both these appointments—Dame Janet Gaymer, who has become a full-time member of the Commission, and Jane McCall. I am told by my hon. Friend the Member for Dundee East (Stewart Hosie), who is of course a distinguished member of the House of Commons Commission, that they will bring invaluable external expertise to its work, and this House will appreciate and respect that. I have to say that I was not familiar with these individuals, but having examined their CVs in great detail in the 10 minutes since I was notified of the fact that they were going to be appointed, I can say that the House has made a brave and courageous, but correct, decision in appointing them.

I echo the shadow Leader of the House in saying that it is welcome that we have two women on the Commission and acknowledging the fact that the elected members are all male. These two appointments will make a substantial contribution to the work of the Commission. I add my party's support for this motion.

Question put and agreed to.

Business without Debate

Madam Deputy Speaker (Mrs Eleanor Laing): With the leave of the House, we shall take motions 6 and 7 together.

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

SAFEGUARDING AND CLERGY DISCIPLINE MEASURE

That the Safeguarding and Clergy Discipline Measure (HC 722), passed by the General Synod of the Church of England, be presented to Her Majesty for her Royal Assent in the form in which it was laid before Parliament.

DIOCESAN STIPENDS FUND (AMENDMENT) MEASURE

That the Diocesan Stipends Fund (Amendment) Measure (HC 723), passed by the General Synod of the Church of England, be presented to Her Majesty for her Royal Assent in the form in which it was laid before Parliament.—(*Second Church Estates Commissioner.*)

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)),

COMMON FOREIGN AND SECURITY POLICY, INCLUDING COMMON SECURITY AND DEFENCE POLICY

That this House takes note of European Union Document No. 11083/15, Main aspects and basic choices of the CFSP (part II, point E, paragraph 25 of the Interinstitutional Agreement of 2 December 2013)—2014: Draft Annual Report from the High Representative of the European Union for Foreign Affairs and Security Policy to the European Parliament; and welcomes the constructive coordination between EU Member States and Institutions to achieve a range of positive foreign policy outcomes.—(*Kris Hopkins.*)

Question agreed to.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Monday 8 February, the provisions of Standing Orders No. 16 (Proceedings under an Act or on European Union documents) and No. 41A (Deferred divisions) shall not apply to the Motion in the name of Justin Tomlinson relating to the draft Social Security Benefits Up-rating Order 2016 and the Motion in the name of Mr Shailesh Vara relating to the draft State Pension (Amendment) Regulations 2016; the Speaker shall put the Questions necessary to dispose of those Motions not later than three hours after the commencement of proceedings on the first of those Motions; and proceedings on those Motions may continue, though opposed, after the moment of interruption.—(*Kris Hopkins.*)

Real-time Credit Scoring

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

7.23 pm

Chris Evans (Islwyn) (Lab/Co-op): Thank you for calling me to speak, Madam Deputy Speaker; it is a pleasure. I have been in this House for six years in May, and this is the first time I have ever been granted an end-of-day Adjournment debate.

I am delighted to have the opportunity to debate the topic of real-time credit scoring. For me, this is a very important issue, especially in the wake of several financial scandals over the years. The financial crash of 2008 proved one thing—that banking needs reform.

Whenever I think of banking, I think of the need for reform. Most people who use banks will want to borrow money and, unfortunately, personal lending and personal loans are the last area to be considered for reform by the Government.

Real-time credit scoring makes complete sense. The term describes the sharing of data from the credit reference agencies in real time or as close to real time as possible. This requires sufficiently up-to-date and complete relevant data from all the banks and financial institutions. People expect choice in any walk of life. It is what our system is based on. In the market for personal loans, the choice is too narrow and too clearly focused on the banks. Real-time credit scoring would shake up the market and bring about real change for consumers and banks.

The Financial Conduct Authority is looking at the issue. The case for regulation to enable data sharing to happen safely and effectively is compelling. If consumers could ask their banks to share real-time data about their account with a prospective lender, lenders could assess affordability more accurately, meaning that they could make more capital available to consumers with lower risk, thereby driving down cost.

Julian Knight (Solihull) (Con): I congratulate the hon. Gentleman on securing this debate on a very important topic. I support his call for real-time credit scoring, which needs to be explored further. In my previous occupation as a financial journalist, I dealt with a lady who got into £107,000 of debt in three days, following a relationship breakdown. If real-time credit scoring had been in place on the high street, she would not have got into such enormous debt, which caused further mental health issues. Perhaps the hon. Gentleman will reflect on that.

Chris Evans: I will develop that argument further. The hon. Gentleman identifies the nub of the problem—the delay in credit scoring needs to be addressed. That is common sense and I hope the Government will grasp the nettle.

Yvonne Fovargue (Makerfield) (Lab): I congratulate my hon. Friend on obtaining this debate. Does he agree that it is not just consumers who would benefit, but new entrants to the market who are lending for the medium term would be able to come in without having to buy two databases: the payday loan database, which operates

in real time, and the other database that operates for banks and other financial institutions, which is at least a month behind?

Chris Evans: My hon. Friend speaks with some expertise. I pay tribute to the amount of work she has done on payday lending and raising the issues associated with it. She is right. The real problem is that the banks have a stranglehold on lending. They jealously guard their data and they are suspicious of the Data Protection Act. They therefore keep out of the market major competitors who could bring down interest rates, which is what we all want to see.

Jim Shannon (Strangford) (DUP): The hon. Gentleman is very gracious and I thank him for giving way. Credit risk is one of the top issues in financial services and there is a need for services to be automated. Is there a possibility through real-time credit scoring to provide new, exciting jobs in a well-paid high-end market? That would be a plus, if it was done in the right way.

Chris Evans: The hon. Gentleman is right. The more competitors there are in the market, the more jobs and the more specialised jobs there will be. I pay tribute to the hon. Gentleman, who speaks on every single topic. We have often joked privately that Westminster Hall is his lounge in the morning, as he speaks there so often. Coming from Northern Ireland and Wales, which have great similarities—both are heavily reliant on public sector jobs—the hon. Gentleman and I know that real-time data sharing and more competitors in the market would bring the private sector jobs that areas such as mine, his and the north-east are crying out for.

Currently, consumers pay the high costs in two ways. Consumers who can afford credit pay more than they should, and consumers to whom lenders ought not to lend are able to access credit even when it is not affordable. Better data would reduce both these problems, to the benefit of all concerned. So who would be the big losers if the Financial Conduct Authority acts? The banks and the incumbent lenders, but I do not think they would be losers. They would have to up their game and offer innovative products such as those that the hon. Gentleman mentioned. The FCA should also be ready to act in the teeth of resistance and entrenched interests, to further the interests of the consumer and our constituents.

I want to provide some background information to data sharing in consumer credit markets. An important interaction in the consumer credit market is the way in which lenders, particularly unsecured lenders—or, as we know them, high-cost, short-term credit lenders—assess a prospective borrower's creditworthiness before agreeing whether to lend to them and setting the terms on which the loan is made. Lenders rely on information about a borrower's creditworthiness from a range of services, including information supplied directly by the potential borrower as part of their loan application and information obtained from credit reference agencies.

Credit reference agencies aggregate information about the individual borrower's personal information, past credit history and current credit commitments, and they supply that information to lenders on commercial terms. The three main credit reference agencies in the UK are Experian, Equifax and Callcredit. The way in which credit reference agencies aggregate and supply information

is not regulated by the FCA, but operates on an industry-wide reciprocal basis. There is no requirement on individual lenders to share information, and although banks, which hold the most critical current account information, have the most detailed overview of a customer's financial position, they do not in general supply data to credit reference agencies—of course not, because the data give them a leg up into the market and an advantage over other providers.

Veritec states that payday lenders have, as we all know, consistently failed to act in the best interests of consumers. Previous efforts to allow the UK payday lending industry to self-regulate have not succeeded, and tragic cases have come to light whereby individuals have become trapped in a downward spiral of debt through multiple, simultaneous loans. The actions of payday loan companies should be monitored by the FCA, and a database with real-time information on existing loans is required.

I do not want anyone to think that I want short-term lending to be banned. It is a massive industry that creates jobs for people. There is obviously a need for it, otherwise there would not be so much money in the market, but I believe that tools have to be made available so that decisions can be made about creditworthiness.

Crucially, not all lenders report data to more than one credit reference agency, and a reliance on credit reference agencies has played a key role in the downfall of the implementation of FCA rules and consumer protection. It is disappointing that the FCA will not consult on real-time data sharing requirements at this time.

Only a database with real-time information on existing loans will protect consumers from potential harm. A system should be considered real time only if every inquiry and every lending decision is updated instantaneously across 100% of the market. That would allow for lenders to know immediately if a consumer is eligible for a loan under the FCA's responsible lending rules. However, the reciprocal principles that underpin data sharing require that lenders provide data to credit reference agencies "on a regular basis", usually a minimum of once a month. Even where data are provided monthly, they can be as much as 60 days old by the time they are made available to other lenders.

The fact that lenders may routinely not have access to the most recent 60 days of a consumer's credit history creates serious consequences for competition and, above all, consumer welfare, with the potential for unaffordable levels of debt. The question as to which lenders share information is an entirely commercial decision, and it is left to lenders to assess whether it is in their interests. They do not have to take into account any other information, such as the wider benefits to consumers.

Rather than just talking about affordability, it is very important to take a customer's lifestyle into consideration, as happens when people take out mortgages. If we had real-time data sharing, that practice could be spread right across the board in personal lending.

Incumbent lenders, such as bankers, have no incentive to share data. Banks hold the most critical current account information, and the marginal benefit of sharing information and receiving reciprocal information is very small compared with the much larger marginal benefit to smaller lenders, such as unsecured lenders, or high-cost,

short-term credit lenders. That creates a very important market failure. Having unrivalled access to credit data puts the banks in a unique position in considering whether to lend to consumers, and it allows them to lend at the most competitive rate. As a result, smaller lenders and new entrants are placed at a significant competitive disadvantage. That not only restricts competition, but distorts it in favour of one sub-market over another.

In addition, that risks cutting off some consumers from access to credit altogether. If they are unable to obtain a bank loan, such consumers must either rely on other forms of credit, such as unsecured lending or high-cost, short-term credit, or make do without a loan. Lenders want to lend to such under-served customers, but for lenders to be able to offer loans at reasonable interest rates, it is essential that they can minimise the risk of default. That means conducting rigorous affordability assessments, for which they require access to complete and up-to-date credit data.

The Competition and Markets Authority considered real-time data sharing in its payday lending market investigation. In its final report, it stated that it saw significant benefits to implementing real-time data sharing, but:

"We consider that further development of RTDS, specifically the frequency of updates, would benefit borrowers and lenders and that our recommendation is not redundant".

In response to the report, the FCA was asked to consult on a range of issues, including real-time data sharing, in the high-cost, short-term credit market. In its consultation paper, the FCA stated:

"Although we see clear benefits to real-time data sharing, we do not propose to consult on introducing real-time data sharing requirements at this time."

The FCA's proposed approach is, in effect, to do nothing and assume that the issues associated with real-time data sharing will work themselves out through a combination of time and commercial pressures. It is true that entrepreneurial new companies are developing systems and services that use existing arrangements that are already available to consumers, such as online banking, to offer something approaching real-time credit data. Although there is scope for technology to make sharing faster and easier, unless real-time data sharing is supported by regulatory requirements from the FCA, it is likely to be opposed as a result of commercial pressures by large incumbent lenders to prevent more effective competition.

New technological solutions show that there are few material costs to implementing real-time data sharing. IT systems are already geared to real-time data sharing, and it is clear that financial institutions can mobilise their account information to support real-time data sharing for their own purposes without any difficulty. I have also been informed of the benefits of a regulatory database. A database would allow instant monitoring of loans and of the whole high-cost, short-term credit market, which can be simplified into a traffic light system for lenders and alerts when loans are made outside regulatory rules. If all applications were processed using the database, regulators would have certainty that the rules were being followed at point of sale in store or online. In addition, because the data are not shared among creditors and are used only by the regulator, commercially sensitive information and customer data are not bought and sold.

[Chris Evans]

The Financial Conduct Authority should ensure that any real-time data are used to ensure compliance at every step of the lending process. That can be achieved only if all lenders of short-term, high-cost credit report data into a real-time FCA database. The payday loan market operates best, and consumers are best protected, when a database is in place. Alongside that, high-level scrutiny and enforcement activity are required to limit and prohibit illegal lending.

The absence of real-time data sharing is important for two principal reasons. First, it is a partial cause of unaffordable personal debt. Consumers may be granted loans which they cannot truly afford, because providers do not have up-to-date information about their most recent liabilities and missed payments. Secondly, it is a critical factor that limits the degree and effectiveness of competition within many overlapping consumer credit markets, because it discourages providers from entering the market and limits their ability to compete fairly if they do enter. The FCA must revise its proposed strategy and develop long-term, future-proof regulatory solutions that promote real-time data sharing and enable the innovative use of new technology.

In our society, many people, whatever their political persuasion, believe that the Government are no longer on their side. Real-time data sharing, to me, is absolute common sense, and it can be adopted with a few simple steps. It is time, through this simple measure, for the Government to show that they can stand up to large corporations and organisations that are quite clearly trying to rig the market in their favour.

7.39 pm

The Economic Secretary to the Treasury (Harriett Baldwin): I congratulate the hon. Member for Islwyn (Chris Evans) on securing this very interesting debate. I want to assure him that my key priority as Economic Secretary is to ensure that financial services are on the side of people who work hard and who want to do the right thing and get on in life. Financial services should help people to achieve their aspirations at every stage of their lives, whether they are saving for their first home, taking out a mortgage, buying a car or saving and investing for their retirement.

This Government have fundamentally reformed the regulation of the consumer credit market to deliver our vision of one that is well functioning and sustainable and, vitally, can meet consumers' needs. That is why we created a more robust regulatory system and transferred regulatory responsibility for consumer credit from the Office of Fair Trading to the Financial Conduct Authority in April 2014. The regime was designed to strike the right balance between proportionality and consumer protection. The FCA thoroughly assesses every single consumer credit firm's fitness to trade as part of the authorisation process, and it has put in place binding standards. It proactively monitors the consumer credit market, focusing on the areas most likely to cause consumers harm. This Government have ensured that the FCA has robust powers to protect consumers.

It is very important that lenders act responsibly when deciding whether to grant credit and how much to give. The FCA makes it clear that a firm should lend responsibly, and that it should take reasonable steps to assess the

customer's ability to meet repayments in a sustainable manner, without having to borrow further. The hon. Gentleman is right that, ultimately, credit should only be extended to a consumer if they can afford it. Improving creditworthiness assessments will help to deliver a lower risk and a more affordable credit market.

When the responsibility for regulating consumer credit was transferred, the FCA turned key elements of the OFT's "Irresponsible lending" guidance into binding rules. The rules set out that a firm should assess the customer's creditworthiness with regard to the potential for the commitments to impact adversely on the consumer's financial situation, and the consumer's ability to make payments as they fall due. Although the FCA requires firms to undertake a creditworthiness assessment, including on the affordability of credit, it does not require firms to share or use all available credit data, whether real-time or otherwise, as the hon. Gentleman pointed out.

Providing lenders with a broad spread of information on which to base their lending decisions facilitates better decisions. The UK has a competitive credit information market that delivers this function. Credit data are shared by lenders through private credit reference agencies—the hon. Gentleman mentioned the three main ones—and lenders of all types provide credit reference agencies with information, including about traditional and non-traditional lenders. Providers of non-credit services, such as utilities, share data with credit reference agencies.

There are no specific FCA rules regarding the sharing of credit data in real time and there is no standard definition of what constitutes real-time data sharing, but the general principles that lenders follow when sharing data are set out in the "Principles of Reciprocity", as drawn up by the credit industry in collaboration with the Information Commissioner. The principles mean that lenders can access only the same type of data that they share with other lenders. For real-time data sharing, they would need to report data in real time to each other if they wanted to access such data to inform creditworthiness assessments from other firms. Nothing currently prevents them from doing so. The Government have made it clear to lenders that appropriate real-time credit data sharing can greatly assist in making more accurate affordability assessments. Real-time credit data sharing allows firms to see whether an individual has credit agreements with other providers, and gives them a much better understanding of their burdens.

As I am sure the hon. Gentleman would agree—the hon. Gentleman mentioned this a few times—these issues are particularly salient in the high-cost, short-term credit market. Owing to the nature of that market, the availability of accurate and up-to-date data is all the more important. The FCA has said that there has been substantial recent progress by the industry in real-time credit data sharing for high-cost, short-term lenders. In fact, over 90% of high-cost, short-term lenders by market share currently meet the FCA's expectations to share data in real time. The FCA expects the proportion of high-cost, short-term credit firms using real-time data sharing to increase further by the time the authorisation process is complete for most high-cost, short-term credit firms. However, it will continue to press for further improvements to ensure that up-to-date information is available to enable lenders to make more accurate affordability assessments that deliver better outcomes for consumers.

That reflects the Government's general approach to regulation, which focuses on the areas that are most likely to cause harm. There is obviously a particular risk in the payday market, which is why we capped the total cost of payday loans and why the FCA has placed expectations for real-time data sharing on this market.

It is worth noting that real-time data sharing is not a panacea. While credit reference agencies are a key part of the consumer credit market and are regulated by the FCA, the information record does not necessarily provide a complete picture of the consumer's financial situation. Therefore, improving the depth and breadth of the data, rather than the timing, is more important to the affordability of credit.

The decentralised nature of the UK's system of credit referencing means that credit reference agencies are well placed to respond to this challenge. Unlike some other markets that are highly centralised, credit reference agencies in the UK compete on the extent and timeliness of their data coverage. As such, it is in their interest to provide as much relevant data about consumers in the most timely manner possible in order to assist lenders in making the most accurate affordability assessments possible. One credit reference agency recently launched an initiative that will enable the use of social rent, as well as utilities data. That could assist consumers with thin credit files to access more affordable credit.

The FCA will continue to challenge payday lenders, as part of its ongoing authorisation process, about the robustness of their affordability assessments and their use of real-time data. It is currently considering the responses to a consultation that includes its approach to real-time data sharing. More widely, the FCA is looking into how firms assess creditworthiness and affordability, including how consumers may be protected from taking on unmanageable debt.

The Government are committed to developing the FinTech sector so that this country becomes the global hub for financial innovation, giving consumers greater choice and access to credit in the process. The hon. Member for Islwyn mentioned the potential for jobs and economic activity, as did the hon. Member for

Strangford (Jim Shannon) when he was here. The FinTech industry will be crucial in meeting these objectives, particularly in fostering a climate that encourages data sharing and gives consumers greater choice in the process.

I assure the hon. Member for Islwyn that our FinTech industry is a world leader. In 2014, it contributed £20 billion to GDP and employed 135,000 people. Its development has kept our financial services sector at the cutting edge of innovation, increased competition and choice for consumers, and helped businesses to get better services. I see the developments that we are discussing very much within that context. The Government have taken a range of actions to support alternative lenders and the digital currency sector. We have appointed Britain's first special envoy for FinTech, Eileen Burbidge, to support our engagement with the sector. We have worked with the FCA to create the right regulatory environment for the sector to flourish, while protecting consumers.

The Government are working with industry to deliver a framework for the open application programming interface. In plain English, that will mean that the banks' data and computer languages are much more accessible to other computers and FinTech firms. That will deliver greater competition and innovation, particularly in the personal and business current account sectors, by enabling innovative third-party firms, such as FinTechs, to make use of bank data in the interests of customers. Within this innovative space, there is scope for FinTechs to shape the consumer credit market positively and to do more on real-time credit information. For example, the FCA is considering opening access to consumers' credit card usage data to other market participants.

I thank the hon. Member for Islwyn and congratulate him once again on raising a very interesting subject for debate this evening. I stress that the Government and the FCA understand the importance of this matter to his constituents and to the country.

Question put and agreed to.

7.49 pm

House adjourned.

Westminster Hall

Tuesday 2 February 2016

[VALERIE VAZ *in the Chair*]

Regional Airports

9.30 am

Valerie Vaz (in the Chair): Quite a number of hon. Members are present and wish to speak. I am sure that at some stage I will have to impose a limit of approximately four to five minutes.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): I beg to move,

That this House has considered regional airports and UK airports capacity.

It is a pleasure to serve under your chairmanship, Ms Vaz. I am delighted to have secured this debate, which could not be more timely in a year when I hope that the Government will face up to some of the most significant decisions in the aviation sector for decades. That could not be more important for regional airports, such as Newcastle international airport in my constituency and countless others around the UK, which are the backbone of regional economies and, therefore, the economy as a whole. The interest in and concern about the issue is demonstrated by the number of hon. Members present.

Newcastle international airport celebrated its 80th anniversary last year. As the Minister knows because he came to visit, it is the largest airport in the north-east and the 10th largest in the UK. It also happens to be the single largest employer in my constituency and is proud of its public-private partnership model, with ownership between the seven local authorities and AMP Capital. Indeed, it served a record 4.56 million passengers in 2014 and supported 3,200 jobs directly on site and 12,200 indirectly. It contributes over £581 million in gross value added to the north-east economy, including £181 million in tourism impact and 1,750 tourism jobs.

Newcastle airport exports well over £300 million of goods every year. The vast majority are carried by Emirates on its long-haul service to Dubai and last year saw the first ever trans-Atlantic service from Newcastle by United Airlines to Newark, which is set to return this summer. Newcastle international airport makes an invaluable contribution to the north-east's proud claim to be the only consistently net exporting region in the UK, just as other regional airports make an invaluable contribution to their local economies.

This is when we come to the purpose of today's debate. The Government are facing critical decisions that will determine the future of the UK's aviation sector, which in turn will have a major impact on regional economies. Those decisions are not new and include where to build the new runway to provide the capacity we need for the future and how properly to support regional airports during a time of considerable upheaval with devolution.

Time and again, the Prime Minister has kicked the can down the road rather than face up to the challenges. It is not just Heathrow or Gatwick that loses out from

this chronic indecision. The future growth and sustainability of the UK's regional airports and, by extension, the growth of our regional economies, are equally put at risk.

Mr John Spellar (Warley) (Lab): Does my hon. Friend, like me, find it utterly extraordinary that, given the huge advantage to many regional airports around the country, the fact that business is overwhelmingly supportive of an early decision on airport capacity and the fact that the private sector trade unions—GMB and Unite—are also campaigning vigorously on behalf of their members to increase airport capacity, the Prime Minister, dithering Dave, is still holding back on bringing a decision to Parliament?

Catherine McKinnell: I thank my right hon. Friend, who makes my argument for me. Hon. Members will remember the Chancellor's claim in 2011 of a march of the makers, which he has since forgotten, and his more recent talk of a northern powerhouse. How does he expect the makers to march or the north to become a powerhouse if they cannot export or do business with the rest of the world? That is what is at risk thanks to the Government's dither and delay.

Ian Mearns (Gateshead) (Lab): It is fantastic that my hon. Friend has this debate this morning. The problem with provincial airport capacity using Heathrow as a hub is that we unfortunately rely on flights in and out of Heathrow and those are the very flights that will be squeezed due to the lack of capacity at Heathrow. When they are in competition with increased demand from overseas flights, those provincial flights, which are important for the regional economies, will lose out.

Catherine McKinnell: My hon. Friend excellently makes my argument for me. I want to talk about the most important decision on the desk of the Secretary of State for Transport at the moment: airport capacity and expansion. Having pledged to cancel the Labour Government's plans for a third runway at Heathrow, the coalition Government set up the independent Airports Commission in 2012, chaired by Sir Howard Davies, to assess and to report on long-term aviation capacity options by summer 2015. The commission did exactly what it was asked. Having considered a plethora of options, it decided in its interim report in 2013 to narrow these down to just three, all of which were in the south-east. In July 2015, it produced a thorough and comprehensive report assessing each of these in turn.

Sammy Wilson (East Antrim) (DUP): Does the hon. Lady agree that it is important not only that airport capacity is increased in the south-east so that regional airports can feed into it but that slots are guaranteed for flights from regional airports? Otherwise, as capacity diminishes because airlines use more and more flights across the world, regional airports will be squeezed again.

Catherine McKinnell: Indeed. The commission looked at that issue and its decision was unequivocal: a third runway at Heathrow presents the clearest case and the greatest strategic and economic benefits to the UK.

[Catherine McKinnell]

That view was shared unanimously by its members. For the benefit of hon. Members, it is worth revisiting what some of those benefits are.

The commission estimates that by 2050, GDP would be boosted by £129 billion; 78,000 new jobs would be created; productivity would be boosted by £69 billion; and 12 new long-haul routes would be available to UK passengers with 16 million extra long-haul seats. Those benefits far outweigh those that would be provided by an expanded Gatwick. Perhaps most important, the commission said that an expanded Heathrow would

“provide a stimulus to economic growth throughout the UK.”

It estimates that £70 billion to £80 billion of economic benefits would spread across the regions of the UK by 2050.

I recognise the many concerns, both local and national, about an expanded Heathrow, particularly local air quality, noise and other community impacts, not to mention whether an expanded Heathrow is even possible in line with our climate change commitments. The Airports Commission also recognised those challenges and set out a package of measures to meet them. Let us remember that the commission did not simply give an unlimited green light to expanding Heathrow. It recommended that any new runway must be accompanied by a ban on night flights, which is possible only with expansion anyway; a legally binding noise envelope so that noise levels do not exceed current limits; a new aviation noise levy on airport users to fund a mitigation package for local residents; a £1 billion commitment from Heathrow for community compensation; a legal commitment that expansion will happen only if it does not delay local surrounding areas complying with EU limits on air quality; and compensation for homes lost at full market value plus 25% available immediately. That would provide the framework within which to approach the challenges posed by an enlarged Heathrow.

Why is airport expansion in the south-east so important to other regions such as the north-east? The trend in recent years has been towards a hub-and-spoke model of aviation, whereby airlines have routed all operations through a hub airport and joined with other airlines, creating alliances, to provide customers with hundreds of destinations, all accessible through a single hub. We can look all over the world and see that the hub-and-spoke model is key, from the likes of Schiphol, Charles de Gaulle and Frankfurt in Europe to the rise of the increasingly dominant middle eastern hubs in Dubai, Qatar and Abu Dhabi, not to mention the well-established far eastern hubs such as Singapore and Hong Kong. Of course, Heathrow stands alongside those, accounting for 70% of the UK's scheduled long-haul flights and serving 75 unique destinations.

That is not to say that long-haul routes are neither valuable nor viable from regional airports. As I mentioned, the daily Emirates service from Newcastle to Dubai has been transformational, facilitating millions of pounds in exports from the north-east to the middle east, but it has been so successful because it is operating to another hub airport, from which those goods and passengers can travel on, throughout the middle east, to Australasia and beyond. I hope that we will see more of those links developing in the future. Regional airports play a significant

role in providing their own direct connections worldwide, in conjunction with connections through a hub such as Heathrow.

Ian Mearns: My hon. Friend is making an excellent point about the fact that the delay in relation to Heathrow could cost the UK economy significant amounts of money. If I am flying from Newcastle, I do not mind which hub I use, as long as I can get where I want to go, so if Heathrow is not developed and the capacity is not there for inbound flights from Newcastle in order for me to change to an international flight, I will happily use Schiphol, Brussels, Paris or even Dublin if I am going to the United States of America. Therefore, it is vital for all the UK's provincial airports that that capacity is provided as soon as possible.

Catherine McKinnell: My hon. Friend makes a very important point, but we must always look at this in both directions. It is not about where we would be happy to go via if we want to go somewhere, but where people are happy to come via if they want to come and do business where we are. That is increasingly important.

Ms Margaret Ritchie (South Down) (SDLP): My hon. Friend is making compelling points about the need to develop airline and airport capacity. Does she agree that to do that, there needs to be a review of air passenger duty? I am thinking of us in the Northern Ireland context having to compete with the Republic of Ireland, where there is zero air passenger duty.

Catherine McKinnell: I thank my hon. Friend for that intervention. I will come on to that issue shortly.

To go back to the airport expansion issue, Newcastle currently has a six or seven times daily service in and out of Heathrow. It is used by 500,000 passengers a year, including many of my constituents, as well as residents and businesses from across the north-east, 50% of whom use the domestic service into Heathrow to connect to hundreds of destinations worldwide—an opportunity that no other UK airport provides for my constituents, or passengers from any other region, for that matter. As the Transport Secretary himself told the British Air Transport Association last week, we must keep “beating the drum for the regions in this debate.”

He also said:

“One of the most persuasive arguments for new capacity is the links it will provide to the north, the south west, Wales, Scotland and Northern Ireland. Opponents have tried to suggest that a new runway would somehow undermine our domestic network. In fact the reverse is true.”

I could not agree more. However, these vital connections between the regions and Heathrow, which, let us be clear, is where domestic links are most valuable, are at risk. As the Airports Commission found, a crowded Heathrow has led to a decline in the number of domestic services, from 18 in 1990 to just seven at present, but it estimates that that could bounce back to 16, and an additional 1 million passengers a year, if a third runway is built. By contrast, the commission says that if we maintain the status quo at Heathrow, domestic passengers using the airport could fall by a staggering 2.5 million.

In that case, I hope that the Minister will acknowledge the vital links between regions such as mine and Heathrow and the economic benefits that they provide for regional

economies. I hope that he can reassure hon. Members today that the impact on regional economies is playing a key role in the weighing up of the decision. Most importantly, I hope that the Minister will set out clearly when we can expect a decision once and for all, and provide a guarantee that we will see no more dither and delay from this Prime Minister.

The other major concern for regional airports in the UK at the moment is the devolution of APD to Scotland and Wales. As a result of the Smith Commission proposals, APD is being devolved to Scotland through the Scotland Bill, and the Government are now considering the case for doing the same in Wales, as part of the St David's Day agreement signed last year. We know already that the Scottish National party programme for government includes a pledge to cut APD in Scotland from 2018, initially by 50% if the SNP wins power this year, with a view to replacing APD with a "more competitive regime" in the long term. Of course, it was welcome that the leader of the Scottish Labour party, Kezia Dugdale, pledged while visiting Newcastle that a Labour Scottish Government would not cut APD north of the border, acknowledging the risk of such a move to north-east airports and businesses. The implications for airports such as Newcastle and others, including Bristol, Manchester and Birmingham, should not be underestimated. We have long made that clear; we have done so since the Smith Commission's proposals were published.

Julian Knight (Solihull) (Con): The hon. Lady's mention of Birmingham airport prompts me to intervene. What does she think about the idea of an APD holiday for new flights? For instance, the American Airlines flight that she mentioned from her constituency to Newark is a summer flight at the moment, but potentially, with an APD holiday, could become an all-year-round flight instead.

Catherine McKinnell: A number of options are being mooted and discussed as part of the solution. What I want to see from the Government is some certainty about what they will actually do to ensure that regional airports are not disadvantaged by some of these changes. All options need to be considered and taken seriously. Indeed, analysis by Her Majesty's Revenue and Customs of the impact of devolving APD to Scotland found that Newcastle would be the most acutely affected, at least immediately, with an initial 10% reduction in passenger numbers. That is the Government's own analysis. In particular, HMRC's review forecast that the savings to medium and long-haul passengers from reduced APD in Scotland would outweigh the cost of travelling further.

Sammy Wilson: Does the hon. Lady accept that we do not even have to rely on modelling done by HMRC? We have only to look at the example of Northern Ireland. Passengers are being sucked out of Northern Ireland to an airport 100 miles down the road, where there is no APD at all. The same would happen if we had an uneven playing field in the rest of the United Kingdom.

Catherine McKinnell: The hon. Gentleman makes a very important point. It is a very clear illustration of the impact that such a move can have.

Ian Mearns: I am grateful to my hon. Friend for giving way again; she is making a very powerful speech. The situation is similar for those of us in the north-east, with our regional airport at Newcastle. It is 104 miles from Newcastle airport to Edinburgh. If the Scottish Government were to reduce APD by half or possibly do away with it altogether—there would be a real economic disbenefit for Newcastle airport. However, we are already suffering a major disbenefit because people travelling from provincial airports into a hub such as Heathrow get charged APD twice. There is a charge at Heathrow for being inbound and there is a charge from Newcastle for being outbound, so people are charged twice for flying between a provincial airport and a hub such as Heathrow.

Catherine McKinnell: My hon. Friend makes a very important point, and I can see that the Minister is interested. He should give some consideration to the impact that that practice has on domestic passengers and regional economies.

Ian Paisley (North Antrim) (DUP): The hon. Lady is making an excellent point. Does she agree that this should not be about persuading Scotland not to reduce this taxation? In fact, I am delighted that Scotland has indicated that it will reduce it. This should be about all of us persuading the Chancellor to remove this pernicious, dirty, nasty little tax on passengers and on business.

Catherine McKinnell: Interestingly, the Prime Minister seemed to recognise the issue during the general election campaign. He told regional newspapers:

"We are not going to accept a situation where there's unfair tax competition...We will do what's necessary to make sure that England's regional airports can succeed."

However, there has been near total silence on this issue ever since and there is a considerable amount of understandable concern that that was simply a lot of hot air.

Dr Philippa Whitford (Central Ayrshire) (SNP): I echo the comment made by the hon. Member for North Antrim (Ian Paisley). It is not a matter of trying to stop regional airports in Scotland from developing. APD was designed to dampen some of the demand here, and it holds back all regional airports. The land border with southern Ireland has been mentioned. If someone from Germany, such as the German side of my family, wants to visit the wilderness, they have a massively different choice between Ireland and Scotland because Ireland does not have APD and it has 9% VAT on tourism. We are ranked 139th out of 140 countries for tourism competitiveness.

Catherine McKinnell: It is almost a year and a half since the Smith commission's proposals were published and accepted by the Government, yet we are still no closer to understanding how the Government intend to protect regional airports that are set to be adversely affected by the changes. In last summer's Budget, the Treasury belatedly published a discussion paper on options for supporting regional airports through the changes. The document outlined three options: devolving APD in England; varying APD rates in England; and providing aid to regional airports in England. Unsurprisingly, those proposals begged more questions than they answered.

[Catherine McKinnell]

For instance, which bodies in England would APD be devolved to—local authorities, combined authorities or local enterprise partnerships? If APD was left as it is, and the Government provided financial support instead, how would they ensure that adequate aid reached airports acutely affected by lower APD rates across the border in Scotland or Wales? There are stringent EU guidelines on state aid support, particularly in the aviation sector, and we have previously heard the Government promise compensation to sectors impacted by one policy or another, but they have often under-delivered. How will this be any different? Will airports such as Newcastle be left to plug the gap?

Those and many more questions remain regarding the Government's proposals, yet, six months on from the publication of the paper, there is near total silence from Ministers. I hope that the Minister will break that silence and provide us with some much-needed detail. When will the Government publish a response to the discussion paper that they published last summer? Are all three options still on the table or have some been ruled out? Most importantly, will the Minister tell airports such as Newcastle, Bristol and others how they will be supported by the Government when APD rates are devolved to Scotland and, potentially, to Wales? At the very least, will he tell us when airports can expect to hear about the plans?

The Airport Operators Association has made clear its very strong preference for any future reduction in APD in Scotland to be

“matched, immediately, by a cut everywhere”

so that no part of the UK is “disadvantaged in any way.” It is clear that the continued uncertainty on the issue is very damaging, and it is already having an impact on regional airports when it comes to airlines planning future routes and commitments. It is not good enough to wait and see what happens in Scotland. Action and certainty are required for England's regional airports now.

A further concern I want to raise briefly this morning is the effect of regulatory charges—including, for example, the cost of a 24-hour police presence and all the security borne by airports—on regional airports such as Newcastle International. I understand that very large airports, with airlines queuing up to use their runways, are easily able to pass on those costs on to airline operators. However, it is much less easy for regional airports to do so, and the impact of the shift in costs is therefore having a disproportionately adverse effect on them. Regional airports are understandably extremely concerned about proposals that they should bear the costs of Border Force operating on their sites. Given that the agency is responsible for national security, I would have thought that responsibility lay squarely with the Government.

The decision on airport capacity and expansion has been kicked into the long grass far too many times, even after a £20 million independent commission made the decision on the Government's behalf, as it was asked to do. The Government must make a decision in the national interest, but it should be a decision that respects our international commitments and the concerns of local communities. The Airports Commission has set out a plan that can achieve those twin aims, but the Government do not seem to accept it.

It is time to end the dither, delay and prevarication that has prevailed for far too long under this Prime Minister and Chancellor because it is not just London and the south-east but Newcastle, the north-east and many other regions will lose out most. Heathrow is, after all, not a London airport; it is the national hub. Airports across the country are looking for answers and long-term certainty from the Government, whether it is on airport capacity or the tax regime for aviation in the UK. I really hope that the Minister will be able to provide that certainty for them today.

Valerie Vaz (in the Chair): The wind-ups will begin at 10.30 am, so it would be helpful if Members would stick to a four-minute time limit. We will see how it goes from there.

9.55 am

Jim Shannon (Strangford) (DUP): It is a pleasure to speak in this debate. I was not sure that I would be called so soon, but I appreciate the opportunity. I congratulate the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) on focusing everyone's attention on the issue. Clearly, I will be speaking from a Northern Ireland perspective.

The issues of regional airports, including capacity and air passenger duty, are particularly pertinent to Northern Ireland as we share a land border with the Republic of Ireland. My hon. Friends the Members for East Antrim (Sammy Wilson) and for North Antrim (Ian Paisley) have said that on a couple of occasions so it is clear that these issues concern us all. Another indication of that concern is the number of Members of Parliament from Northern Ireland who are here.

Just a few miles down the road, Dublin airport does not have APD imposed on its flights. Not only does the existence of APD put strain on Northern Irish airports as it does with other regional airports throughout the UK, but we are punished twice by having to compete with foreign airports able to operate at a significant advantage. APD was designed to be a revenue raiser but, in the case of regional airports—especially in Northern Ireland—APD has instead become an obstacle to growth. Perhaps the Minister could comment on the suggestion that revenue could be raised by reducing APD and by making us an equal competitor with the Republic of Ireland.

Just last week, news came out showing that passenger numbers have soared at Northern Ireland's two main airports: George Best Belfast City airport and Belfast International airport. More than 7 million passengers passed through Ulster's airports last year—a rise of 9% at Belfast International and a rise of 5.4% at Belfast City. However, despite the success at Belfast City and Belfast International, there was a huge slump at Londonderry airport with numbers down by almost a fifth.

Ian Paisley: My hon. Friend will appreciate that the figures from 2006 to 2016 show that passenger numbers have not yet recovered for Belfast City and Belfast International airports because numbers are being sucked to Dublin.

Jim Shannon: I will certainly speak about that. The figures show an increase, but a much greater increase could be achieved. Perhaps we might dwell on that. A spokesman for Belfast International airport said:

“If we can make advances such as this with the drag of APD impeding progress, think what we could achieve for the Northern Ireland economy if we didn’t have this regressive tax”.

That is a great point, which my hon. Friend the Member for North Antrim also makes. We could do better and much better.

Some 240 million passengers a year join or leave aircraft at the reporting airport. That figure is important because the increase in traffic is yet to be evenly spread out. Other airports outside of London—in Wales, Scotland and, particularly, Northern Ireland—should get the advantage of that. I want to see the connectivity and I know the Minister will comment on that. Those airports are making a case for at least some reduction in APD, with Wales and Scotland already on course to deliver. This debate is important to me as the MP for Strangford because I see Belfast City airport as the airport for my constituents, and they see it that way as well. We want the advantages, across my constituency and across the whole of Northern Ireland, of better prices and better connectivity with other parts of the United Kingdom.

As well as regional disadvantages, APD is at risk of creating a socioeconomic divide, where those with the ability to pay can enjoy the benefits of air travel when and where they want, while those without it are left using other, less appropriate means of transport. APD raises some £3 billion a year in tax revenue, year on year, for the United Kingdom but, despite its introduction, demand has risen rather than fallen. Although APD is a form of revenue, raising it has failed in its aim of reducing demand and carbon demand. If something is broken—and in this case, it is—we should fix it. It is clear that APD does not work for regional airports across the whole United Kingdom of Great Britain and Northern Ireland, and Northern Ireland wants something different.

The benefits of abolishing air passenger duty will be seen across the entire United Kingdom. According to PricewaterhouseCoopers, abolishing the duty would see the UK economy grow by a staggering 0.5%, which would give the UK Treasury some £570 million in tax receipts in the first year after abolition due to the increased demand for air travel. That is a win-win.

In Northern Ireland we know all too well how much air passenger duty influences the decisions of airlines about doing business. We compete directly with the Republic of Ireland in this sector, and we need only look at what happened when air passenger duty was abolished in the Irish Republic. The figures are interesting: Dublin airport increased its passenger numbers from north of the border—my constituents—which is proof that APD is an obstacle to business, growth, prosperity and security for our people. We must do everything we can to ensure the future success of Northern Ireland.

My party is on record as supporting a third runway at Heathrow—we said it in previous debates, and we are saying it in Westminster Hall today. Let us get the third runway in place for Heathrow. Let us get connectivity across all the United Kingdom, and let us get it for Northern Ireland—for Belfast City, for Aldergrove and for Londonderry. Let us move forward and give everyone in the United Kingdom of Great Britain and Northern Ireland the opportunity to have the advantage of no APD.

10 am

Kelvin Hopkins (Luton North) (Lab): It is a pleasure to speak in this debate. I congratulate my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) on securing this debate and on her excellent speech.

I am here to talk about rail connectivity to regional airports. The Minister will remember that a little while ago I spoke in a debate about eastern regional airports, specifically about Luton. Since then, together with my hon. Friend the Member for Luton South (Mr Shuker), I have had a meeting with the owners of London Luton airport and was impressed with their plans for expansion. Airport passenger numbers are increasing rapidly at Luton—they are now at 12.5 million and are on an upward trend—but we want more trains to stop at Luton Airport Parkway station. There are plans to build a fixed link between the railway line and the airport to ensure that passengers can get to their flights more easily.

Birmingham airport can make a bigger contribution to airport capacity. Indeed, it can serve the south-east and London with the right rail connectivity. I recently met representatives of the Airport Operators Association, who said that Birmingham is operating at only 30% capacity. An old friend of mine, Paul Kehoe, who used to be a director of London Luton airport, is now a director of Birmingham airport, and I hope to put this to him, too. Birmingham airport could and should provide much more capacity for not only for the midlands and the north but for London and the south-east, but it needs better rail connections.

Karen Lumley (Redditch) (Con): Birmingham airport is in my region. Does the hon. Gentleman agree that, when HS2 is finally on stream, Birmingham airport will be able to take people from north London? Birmingham also has the capacity for a second runway.

Kelvin Hopkins: I thank the hon. Lady for her intervention, but my scheme is rather different from HS2. It is a lot cheaper, more convenient and can be done much more quickly. I am suggesting, as I suggested in a debate some time last year, that we link Birmingham Snow Hill to London. It currently operates to Marylebone, and trains could go to Paddington, too, but electrifying and upgrading the line could provide a rapid, 125 mph service from the centre of Birmingham to the centre of London without changing trains because it could be linked to Crossrail at the southern end. A little track work and electrification would cost no more than £1 billion, according to my railway engineer friends who advise me on such things. A link to the southern end of Crossrail would mean that trains could go both to Heathrow direct and to the City of London, so people could go from the centre of Birmingham to the centre of London. The existing west coast main line, which serves Birmingham airport, links through to Leamington Spa on the Birmingham Snow Hill line, so one could get a direct electrified train non-stop from Birmingham airport to the City of London using Crossrail.

Of course, Birmingham airport could effectively become a satellite, or even a hub, to share the load with Heathrow, because a one-hour service direct from airport centre to airport centre using the Birmingham Snow Hill line would make a real difference to airport capacity and

[Kelvin Hopkins]

could help to fill the spare capacity at Birmingham. As the hon. Member for Redditch (Karen Lumley) said, Birmingham airport could be expanded further. I am suggesting something that could be done relatively quickly and cheaply and that would service the people of Birmingham and the people of the City of London while increasing the usage of Birmingham airport by passengers coming from the south-east and London. I hope the Minister recognises that as a real possibility.

Julian Knight: I am the Member of Parliament for a constituency that neighbours Birmingham airport, and devolution and the idea of devo-APD have been discussed. Does the hon. Gentleman agree that potentially devolving APD to airports such as Birmingham, and to authorities such as the West Midlands combined authority, could be a real benefit and bonus to regional airports?

Kelvin Hopkins: The hon. Gentleman has made his point, and I will not comment because I am concerned about passenger capacity and have not given any thought to his point.

An electrified, non-stop service from Birmingham airport to the City of London without changing trains would make a real difference to the attractiveness of Birmingham to travellers from London and the south-east, and it could provide a direct, one-hour, 125 mph electrified train from airport to airport. Birmingham and Heathrow could effectively serve as a hub, or as hub satellites to each other. Luton airport is doing very well and is going to expand massively over time, but my proposal could be done very quickly. We could see a tremendous benefit to the regions, and particularly to Birmingham airport.

10.5 am

Sir Alan Haselhurst (Saffron Walden) (Con): It is a pleasure to serve under your chairmanship, Ms Vaz. I congratulate the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) on securing this debate and on her speech, in which she made many important points. I was a little worried that her speech was becoming slightly political. She sounded somewhat like a cheerleader for Heathrow, so I hope she checked her script with the hon. Member for Hayes and Harlington (John McDonnell). I am also surprised that the debate has very much turned to APD—the debate could have been entitled that to give guidance to other colleagues who might have wanted to contribute on that subject. There is a serious problem with what the Scottish Government might do but, by and large, APD has not acted as too much of a brake on the increase in passenger traffic, which is at the heart of the problem of how we provide airport capacity.

Airport capacity is much easier to decide in opposition than in government. Looking back at what has happened over the past decades, the party in government is always the one that is in trouble trying to determine airport capacity, whereas the parties in opposition are freer to comment. The problem with airports, and our country as a whole has never been good with big projects—we agonise over them, and over the consequences in the immediate area where their impact is most felt—is that we struggle because people say, “Of course we want air travel, but we don’t need an airport just near us, thank

you very much, because of the disadvantages that come with it for the rest of the year.” It is essential that an island country such as ours has good airport connectivity. Politics does not help, because one party comes in and has to look at airport connectivity more realistically, and then that party goes out. No one is sure whether a policy conceived in one Parliament will be continued in another.

Catherine McKinnell: I appreciate the right hon. Gentleman’s point about politics, but does he agree that the point of the independent airports commission, which the Government spent £20 million constructing, was to come up with a viable plan for the whole UK? The commission has made that recommendation, so is it not incumbent on the Government to say whether they support that decision?

Sir Alan Haselhurst: One might think that, but the reality is that it depends on what the commission says. The majority recommendation of the 1968 Roskill commission was rejected by the then Government, and the minority recommendation, which was accepted by the Government of 1970, was rejected by the incoming Government in 1974. Such recommendations do not have a very good record.

I will say a little more about the Davies commission before I conclude. We are beset by the division between the capital city and the rest of the United Kingdom, and I find that the term “regional airports” somehow implies second division—it is like talking about the premiership and the championship in football—and that regional airports are somehow different or less good. I am a northerner, and at one stage I represented a Greater Manchester seat. I was very pro the development of Manchester airport, but we have never yet exploited the regional airports to their full. At the moment, there is an urgent need to do so, because they have usable capacity.

Of course I do not want to decry London’s importance to our country, but I think that we do not extol the virtues of the rest of the country. I find the concept of the northern powerhouse exciting. I acknowledge that Government after Government over the past 50 or 60 years have tried to decrease the emphasis and pressure on London and the south-east, but we have never succeeded. There is still a net drift to the south-east, and it is unhealthy for our country.

A point that has not yet been covered in this debate is the difference between hub and point-to-point. Where the Davies commission falls short is that it recommends a hub airport in London, but then says, “Oh, but we can’t have a fourth runway.” Even a third runway puts us way behind the competition in the rest of Europe. If we are really to have a hub airport, it must have the necessary capacity. Figures suggest that Heathrow’s domestic connectivity with three runways will decline, not improve, because the more profitable long-haul routes will steadily displace domestic services.

We must make more use of the spare capacity in the rest of the country, recognising that there are aircraft types being developed now that encourage the growth of point-to-point services from many of the airports in our country. I hoped that this debate would concentrate on that more than it has so far.

Valerie Vaz (in the Chair): If Members reduce their interventions, everyone will be able to get in.

10.11 am

Dr Philippa Whitford (Central Ayrshire) (SNP): It is a pleasure to serve under you, Ms Vaz. I pay tribute to the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) for securing this debate. Obviously, we are all here to pitch for our local airports, and as usual I am pitching for Prestwick, the UK's clear-weather airport with a long runway. We have a train station in the airport; what we do not have is a single flight to London. We are obstructed from applying for a public service obligation or the connectivity fund by the 60-minute rule—we are within 60 minutes of Glasgow.

This debate opened with a discussion of Heathrow versus Gatwick. The posters that used to be outside the tube entrance referred to a fantastic surge for the whole of Britain. To us in the very northern powerhouse, Heathrow is almost on the south coast. Therefore, unless whatever airport is chosen has protected routes for domestic airlines, there will be no benefit to the rest of the country.

I would also pick up the mention of point-to-point by the right hon. Member for Saffron Walden (Sir Alan Haselhurst). Part of the reason for the obstructed capacity in the hubs of Heathrow and Gatwick is that lots of us who live in a totally different place are made to fly through those airports. We do not want to be here; we do not want to go through Heathrow or Gatwick. We want to go point-to-point, but the number of those flights has diminished.

Sir Alan Haselhurst: I thank the hon. Lady for allowing me to intervene on that point, which I was unable to develop as fully as I would have liked within the time limit. The development of the Airbus A350 aircraft and the Boeing 787 opens up the possibility that an aeroplane that can fly distance with 250 passengers rather than 400 could be economically viable. That is an exciting possibility.

Dr Whitford: I thank the right hon. Gentleman for that intervention.

We tend to talk about the business flyer coming into London, and there are certainly plenty of business flyers in my region who would welcome a flight from Prestwick into London, but we also need to start thinking the other way around, as a previous speaker said, about tourism coming in. I would like us to think about the smaller regional airports, which are often in areas of great attractiveness and beauty that are tourism hotspots. For someone sitting in the middle of Europe deciding whether to go for their holidays to southern Ireland, Northern Ireland or Scotland, it is a no-brainer. With 9% VAT and no air passenger duty in the Republic of Ireland, the difference in the cost of a fortnight's holiday is vast. Unless people are coming to visit family, they will always go to southern Ireland instead of any of us. It is not just Northern Ireland that loses; it is other picturesque areas such as the lakes, Scotland and the mountains in Wales.

It is important that we have some kind of strategy for developing the smaller regional airports. APD is one of the biggest barriers; that is what all the smaller regional

airports feed back. Instead of just saying, "It's not fair if Scotland gets to change it," we must campaign to cut or remove APD across the country. The PricewaterhouseCoopers report suggested that the growth in GDP would compensate. I know that there would be a time lag, but it would bring jobs into areas where there are often no other jobs.

Although we suffer from the 60-minute rule for being close to Glasgow, being on the south-west coast of Scotland, we can sell ourselves as a golf area—we have the Open this year—and a coastal area. Sailing is one of our biggest tourist industries. People can fly straight into the area that they want to visit. I am sure that there are other small airports in the UK that would like to offer the same.

While we discuss Heathrow versus Gatwick and business coming into and out of London, it is important that the Government have a strategy to support the development of tourism and the smaller regional airports. Another block to that is our 20% VAT rate on hospitality and tourism, versus 9% in southern Ireland. The areas that are strongest in tourism often do not have other industries; that applies right across the UK. There are Members from all parties who live in more rural areas where tourism is being held back by VAT and APD. They are taxes to raise funds, but they are stultifying the local economy. I call for a tourism strategy for the United Kingdom, and it should include smaller and larger regional airports.

Valerie Vaz (in the Chair): In order to accommodate all Members, I must reduce the time limit to three minutes. Bear in mind that for every intervention, a minute is added to the speaker's time.

10.17 am

Julian Knight (Solihull) (Con): It is a great pleasure to serve under your chairmanship, Ms Vaz. I congratulate the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) on securing this important debate. As we are time-limited, I will not get into the Gatwick-Heathrow issue, which has been well put in this debate, except to say that I believe we need capacity at both airports over time, and we need to future-proof our airport capacity across the UK.

The regional airports are vastly underused. My own airport—Birmingham airport, on the edge of my constituency—is at only 27% capacity. Stansted operates at 60% and is considered a busy and successful regional airport, and Manchester airport operates at only 40% capacity and is also often held up as a model for regional airports. The unused capacity is a bit shameful, really. As the hon. Member for Luton North (Kelvin Hopkins), who is no longer here, said in his speech, Birmingham airport is only about an hour from central London. In fact, Birmingham is more convenient to many parts of the south-east than the self-styled London Luton airport. With the advent of High Speed 2, the journey time could be cut to 40 or 45 minutes, putting it within easy reach of the main conurbation of London and its surrounding areas.

We must use our regional airports much more, and I have a few ideas for how we could go about it. In my previous Westminster Hall debate, I was a proponent of air passenger duty holidays for new flights. I mentioned

[Julian Knight]

the flight from Newcastle, in the constituency of the hon. Member for Newcastle upon Tyne North (Catherine McKinnell), to Newark. There are also many flights from Birmingham airport that operate only in summer. I think that we could go further and create an APD holiday for those areas, which fly to economically important destinations. It is a great shame that in 2010 this country traded more with Ireland than with Brazil, Russia, India and China. One reason is that we do not have regional connectivity with those emerging—well, in many cases emerged—economies. So I would consider the idea of APD holidays for new flights in economically important markets.

However, there is also the devolution of APD. The hon. Member for Newcastle upon Tyne North said that she would effectively like to stop the devolution of APD to Scotland; that is the Scottish Labour party policy. I would say, frankly, “Good on the Scottish and good on the Welsh for doing what they are doing”, but I want to see such change in other areas as well. We have to be careful, because if we act in terms of favouring one region over another within England, that process will be open to legal challenges. Regarding all the combined authority deals, we should consider devolution of APD.

10.19 am

Mike Kane (Wythenshawe and Sale East) (Lab): I congratulate my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) on securing this debate.

In the short time available to me, I will just refer quickly to the right hon. Member for Saffron Walden (Sir Alan Haselhurst), who made a premier league analogy. Well, if someone already has Manchester airport, they already feel like they are in the premier league, and it is great that we will invest £1 billion in new infrastructure, including new terminals, to welcome Pep Guardiola to the city as the new Manchester City manager.

With 23 million passengers a year, which will rise to 43 million a year by 2025, Manchester airport is a serious world international airport. It has the capacity, with the two runways, to go to 55 million passengers a year. A total of 100,000 tonnes of goods are exported out of Manchester airport and it generates 21,000 jobs. There was a jobs fair just last week, with 4,000 new jobs coming on stream; 7,000 people applied, so it was massively oversubscribed.

It was great to welcome President Xi Jinping and the Prime Minister to Manchester airport just a few weeks ago to announce the development of Airport City, an £800 million investment in new, high-tech sectors both south and north of the city. The joke around Manchester was that it was awful to see the Prime Minister kowtowing to the leadership of a one-party state, but there you go—welcome to Manchester.

However, the point that I will address today is rail connectivity, the importance of which was pointed out by the hon. Member for Solihull (Julian Knight), who also talked about current capacity. There was a Mancunian entrepreneur and industrialist called Daniel Adamson. In 1860, he saw the north developing a continuous economic region—a powerhouse, as he described it—from the banks of the Mersey estuary to the banks of the Humber, to create a single economic market. In 1886,

he then decided to build the Manchester Ship canal. He got halfway there, but there is now an opportunity—in the years ahead of us—to create that single market.

Current rail access to Manchester airport means that the population within a two-hour catchment of it using public transport stands at around 8 million. Currently, the only city that can be reached in that time period is Manchester. However, with the right rail improvements things would improve. Transport for the North, which was funded by the Chancellor in the last autumn statement, is considering three options at the moment. We estimate that if we put in the right transport links from east to west we would create a catchment area for the airport of 18 million people, bringing in Liverpool city region, Sheffield, Liverpool itself and Leeds, with all of them being within around 30 minutes of Manchester and Manchester airport. It would widen the airport’s catchment area massively.

High Speed 2 will bring journey times to Manchester down from the current time of 2 hours 24 minutes to 59 minutes. We can connect our airports and our cities more effectively if we have the right vision, guts and gravitas.

10.23 am

Ian Paisley (North Antrim) (DUP): It is an honour to serve under your chairmanship, Ms Vaz.

This has been a very agreeable debate. I do not think I have ever attended a debate in which I have agreed with absolutely everything that has been said by every Member—with the exception of the hon. Member for Gateshead (Ian Mearns), who does not care if he flies from Dublin. I think that Northern Ireland Members can say, with unity for once, that in future we want him to fly from everywhere but Dublin. We will encourage him to do so and get him a timetable to make sure that that happens.

I watched the Minister of State’s reaction to the debate and I noticed that he agreed with a number of points. That is probably because he hails from and represents Scarborough, so he knows the needs of people who come from the north. Of course, whenever he comes to Northern Ireland he does not have to fly north; he just flies west to visit Northern Ireland. So I think he gets this issue, which is important. Members recognise that there is a very distinctive north-south divide here and we must address it very quickly.

A lot of this debate has focused on airport passenger duty, and I agree that it is important. I described it earlier as a pernicious, dirty and nasty little tax, and it is a tax on competitiveness, so it has to go. Frankly, however, it is not up to Scotland or Northern Ireland to do their own side deals on this issue. Addressing APD is an issue that the Chancellor must grasp and deal with centrally. He must recognise that if he does not grasp the issue, unfairness will be created across vast parts of the United Kingdom, which will probably disadvantage the north of England more than anywhere else; other parts of the UK will also be disadvantaged.

What has been absent is a proper aviation strategy that pulls together the tourism need, the business need, the capacity need and all those types of issues. When the Minister looks at this proposal, I am sure that he will bring to the debate a recognition that we need a proper aviation strategy that addresses the needs of other airports in Northern Ireland.

There has been an awful lot of discussion—not just in Parliament but outside it—about sorting out the Gatwick versus Heathrow debate. Yes, that debate needs to be sorted out, and expeditiously, but we also need to address the capacity at London City Airport very quickly.

Ian Mearns: I agree that we need an aviation strategy, but we also need a much more integrated transport strategy. As my hon. Friend the Member for Wythenshawe and Sale East (Mike Kane) pointed out about the expansion of Manchester airport, the problem for the north-east of England is that it takes more than two hours by rail to get to Manchester. The connectivity is simply shocking, and I honestly assure the hon. Gentleman that if I was going to Dublin, I would not start from here.

Ian Paisley: The hon. Gentleman is absolutely right about the importance of ensuring that such a strategy also includes other transport. For example, my colleague the hon. Member for Belfast East (Gavin Robinson) has a railway that goes almost to the airport. I have a motorway that gets almost to the airport at South Antrim. We need that entire process joined up, so that passengers, commuters, businesspeople and tourists coming in and out of the airport have an easier time of it getting to and from the airport.

In that strategy, we should also ensure that Gatwick, Heathrow and the other centralised airports have slots for the regional airplanes to reach them. That is important, as it will address the issue of ensuring that the C series, whenever it comes on stream, will be available for the other airports, as well as the Airbus equivalent.

Finally, I will point out that when Holland had APD its airports were devastated by competition from its neighbours in Germany. The Dutch scrapped APD and we need to learn the lesson of history.

10.27 am

Karin Smyth (Bristol South) (Lab): It is a pleasure, Ms Vaz, to be involved in this debate; I have learned a lot.

The west of England economy is growing—it is worth about £26 billion annually—and we are a net contributor to the Treasury. Aviation has long been a part of that success story. The British and Colonial Aeroplane Company opened in Filton in 1910, which was the beginning of 100 years of continuous development, design and manufacture, with all the job opportunities and wealth that that development has created. Of course, Filton was later famously home to Concorde and it is currently home to Airbus, GKN Aerospace and Rolls-Royce, among other leading players in the global aerospace industry.

Airport capacity is central to that local growth. Our first airport opened in Whitchurch in 1930, which is now located in my constituency of Bristol South. After the war, a new site was finally opened at the current airport site, outside the city boundaries in Lulsgate. By 1988, 100,000 passengers were being served and in 2000 a new terminal and other infrastructure improvement led to more than 2 million passengers being served.

Last year, Bristol Airport handled nearly 7 million passengers, making it the ninth busiest airport in the UK and a major regional resource for Bristol, the west

of England, the south-west and indeed south Wales. It has generated more than 11,000 jobs, many of which are located in my constituency of Bristol South.

Bristol airport's performance is good; despite being the ninth largest airport in the UK, it has been the most punctual airport in the UK two years running and it is the 10th most punctual airport in the world, which we are very proud of. In 2011, planning permission was given for it to handle 10 million passengers. There is an ambition not only to bring more business travel but to open up tourism to the west of England and the whole of the south-west, which includes the fantastic city of Bristol, neighbouring Bath, which is a unique world heritage site, and traditional seaside and rural areas across the whole of the south-west, including Devon and Cornwall, and Wales.

However, as many Members have already said, two things are crucial to the continued success of Bristol airport and its contribution to the wider economy. First, a decision about Heathrow is needed as soon as possible. Secondly, the devolution of airport passenger duty to Wales, which would effectively result in a redistribution of traffic away from Bristol and into south Wales, has been raised by many hon. Members. Even limited devolution of the duty for long-haul flights would have a detrimental impact. Bristol airport wants to continue to invest in facilities and create jobs, but APD would remove the level playing field on which we currently operate. I am keen to see a western powerhouse built on our tremendous industrial past and our current and future business and leisure offer, and the continued success of Bristol airport is key to that. The Government should better acknowledge and support our regional airports, and provide them with greater certainty about the rules under which they now operate.

Valerie Vaz (in the Chair): The Minister has kindly indicated that he will reduce his speaking time, and if the other Front-Bench spokespersons reduce theirs, to about six minutes, we can get the final three Members in.

10.30 am

Tom Elliott (Fermanagh and South Tyrone) (UUP): I appreciate being called, Ms Vaz, and I welcome the opportunity provided by the hon. Member for Newcastle upon Tyne North (Catherine McKinnell).

We have moved from regional airports right through to the Heathrow-Gatwick debate, local tourism and many other aspects of the matter, including the north-south issues raised by the hon. Member for North Antrim (Ian Paisley). I am not sure whether he is talking about the north and south of England or of Ireland—he can clarify that—but the fact is that we in Northern Ireland do not have the same opportunities as many in other parts of Great Britain do.

I listened to the debate about rail links. I would love a rail link from Fermanagh and South Tyrone right into any airport in Northern Ireland, but I do not have one. What we want to concentrate on are the links between our airports in Northern Ireland and those in the rest of GB, particularly Heathrow—it is the national hub, irrespective of what others might believe about their own airports. I am pleased to hear how well Manchester is doing, and that proves that there are opportunities

[Tom Elliott]

there that we do not have in Northern Ireland. We are also fighting with the airport duty to which others, in particular the hon. Member for Strangford (Jim Shannon), have referred. What we really need is to develop those links, instead of reducing them. From what I have seen over the past few years, the links from regional airports through to the main hubs are reducing and we need to increase them.

I do not know where the UK Government are putting any finances in, and that takes us back to the debate about whether there should be a new runway at Heathrow or at Gatwick. Who can afford it? I guess that both airports' business plans say that they can afford it, but can they? If they can, let them bid, and let it be decided on economic terms as opposed to on the best terms for the individual airport.

We must ensure that regional airports, such as Belfast International airport, Belfast City airport and the airport in Londonderry in Northern Ireland, are on a level, fair playing field with others. I listened to the hon. Member for Solihull (Julian Knight) talk about airport passenger duty; if it will be taken off in Northern Ireland it should be taken off everywhere. We are happy to participate in the debate and take on those very issues, but we need that level playing field in terms both of regional infrastructure—train services or other public transport—and of the availability of bigger hubs such as Manchester.

10.33 am

Gavin Newlands (Paisley and Renfrewshire North) (SNP): I appreciate your efforts, Ms Vaz, to ensure that we are all called in the debate.

I am extremely lucky to have Glasgow airport in my constituency. I have spoken in the past about not only its importance to the local Renfrewshire economy but its economic impact on Scotland and across the UK. It contributes about £200 million to the national economy and supports 7,300 jobs in Renfrewshire. The airport's success in 2015 led to its being named both UK and Scottish airport of the year. It was a record year, with 8.7 million passengers from all over the world coming to Scotland through its arrivals hall.

The debate provides us with the opportunity to talk about the success of, and the opportunities for, our regional airports, but in doing so we must debate the issue that the Government have clumsily kicked into the long grass until after the London mayoral election—airport capacity in the south-east. The decision to expand Heathrow or Gatwick should not, and cannot, be considered in a vacuum. Regional airport connectivity has to be at the forefront of any plans for airport expansion. The delay until after the mayoral election is causing extreme uncertainty in the sector, which serves no one. All our regional airports have long-term plans and their ability to plan is severely hindered by the constant and lengthy delays.

As we look forward to the airport expansion decision, a startling statistic that jumps out is that the number of services from Scottish airports to Heathrow has declined by more than a quarter over the past 10 years, and to Gatwick the number has fallen by almost 20%. When the expansion eventually occurs, therefore, we must ensure not only that the number of direct flights from

Scotland to Heathrow or Gatwick is protected but that we consider ways of reversing the decline of the past 10 years.

The expansion will have ramifications for the rest of the UK, particularly for the regional airports. I have an unlikely ally in the hon. Member for Uxbridge and South Ruislip (Boris Johnson), who has argued that the expansion will have a significant impact on Scotland and that we should not be disfranchised. I therefore ask the Minister to assure us today that the motion, Bill, statutory instrument or whatever legislative vehicle is used is worded so as to ensure that it cannot be certified. Scottish, Welsh and Northern Irish MPs must be able to debate, and vote on, the issue at every parliamentary stage.

We have heard that regional airports are achieving significant success, but their importance to the national economy is often not fully appreciated. I see at first hand the impact that Glasgow airport has on the local Renfrewshire economy, but the delayed decision on the expansion is causing unnecessary concern, and I urge the UK Government to get on with it, and make a decision based on what is best for all parts of the UK.

10.35 am

Gavin Robinson (Belfast East) (DUP): I greatly appreciate the opportunity to contribute to the debate, and I congratulate the hon. Member for Newcastle upon Tyne North (Catherine McKinnell), who summed up entirely appropriately the issues that frustrate and constrain regional aviation in this United Kingdom.

I am proud to have, in east Belfast, George Best Belfast City airport. Its provenance goes back to the second world war, the Sunderland flying boat was launched there in 1952, and the precursor to the Harrier jump jet was trialled in Belfast. On that site, with Bombardier, we are currently developing the C Series, which is an important tool for regional and small airports throughout the United Kingdom that need light, less noisy, as well as efficient and effective aircraft that can get in and out quickly. I am glad that London City airport is considering the C Series. When I was Lord Mayor of Belfast a number of years ago, the city airport was our unique selling point. A passenger can walk out of the arrivals lounge and be in the city centre in five minutes. No other regional airport has such connectivity to its city centre.

Jim Shannon: In my constituency it is 10 minutes.

Gavin Robinson: The Ards aerodrome has its place, and the kites that are flown there are of great significance.

We are constrained by a regressive and restrictive tax—air passenger duty—which has been fairly reflected on today. The devolution of the duty is the wrong course of action, but I am slightly concerned by the suggestion that we need further strategies and opportunities for the Government to consider what happens next. We need decisions. We have had the devolution of air passenger duty on long-haul flights in Northern Ireland. It sustains our only transatlantic flight from Belfast International airport, but it is not enough. I ask the Minister to reflect on that. In the Northern Ireland Affairs Committee we are currently considering air passenger duty and the variation of VAT on tourism

and hospitality, and I hope that our report, when published, will form part of the Department for Transport's current thinking.

Tom Elliott: Does the hon. Gentleman accept that Lord Empey's Bill, the Airports Act 1986 (Amendment) Bill, currently in the House of Lords, will help to create rightful decisions that Heathrow must take regarding flights coming from regional airports?

Gavin Robinson: The hon. Gentleman makes an important point. The Government's 2003 White Paper suggested that we needed to build up the regions to reduce congestion in London, but the truth is that by expanding what we have in the south-east of England we are constraining the regions. We need to give the regions a fruitful opportunity to expand, and to compete on a level playing field.

Ms Ritchie: Does the hon. Gentleman agree that Northern Ireland depends greatly on exports—particularly farm exports—and that we need a strong, sound regional airport with connectivity links to access global markets?

Gavin Robinson: The hon. Lady is entirely correct. We have as much transport among all our planes in Northern Ireland as we do in the capital, and regional aviation links are crucial for exports.

When something is going wrong or when someone is suffering an injustice or is unwell, we often say, "You would not wish it on your friends, never mind your enemies." I am quite pleased that there is a threat for the north of England. I am quite pleased that there could be a disparity between APD in Scotland and APD in the north of England, because that would focus minds and attention on the issue. I do not wish to see that disparity, but I do wish to see greater recognition in the United Kingdom of the issues that for many years have been constraining us with the foreign border in Northern Ireland. If the danger that we have faced over decades is now facing those in the north-east of England and across the United Kingdom, that can only be a good thing, because there will be recognition of the dangers, damage and constraints of this pernicious tax on aviation. I hope we find a solution.

Valerie Vaz (in the Chair): If the two Front-Bench spokespersons on the Opposition side take five minutes each, the Minister can have between seven and eight minutes, and I can then allow Catherine McKinnell to respond.

10.40 am

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): It is a pleasure, as always, to serve under your chairmanship, Ms Vaz. I will try to jet through my comments, as there are quite a lot. I congratulate the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) on securing this debate, because it is important. She talked about the importance of UK airport capacity, and I think there was general agreement on that point. Members were also in general agreement on the impact on tourism, jobs and exports across the piece. On the critical decisions on airport strategy by the Government, the hon. Lady rightly used the expression, "kicked the can". Lots of

other phrases could be used. She also said that growth and sustainability lose out from inaction. All those things are correct. I call for an end to the dither and delay, and I will speak about that in a moment.

There is lots to agree on, but one thing to disagree on—the hon. Lady will have picked this up around the room—is the subject of APD. The hon. Member for Strangford (Jim Shannon) correctly called it a regressive tax. We also heard that it creates a social and economic divide, which it does. The average family of four in Scotland pays more than £100 more because of APD. That is not right. It seems odd to me that the Labour party position is that APD is wrong and we should get rid of it, but not in Scotland, because it is not right to do it there. But I say that it is right to do it there. And by the way—I must say this, because the issue was brought up—when Kezia Dugdale talks about APD, she has already spent the APD money 10 times over on housing, health and education, despite the fact that getting rid of APD creates no new money. I would not go to her for advice on taxation.

Getting back to the main points that we can agree on, there needs to be action, and soon.

Mike Kane: Will the hon. Gentleman give way?

Drew Hendry: I will not, because I am going to make progress; I have very little time to get my points in. My hon. Friend the Member for Paisley and Renfrewshire North (Gavin Newlands) talked about Glasgow airport and the 7,000 jobs and more than £200 million a year it adds to the economy. He also called on the Minister to confirm that the matter will not be dealt with under EVEL rules, as was suggested by a Scotland Office Minister some time ago. We have heard about the impact of airport expansion on the different nations of the UK, so I hope the Minister will come back with an answer on that.

The right hon. Member for Saffron Walden (Sir Alan Haselhurst) correctly said that the UK has never been good with big projects. That is especially the case with the fudge over airport expansion. He also said that it was essential for island nations to have good links, and he is absolutely correct about that. I think I also heard him use the phrase, "You've got to decide", and the Government have got to decide. The main thing is to get on with it. Whether it is Gatwick, Heathrow, no new runways or something else, the point is that the industry is in a condition of stasis across the piece.

My hon. Friend the Member for Central Ayrshire (Dr Whitford) talked about Prestwick. She is a big champion for the airport. She pointed out the clear weather that we get there, and in other debates she has mentioned it as a location for a possible space port. She talked correctly about the 60-minute rule. One of the things that the Davies commission pointed out was that for regional airports to work properly and share in any expansion, there must be a point-to-point public service obligation decision taken by the Government. They must put regional airports at the heart of any decision and ensure that when we talk about links, it is not just links to London, but to specific hub airports. That is important, because some 90% of international visitors to Scotland come through air travel, and more than a third of them come through the Heathrow hub. Over the past 10 years, while destinations and routes from

[Drew Hendry]

Scotland have doubled, flights to London have fallen by more than a third. We are not getting the protection that we require for those routes. Speaking of regional expansion, I am delighted to note that the First Minister of Scotland has announced a £20 million expansion of Aberdeen airport that will create a 50% gain in size. That is a real vote of confidence for the north-east.

I will try to bring my comments to a conclusion, but there is so much more that I could have said. There is a need for the Government to make a decision on airport expansion and ensure that regional airports are at the absolute heart of those decisions.

10.45 am

Daniel Zeichner (Cambridge) (Lab): It is a pleasure to serve under your chairmanship, Ms Vaz. I must congratulate my hon. Friend the Member for Newcastle upon Tyne North (Catherine McKinnell) on securing this important debate. She raised an important series of issues, ably abetted by our mutual friend, my hon. Friend the Member for Gateshead (Ian Mearns). Both of them explained the tremendous positive impacts that Newcastle International brings to the north-east, both as a key employer in the area and through its wider partnerships.

We also heard strong contributions from my hon. Friends the Members for Luton North (Kelvin Hopkins) and for Wythenshawe and Sale East (Mike Kane) on the need for rail connectivity and from my hon. Friend the Member for Bristol South (Karin Smyth) on the worries that areas in the south-west have on the threats from air passenger duty and the general uncertainty. The right hon. Member for Saffron Walden (Sir Alan Haselhurst) made a characteristically expansive contribution, giving us the historical perspective.

We heard recently from Sustainable Aviation, which produced a report last week that underlines the massive contribution from the UK aviation sector as a whole. It represents more than £50 billion in GDP. There are around 1 million jobs related to aviation and the industry contributes £8 billion in tax revenue. As Members across the Chamber and the report have said, we cannot rest on those laurels.

Starting with the vexed issue of airport capacity, in July 2015 the Prime Minister promised a response before Christmas, which never happened. Many of us understand the impact of the coming mayoral elections. The Government say that they are considering the questions raised by the Environmental Audit Committee. Those are important questions, but I wonder why the Government were not asking themselves those questions in the six months after the commission's report came out. We also have a new twist to the saga, as we heard the Transport Secretary suggest on LBC that a decision will not even come this summer. Will the Minister confirm whether the Government will make a decision in 2016, or whether we will be waiting even longer?

It is absolutely clear that there are a whole range of issues here. This morning, we are talking about the effect on the regions. It cannot only be about the south-east, because connectivity to other parts of the UK is vital in rebalancing growth. Any decision on expansion must ensure that flight links are improved across the

country and that UK airports are connected to hubs. I must press the Minister on that matter, because at the end of last year, *The Times* quoted the chief executive of Heathrow, John Holland-Kaye, expressing concerns that a cap on night-time flying would "constrain" links to the rest of UK. Can the Minister assure the House that any eventual expansion will not leave us with a choice between exacerbating noise disruptions and restricting flight slots to UK airports?

Ongoing delay must not mean inaction. For example, Sir Howard Davies recommended an independent noise ombudsman back in 2013. That is universally agreed by pro-expansion groups, as well as by green and local community groups. With Labour's backing, the Government could introduce that measure now, so why do we not get on with it? Even then, whatever decision is made on Heathrow or Gatwick, it will take eight, nine or 10 years to implement. Aviation will not stand still in that time. We will need new routes to connect with existing and emerging markets. We have heard about the new aircraft that offer possibilities for expanded point-to-point travel, and encouraging that would complement the UK's existing hub mode. It would enable airports with existing capacity to build new routes to emerging economies and to directly support investment and growth across all regions. There are things that the Government could and should be doing to promote our international gateways.

On improving road and rail access, we had the opportunity to change the way in which we plan connections while improving air quality and CO₂ around our airports. Improving surface access is the Airport Operators Association's No. 1 priority in 2016. So will the Government recognise that too, and endorse Labour's call for the National Infrastructure Commission to prioritise a review into rail and road access into all airports? In the meantime, let us commit Manchester airport to joining Birmingham International and the HS2 line, and commit to include upgrades to links to Stansted in the next rail investment period.

We have heard the arguments today about air passenger duty. The Government must absolutely get on with it. When can we expect the promised review of the future of air passenger duty in terms of its purpose and how options for reform can improve the competitiveness of different airports in a devolved environment? Will the Minister also outline what, if any, advice the DFT and the Treasury have received from the European Commission over the compliance of the options in the discussion paper?

There is a degree of consensus that we must not let aviation policy stand still while the Government delay on expansion. It is clear that our regional airports need full backing to reach their full potential as international gateways. I look forward to the Minister's response and his clarifications on when he expects to report on the commission, on the noise ombudsman, on surface access and on APD.

10.50 am

The Minister of State, Department for Transport (Mr Robert Goodwill): It is a great pleasure to serve under your chairmanship, Ms Vaz. First, I congratulate the hon. Member for Newcastle upon Tyne North (Catherine McKinnell) on securing this important debate

on regional airports and UK airports' capacity. She has set out a strong case that regional airports are essential, not only for maintaining the UK's air connectivity, but for jobs and economic regeneration across the country. I understand her frustration that the Government are having to take time to make important decisions, but it is vital that the process is robust, and that all environmental and economic factors are fully considered. I welcome the broad agreement that exists across the political spectrum on the importance of maintaining the UK's position as a leading global aviation nation, which is vital to the UK economy. This is a timely debate, given the Government's announcement last December on airport expansion in the south-east.

The Airports Commission set out a convincing case for new runway capacity in the south-east by 2030, which the Government have accepted. The Government also accepted the commission's final shortlist of three schemes. It is important to get the decision right, so that it will benefit generations to come. That is why we will further consider the environmental impacts and continue to develop the best possible package of measures to mitigate the impacts on local people and the environment. We expect the package of further work to be concluded by summer 2016. Importantly, the timetable set out by the Airports Commission for delivering additional capacity in the south-east by 2030 will not alter.

It is important to remember that the UK continues to have excellent aviation connectivity, both on a point-to-point basis and through the London hub. After all, we have the third largest aviation network in the world after the United States and China. The Civil Aviation Authority's statistics show that the UK's regional airports handled around 39% of the UK's air passenger total in 2014: around 92 million passengers. Services from UK regional airports operated to more than 100 domestic and international destinations, providing convenience and travel opportunities, and helping to reduce the need for air passengers and freight to travel long distances to reach larger airports.

It is heartening to see that many of the airports that were impacted by the economic downturn a few years ago are now, like the economy, seeing real growth again. Manchester airport, as mentioned by the hon. Member for Wythenshawe and Sale East (Mike Kane), is now the UK's third largest, handling more than 20 million passengers a year. It has the only regular A380 service from a UK airport outside London and its routes are expanding further—Cathay Pacific is operating direct flights to Hong Kong and, starting this June, Hainan Airlines will operate four flights a week to Beijing. Those are the first direct scheduled flights between mainland China and a UK airport outside of London, worth at least £250 million in economic benefits to the UK. Indeed, my big new shiny railway will be coming to Manchester as well as Birmingham airports.

My hon. Friend the Member for Solihull (Julian Knight) mentioned Birmingham airport, which completed its runway extension in 2014, enabling larger aircraft to fly to more long-haul destinations. That has allowed greater capacity to destinations such as Dubai, Delhi and Amritsar, and some successful charter operations to Beijing. The airport celebrated its most successful year in 2015, handling more than 10 million passengers for the first time. That is not all. Ongoing investment programmes are also under way at other airports such

as Edinburgh; Belfast City, which saw 2.7 million passengers last year, an increase of 5.4%; and Belfast International airport, which saw 4.4 million passengers, an increase of 8.9%.

I welcome last month's announcement that Ryanair is to begin operating a new base at Belfast International from March with flights to Gatwick, and five other routes will follow. In December, I was very happy to announce successful routes under the regional air connectivity fund that allow routes between Carlisle and Belfast City and Londonderry and Dublin.

Like me, the hon. Member for Newcastle upon Tyne North was able to see at first hand the newly completed redevelopment at Newcastle International airport's departure lounge when I had the honour to open it formally shortly before Christmas. It is worth mentioning two more bits of good news for the airport: United Airlines has announced it will repeat its non-stop Newcastle to New York Newark service next summer; and Newcastle has been named the UK's top large airport in a nationwide poll of *Which?* magazine readers for the third year running.

Within the UK, airlines operate in a competitive commercial environment, and we consider that they are best placed to determine which routes they operate, and from which airports. We know that the commercial aviation market brings many benefits to air passengers. However, the Government also recognise that, because aviation plays an important role in connecting regions, there may be occasions when aid is necessary to protect certain existing air services that may be discontinued or to develop other services to airports where local economic conditions prove unattractive to airlines.

We are conscious of the possible risk of distortion to competition that could be created by Government intervention in the commercial airline market. That is why we have been careful in balancing the commercial imperative with the need to provide support for existing services and for new air routes from some of our smaller airports. Last November, the Chancellor announced that 11 new air routes from smaller UK airports would be supported with around £7 million of start-up aid over the next three financial years. Those routes, one of which will be operated by Links Air between Newcastle and Norwich, will begin operating this spring and will provide domestic links between England, Scotland and Northern Ireland, as well as international connectivity to France, Germany, the Netherlands and Ireland.

The Government have been asked why we cannot acquire or reserve slots at busy UK airports such as Heathrow for domestic services from regional airports, such as those in Northern Ireland. The allocation of slots at EU airports is governed by regulations agreed at European Union level and by associated UK slot regulations. Under the regulations, the process of slot allocation at Heathrow, Gatwick, Manchester and other slot co-ordinated airports in the UK is undertaken by an independent slot co-ordinator independently of the Government, the Civil Aviation Authority or other interested parties. The UK Government therefore play no part in the slot allocation process at Heathrow or other co-ordinated airports, and under EU regulations we are legally prevented from intervening in that process.

Unfortunately, time is pressing. I wanted to say a few words about air passenger duty, but no doubt there will be an opportunity in future. Indeed, it is a matter for the

[Mr Robert Goodwill]

Chancellor, so I will come to a conclusion and allow the hon. Member for Newcastle upon Tyne North a chance to get the final word.

The Government believe that maintaining the UK's status as a leading global aviation hub is fundamental to our long-term international competitiveness. We are clear about the economic and connectivity benefits that our regional airports bring to regions, communities and businesses. We have established the right foundations to move forward, gain consensus and secure the benefits that aviation brings for the whole nation.

Valerie Vaz (in the Chair): I thank Front Benchers for their timely speeches.

10.58 am

Catherine McKinnell: Thank you for your excellent chairing of this debate and for ensuring that everybody managed to have their say, Ms Vaz.

There are many opinions on this issue and very localised concerns, but there is one overriding message that we can all agree on that applies to airport capacity and air passenger duty. We need decisive action to ensure that our regional airports not only survive the changes ahead, but thrive on them. "Wait and see" is not an option. It is damaging our regional economies and the national economy. We await the Government's decisions on two key issues.

I was disappointed that the Minister did not have time to deal with air passenger duty. Although it is the responsibility of the Chancellor, I hope that the Minister's Department will exert all the pressure necessary to get a swift decision, because the issues have a major impact on our future regional connectivity in this country. We need an end to the dither and delay on the vital issue of regional aviation. I urge the Minister to do everything he can to ensure that his Department, the Secretary of State and the Chancellor come back with responses on all the issues raised in the debate without further delay.

Question put and agreed to.

Resolved,

That this House has considered regional airports and UK airports capacity.

Caerphilly County Borough Council

11 am

Wayne David (Caerphilly) (Lab): I beg to move,

That this House has considered the financial consequences for Caerphilly County Borough Council of legal action against its senior officers.

It is a pleasure to serve under your chairmanship, Ms Vaz.

This case has been an issue of concern locally in Caerphilly borough for some time, so I am pleased to have the opportunity to discuss it in some detail and reflect on the consequences. We have before us a saga that began in September 2012, when the chief executive and other senior officers of Caerphilly County Borough Council were given huge pay increases of up to 30%. In March 2013, the council's chief executive was arrested. A few months later, the then acting deputy chief executive was arrested on suspicion of committing fraud and misconduct in public office. The head of legal services was arrested later. The three individuals were suspended on full pay by the local authority, as was its obligation.

The Welsh Audit Office investigated, and its public interest report concluded that the senior officers' pay increases were "unlawful" because the meeting at which the decisions were taken had not been properly advertised and the agenda and reports for the meeting had not been made available for public inspection three days in advance. The report also pointed to other serious concerns, including the fact that the chief executive prepared a report, on which the decisions were subsequently taken, that was far from objective, and that he stayed in the meeting while his own salary was being discussed and decided.

The three officials concerned were the subject of a police investigation throughout 2013 and into summer 2014. Because of the understandably close working relationship between Caerphilly County Borough Council and Gwent police, the investigation was undertaken by Avon and Somerset constabulary. Early in 2014, the three defendants were charged with misconduct in public office. In May 2014, they appeared before Bristol magistrates court and were sent for trial at Bristol Crown court. On 13 May 2014, the trial date was set for 15 June 2015. It was decided that that would give ample time for the defence and prosecution to prepare their cases and for all the evidence to be assembled. From then on, however, there were legal wrangles between the defence and prosecution about the use of materials. There were also problems with the lack of availability of the allocated judge for the estimated trial length—I will say more on that later—so the process grew longer and longer and dragged on through the spring and summer and into the autumn of 2015.

Eventually, in October 2015, the judge dismissed the charges against the three defendants. Judge William Hart said:

"I find that there is no evidence upon which a reasonable jury properly directed could convict any of the defendants of misconduct in a public office on the admissible evidence available."

In response to the judge's decision, the Crown Prosecution Service issued a statement, which said:

"This was a complicated, wide-ranging and lengthy investigation into serious allegations against council employees. The investigation was conducted by Avon and Somerset Constabulary at the request

of Gwent Constabulary...CPS South West's Complex Casework unit took the decision to charge the three defendants following extensive consultation with the police. Since that time the prosecution team has pursued the case within the proper judicial process."

There had been concerns about the length of the trial as the case was progressing. I wrote to the CPS to ask about the apparently excessive delays. In a letter to me, the CPS responded by saying:

"We are conscious of all the public monies that have been expended by the delay in this prosecution but the Court listing is a matter outside the control of the CPS."

Frankly, that is not good enough. There is widespread concern about how the CPS handled the case and whether it accurately prioritised the pursuit of the most appropriate issues and material.

There is also concern about Avon and Somerset police. Clearly, officers amassed a huge amount of material relevant to the case. It is possible that the ongoing police investigation into other alleged irregularities at Caerphilly County Borough Council meant that they were unable to provide an accurate summary of what material was relevant to the case. The police seized more than 160,000 emails during the investigation, and it is noteworthy that the defence submitted an abuse of process argument, stating that the unused material that had been amassed had not been properly examined by the police.

There is further concern about how the court system itself operated. Following the abuse of process argument, all the parties involved made repeated representations for the case to be listed. Eventually, a new trial date was set for 8 June 2015, but because no judge was available to hear the trial in June, it was further delayed until July 2015—the second delay because of the unavailability of a judge. In the meantime, the defence applied for leave to submit an application for the case to be dismissed. The judge acceded to that request in October 2015.

This whole legal saga dragged on for more than 18 months. There were many reasons for the longevity of the case. It was certainly complex, but a measure of responsibility must be borne by those involved in its prosecution: the police, the CPS, the judiciary and the legal system as a whole. If it stops anywhere, the buck stops with the Government and the Ministry of Justice, who are responsible for the legal system. Caerphilly County Borough Council were legally obliged to suspend the three officers concerned from the moment they were arrested. To date, the bill to the council and its council tax payers is more than £1 million. There is no need to remind the Minister that, like all other local authorities in the country, Caerphilly County Borough Council can ill afford £1 million at a time when services are being cut and jobs are at risk.

As the long-drawn-out legal proceedings were not the fault of Caerphilly County Borough Council or its council tax payers, will the Minister give careful and serious consideration to my request that the council be reimbursed for the salaries it was obliged to pay to the suspended staff? If he accepts the morality of my case, he should surely find a way to ensure that the people of Caerphilly are not unfairly penalised.

11.10 am

The Parliamentary Under-Secretary of State for Justice (Mr Shailesh Vara): It is a great pleasure to serve under your chairmanship, Ms Vaz. I congratulate the hon. Member for Caerphilly (Wayne David) on securing this

debate. He is diligent and conscientious in all that he does for his constituents, so it is no surprise that he brought this important matter to the House of Commons to get a proper answer for his constituents. I am grateful for the opportunity to respond to this debate. I understand the concerns of the people of Caerphilly about the cost of the case, but I hope the hon. Gentleman will appreciate that the justice system's obligation to investigate cases, even when they involve high-profile individuals, and the duty on judges to make decisions according to the information before them must continue.

I have spoken previously about the Government's commitment to a one-nation justice system, and a fundamental part of that is the rule of law. Those responsible for investigating allegations of misconduct must be able to do so robustly and without intrusion, and it is crucial that those who make decisions in the system are independent and protected from undue state influence. It is not for this place to challenge the Wales Audit Office's investigation, the independent prosecutorial decision to bring the proceedings or the judicial decision to bring the proceedings to a close. If it is felt that the investigation or prosecution was lacking, the right place to seek redress is with the Auditor General for Wales or the Director of Public Prosecutions. Those who feel that the case should not have ended in the way it did could have requested that the judge's decision be scrutinised by the higher courts by bringing an appropriate challenge within the timescales prescribed in law.

I listened carefully to what the hon. Gentleman said—particularly about the long time it took to arrive at a conclusion. He is, of course, aware that several factors influenced that timescale—indeed, he alluded to some of them—including the defence's challenge of the police review of unused material, and judicial and defence counsel availability. Notwithstanding those factors, the case was concluded well within the average time for such complex cases. Cases of that nature take, on average, 25 months from charge to conclusion. That case was dealt with more quickly than the average for complex financial cases. The hon. Gentleman also mentioned listing, which is a judicial decision. Bristol Crown court sees a high number of fast-tracked sex cases, so it takes longer than usual for it to see other types of case.

The Government are undertaking a substantial programme of reform to improve the criminal justice system for those directly involved in it and the general public. In January 2015, Sir Brian Leveson published a review on efficiency in criminal proceedings, which included 56 recommendations for improving efficiency in the criminal courts within the existing legislative framework. His recommendations are the result of considerable consultation across the criminal justice system, and they cover a range of areas, including improving case management and progress in magistrates and Crown courts.

In his review, Sir Brian emphasised the need for more robust case management, and noted the importance of getting it right the first time. He recommended that one person in the police, in the Crown Prosecution Service and for the defence must be responsible for the conduct of each case. That recommendation is being taken forward as part of a better case management initiative, and will be rolled out nationally from the beginning of January following its successful introduction in eight Crown court centres in October 2015.

[Mr Shailesh Vara]

The initiative emphasises the importance of effectively managing proceedings while preserving judicial discretion. It aims to deal more quickly with cases where there is a guilty plea, which will free up capacity to manage more actively cases that go to trial. It aims to ensure better communication between practitioners and the court before the first hearing; more effective hearings; more guilty pleas; the disposal of many cases without the need for adjournment; and robust judicial resistance to applications to adjourn.

According to the Leveson review, to improve case management it is crucial to encourage early engagement between the prosecution and the defence. Sir Brian recommended that the criminal procedure rules make it clear that the parties are under a duty to engage at the first available opportunity. In response to that recommendation, we made amendments to the criminal procedure rules, and we are due to make more in April. Earlier engagement between parties will ensure greater collaborative working. It will allow parties to focus on the key issues, possible pleas, missing evidence and other material that could help them reach an early resolution.

Wayne David: I appreciate the Minister's point and I welcome the reforms that he says are in the pipeline, but I refer him back to the costs incurred by Caerphilly County Borough Council through no fault of its own. With the benefit of hindsight, would it not have been better for case to have been heard somewhere other than Bristol Crown court if the pressures of work on it were so great? If the case had been held elsewhere, it could have been expedited, and matters could have been dealt with much quicker.

Mr Vara: I am grateful to the hon. Gentleman for raising that issue. He will appreciate that it is for the judge to determine who pays the cost of the trial. The judicial process must be based on the legal advice that the council can take. The hon. Gentleman will appreciate that the cost of employing additional staff to manage the work while a long case is going on is a matter for the council.

On transferring the case to somewhere other than Bristol, I hope that our reforms will enable a broader perspective to be taken on board and allow people to say, "Although this is a local issue, in order to secure justice for the people involved and for justice to be seen to be done quickly, would it be better for it to be dealt

with in another nearby court where there is more capacity?" I hope that our reforms will ensure that cases are dealt with quickly and promptly. If there is a delay in one court, we should certainly look at neighbouring courts that have capacity; I do not rule that out. The hon. Gentleman will appreciate that the Ministry of Justice is putting in place ambitious plans. I am confident that they will be in effect in due course, but I am sorry that they could not benefit his constituents at the time of the case that he refers to.

Improving awareness of the criminal procedure rules will also allow more robust case management. The Judicial Office has been working with the judiciary and defence practitioners to raise awareness of and embed the criminal procedure rules. Discussions have been taking place with the Bar Council, the Law Society, the Judicial College and the criminal procedure rules committee. Compliance with the criminal procedure rules will ensure that court time is deployed to maximum effectiveness and efficiency.

Sir Brian also recommended using technology to improve case management. Case management hearings have become inefficient and expensive. They are essentially administrative in nature and do not always require all participants to be gathered in the same room. He therefore encourages the use of video and audio technology to hold case management hearings outside court, reducing the time spent on unnecessary travel and making case management hearings more effective. Pilot hearings have been implemented in Reading Crown court and are soon to be expanded to Aylesbury and Oxford. Those hearings will be evaluated after a couple of months and should then inform national implementation.

I hope that the hon. Gentleman can feel assured that this Government, together with the judiciary, are taking active and practical steps to improve the efficiency of the criminal justice system. In saying that, I do not intend to imply any criticism of the handling of this particular case, as it is not the role of a member of the Government to comment on the outcome of this or any other case. As we improve the system in the coming years, nothing will be done to fetter or interfere with due process, which must be independent of Government and managed by an independent judiciary. I thank the hon. Gentleman again for raising this important issue on behalf of his constituents.

Question put and agreed to.

11.21 am

Sitting suspended.

Huddersfield Royal Infirmary

[MARK PRITCHARD *in the Chair*]

2.30 pm

Jason McCartney (Colne Valley) (Con): I beg to move,

That this House has considered A&E services at Huddersfield Royal Infirmary.

It is a pleasure to serve under your chairmanship, Mr Pritchard. Labour's ruinous private finance initiative deal; Tory top-down reorganisation; socialist independents' sniping; Lib Dem opportunism; UKIP wanting to privatise the NHS; Socialist Workers using the issue to scrap Trident and bring down capitalism—that's all the party politics done. Let us put that to one side. I hope that for the next 89 minutes, we can continue with our cross-party consensus to make a compelling case for keeping our full A&E services at Huddersfield Royal infirmary.

I would like to thank my parliamentary colleagues for attending today, particularly the hon. Members for Huddersfield (Mr Sheerman) and for Dewsbury (Paula Sherriff), who applied for this debate along with me. I was fortunate enough to be successful, but we are all here together, along with the hon. Member for Batley and Spen (Jo Cox), with one strong local voice.

The background to this issue is that the Greater Huddersfield and Calderdale clinical commissioning groups have unanimously voted to put their "Right Care, Right Time, Right Place" proposal to a public consultation, which could lead to Huddersfield losing its A&E service. We anticipate that the 12-week consultation could start next Monday, 8 February.

The CCG's preferred option is to close Huddersfield's A&E and keep the provision at Calderdale Royal hospital in Halifax. The background to that proposal is the ruinous PFI deal negotiated in the 1990s and signed in 1998. The initial cost of Calderdale Royal hospital was £64.6 million, but it will end up costing the Calderdale and Huddersfield NHS Foundation Trust an incredible £773.2 million when the deal expires in 2058. That scandalous PFI deal is now influencing clinical and community health decisions, with an enormously detrimental effect. That dodgy deal is set to cost lives, and we are set to lose our A&E in Huddersfield while the PFI money makers stuff their pockets.

Throughout the past 12 months, our local CCGs have been mooting a reorganisation and reconfiguration of emergency and acute care and high-risk planned care, with HRI being the preferred location. In fact, the CCG's own modelling of option 5B stated that Huddersfield Royal infirmary should provide all acute and emergency care and clinically high-risk planned care, because it was "in line with" the clinical model of safer and higher quality services, 24-hour consultant-led care, undisturbed planned care and a more resilient workforce model. It was only when the PFI financial considerations were factored in that the appalling proposition of closing A&E at Huddersfield suddenly emerged.

What has been the reaction to that plan? I was shocked at the proposal, and so was our community. I live in the village of Honley; I do not live anywhere else or have a second home—that is where I live. I have had to use HRI A&E a number of times, and I have always

received excellent care. I put on the record my thanks to the wonderful staff there. In 1995, I fell seriously ill on my return from deployment in Turkey and northern Iraq while serving in the Royal Air Force and had to go to A&E. Eighteen months ago, I fractured my elbow in a fall while running the Honley 10 km race—being fit is not good for your health, by the way. My parents, who live just up the valley, have used our A&E. My mum had a bad fall on the ice a couple of years ago and had severe facial injuries, so getting to our local A&E in wintry conditions was crucial.

I am so proud that our community has come together to fight to keep our A&E at HRI. Karl Deitch set up a Facebook group, which now has more than 46,000 members. From that, we have already seen a rally in St George's Square in Huddersfield, where more than 1,000 local people came together. The group has formed a campaign committee, which is meeting again tonight to plan the way forward. I would like to say a huge thanks to Karl and the whole team of volunteers for their superb community campaign. We are right behind them.

I have told my story of using HRI A&E. On Saturday, at the Huddersfield Town match, Sean Doyle, a constituent and friend of mine from Brockholes, spoke movingly on the pitch at half time about when he had a massive heart attack in Greenhead Park in Huddersfield. He owes his life to the emergency care he received at HRI, which was just up the road, where A&E staff used a new electronically powered chest compression system. Sean says he would not have survived if he had had to go to Halifax. I have received many emails from other constituents telling me how they owe their lives to the location and proximity of HRI A&E and how the golden hour saved them.

The campaign to save our A&E is by far and away the biggest local issue I have dealt with while I have been the Member of Parliament for Colne Valley. There are posters everywhere. Volunteers are taking petitions from door to door. The hashtag #handsoffHRI is being projected on to public buildings, and we are all receiving hundreds of individual emails. It is so clear that this proposal is just plain wrong.

Jo Cox (Batley and Spen) (Lab): The proposed reorganisation, which would leave Huddersfield without an A&E, is being done under the rationale that there will be no change of provision in the other half of Kirklees district. However, the diminution of services at Dewsbury and District hospital, which sits within my constituency, is a significant change—not least for the A&E, which is a key service for local constituents in neighbouring Dewsbury and elsewhere. Does the hon. Gentleman agree that that is an embarrassing oversight, with the potential to leave the eleventh largest district in England without a fully functioning A&E? That is not in the public interest and not in our constituents' interest.

Jason McCartney: Absolutely—the hon. Lady makes a great point; she must have read my speech, because I will make that exact point in about three pages' time. She is spot on.

Huddersfield Royal infirmary is in my constituency of Colne Valley, which includes the western side of Huddersfield, Colne Valley itself and Holme Valley, where I live. That means that if any of my 81,000 constituents or their children need to go to A&E in the

[Jason McCartney]

back of an ambulance, they will have to pass HRI before undertaking the congested trek over to Halifax. In fact, most signatories to the parliamentary petition are from my constituency. I thank the 46,000-plus people who have signed the petition so far and the volunteers who are working tirelessly to get more folk signed up.

May I also say a big thank you to our local *Huddersfield Examiner* newspaper? In an era of digital online media and falling newspaper sales, we are so lucky to have a quality six-day-a-week local paper that is backing this campaign 100%. I thank the editor, Roy Wright, and his energetic and committed team of local journalists. Their excellent in-depth analysis has included an interview with Mike Ramsden, chairman of Hull and East Yorkshire Hospitals NHS Trust, who is quoted as saying:

“The reality is the CCG in Huddersfield exists to represent the health issues of the local population. If the proposals are now being delivered because of the financial pressure on a hospital in Halifax, then it’s my belief that it’s not a matter for Huddersfield CCG... it can’t be seen to be fair that a PFI deal in Halifax is taken on by people in Huddersfield.”

That is the view of a top NHS boss.

Let me address the issue of this proposal coming from the CCG. It is a panel of local doctors, and yes, I voted for CCGs to take over from primary care trusts, because I saw the faceless bureaucrats of the old PCT downgrade maternity care at HRI. Remember that, back in 2008? I believe that healthcare professionals will, at the end of the day—and they will need a lot of support and encouragement from us—make the right decisions for patients.

We need to make sure that the voices of all our local doctors are heard, and not just those on the CCG. A doctor from a surgery in my constituency wrote to me to say that moving A&E services to the town with the smallest population is “crazy”. Unfortunately, she is not one of the doctors on the CCG panel, although perhaps we wish she was. Another local GP from Colne Valley—a high-profile one—says that care for patients in Kirklees and Calderdale should not be driven by the PFI. Strategy should be driven by care needs, not financial concerns.

As I said, we have excellent cross-party parliamentary co-operation on this campaign. Local folk have really appreciated that, and my colleagues and I are committed to continuing that unity. I do not know whether the Minister has ever visited Huddersfield—he is trying to remember—but we are a growing, vibrant university town. If this appalling proposal goes ahead, we would be the largest town in our country not to have an A&E within five miles.

Huddersfield has a population of 146,000, and it is growing. We have more than 20,000 students, with thousands of international students, at our award-winning University of Huddersfield. Sadly, I have already had an email from a father whose son is now not going to apply to the university for fear of not having a local A&E. If Dewsbury loses its A&E, the whole Kirklees council area will be without one, as the hon. Member for Batley and Spen rightly said—442,500 residents who would be without an A&E in their council area. The hon. Member for Huddersfield and his team have calculated that that would potentially lead to an extra 157 deaths a year, and I am sure that he will elaborate on that later.

In this debate, it would be very easy to go down the route of just being emotional, but as the Minister is seeing we are laying out hard facts about why the proposal is plainly wrong. We will all make these points and arguments to the CCG as well once the consultation starts. However, I would like to highlight two other main areas.

Syngenta on Leeds Road is a top-tier COMAH—control of major accident hazards—safety site. It handles parquat, sodium cyanide and methyl chloride, and other operators on site handle toxic and carcinogenic chemicals. Its community safety plan states that

“we handle chemical substances which are classified under the regulations as toxic, very toxic, oxidising and flammable.”

Just imagine if there were an incident; the proximity of an A&E would be crucial. Has the CCG looked at that? In response to such an incident, response times and getting to an emergency treatment centre close by would be everything. The CCG has not mentioned Syngenta in its consultation document.

I turn to travel times, which really are a key issue—remember the golden hour. It is all well and good talking about average travel times to an A&E, but emergency care is not about averages. My constituents have been sending me Garmin and TomTom reports—other satnavs are available—of their recent journeys from Huddersfield to Halifax. It can take up to 45 minutes and in some instances, even longer. It is an extremely congested journey. Bad weather, floods, damaged bridges, increasing housing developments in the Lindley area, and the Ainley Top roundabout see our local road system creaking at the seams. That is before we even start analysing peak travel times from, say, Hade Edge or Marsden in my constituency.

My constituent Elaine writes that she has regular appointments on a Thursday morning at 9.15 am at Calderdale and has told me that the Elland bypass is regularly blocked twice a day, with her average journey time taking over an hour. It recently took a *Huddersfield Examiner* photographer 52 minutes in morning rush-hour traffic to get from the centre of Huddersfield to Calderdale Royal hospital. Hepworth in my constituency to Calderdale Royal is 13.7 miles. Most parts of my constituency and Kirklees will have to travel past Huddersfield Royal infirmary, or what is left of it, to get to CRH.

HRI serves a number of outlying and rural communities. My team and I have been scouring the consultation document and there are some really interesting little facts in there. Page 215 of the consultation document acknowledges that

“the population of Calderdale and Greater Huddersfield is aging slightly faster in the rural areas than in urban areas.”

On page 239, we learn that A&E attendances are high among those aged between 65 to 80 and highest for those aged over 80—so, those most likely to need A&E will now have further to travel, and that will cost lives.

Page 76 states that most journeys to A&E under the dual sites are less than 30 minutes—we may want to dispute that, by the way. However, the document goes on to admit—this is the official consultation document—that a single site could push travel times well over that, particularly at peak times. Let me repeat that: the consultation document states that travel times could be pushed well over 30 minutes, particularly at peak times.

My constituents at the top of the valleys in Holme village or Marsden could face an hour to get to Halifax. That brings me to the point made by the hon. Member for Batley and Spen. Patients who live at the tops of the valleys are already being diverted to Oldham and Barnsley, so the predicted patient models just do not stack up. My mum and dad are regularly sent to Barnsley from Holmbridge for routine tests. Huddersfield needs to be at the heart of our region's emergency care. This proposal just has not been thought through. The whole proposal needs to be scrapped, with Barnsley, Oldham, Wakefield, Bradford and Halifax all part of a proper plan for emergency healthcare for where we live.

Jo Cox: I just want to reinforce that point for the Minister. It seems as though there is a lack of regional oversight about the implications of both this public consultation and what is happening at Dewsbury and District hospital. We have raised that issue directly with the Minister, and I raised it with the Mid Yorkshire Hospitals NHS Trust last Friday to ask who holds responsibility for the pan-Kirklees, pan-Yorkshire, strategy, to make sure that none of our constituents loses out from these individual public consultations and reconfigurations. It would be very helpful if the Minister focused on that oversight.

Jason McCartney: Thank you very much for that incredibly constructive comment.

I have been talking about how we need a regional plan. I have been trying, as I come to the end of my speech, to dispel some myths. Some party political activists have been bleating on about budget cuts, but that is just a myth—it is plain wrong. This proposal, if it goes ahead, could actually end up costing £490 million, as it would see HRI knocked down and replaced with a much smaller hospital on an adjacent site. Surely that financial injection, if secured—and that is a big “if”—would make better sense if it was invested in A&E in both Halifax and Huddersfield.

What happens next? I have specific questions for the Minister. The hon. Member for Huddersfield and I wrote to the Secretary of State last week. Will the Minister expedite an urgent meeting for me and the hon. Members for Huddersfield, for Dewsbury and for Batley and Spen, and others who are not here, with the Secretary of State to discuss the future of emergency healthcare in Huddersfield and Calderdale? In an ideal world, I would like the Minister to intervene to avert this appalling proposal and I hope he will explain the process. In the meantime, will he launch an investigation into the PFI deal, which many are calling one of the worst ever signed?

When the Prime Minister visited Halifax last year, he said:

“After the election we want to do what we’ve done with other hospitals, which is sort out the PFI mess and financial mess that they’re in.”

Will the Minister explore the potential of uncoupling the Calderdale and Huddersfield NHS Foundation Trust so that the PFI deal can be tackled and removed from clinical decision making? For the record, we want Calderdale Royal hospital to keep its A&E. Calderdale's population is increasing, as is that of Huddersfield and Kirklees.

In conclusion, I think, we think, the campaigners think and all our community thinks that Huddersfield and Halifax require and deserve excellent A&E services.

The decisions should be based on saving more lives, improving experiences and delivering better outcomes, not short-term financial implications. Patient safety must come first, which means keeping our A&E, so hands off our Huddersfield Royal infirmary!

2.51 pm

Paula Sherriff (Dewsbury) (Lab): It is indeed an honour to serve under your chairmanship, Mr Pritchard. Before I start my speech, I congratulate the hon. Member for Colne Valley (Jason McCartney) on securing this incredibly important debate and on his constructive and reasoned speech.

Kirklees is an area with a population of over 430,000. My constituency has a population of 110,000. The majority of my constituents access emergency care at either Dewsbury and district hospital or Huddersfield Royal infirmary. Dewsbury district hospital is already subject to a planned downgrade, which hospital bosses propose to bring forward. It will take place this year. It will see the accident and emergency department downgraded to an urgent care centre with no provision for acute emergency care.

Dewsbury district hospital's A&E currently sees around 80,000 patients a year. The downgrade was referred to the Secretary of State for Health by the Kirklees and Wakefield joint health scrutiny committee because its members believe there remains sufficient doubt to provide the necessary assurance and confidence that the proposals are in the best interests of the local population. The planned downgrade hinged on the fact that many of the patients who currently access Dewsbury and district hospital would travel to Huddersfield for emergency care.

The loss of full emergency services in Dewsbury was a bitter blow. We now hear that Calderdale and Greater Huddersfield clinical commissioning groups are planning their own hospital downgrade. The plan, as we have heard, is to close the A&E department at Huddersfield and to transfer all emergency services to Calderdale Royal hospital in Halifax. Those plans will see the whole of Kirklees without any accident and emergency provision. Over 430,000 people will have to travel outside the borough for vital emergency healthcare for themselves and their loved ones. How on earth can that be acceptable? Kirklees is a vast geographical area that spans many towns and rural and semi-rural areas. Many people rely solely on public transport as a means of travel and parts of the borough are in the bottom 10% of the country's most deprived areas, which brings about huge health issues and inequalities.

The hon. Member for Colne Valley alluded to Huddersfield being a university town with over 24,000 students, many of whom come from outside the area. Many of them are not registered with a local GP, so are more likely to attend A&E.

A large part of my constituency nestles between Huddersfield and Dewsbury hospital. My constituents will be among those hit hardest by the closure. We have heard in recent days that the proposed changes could result in 157 more deaths a year. We know that the closure will not improve life chances or enhance health care provision, but is purely a cost-cutting exercise that could result in lives being put at risk.

[Paula Sherriff]

In 2007, prior to being elected Prime Minister, David Cameron said:

“I can promise what I’ve called a bare-knuckle fight with the government over the future of district general hospitals.

We believe in them, we want to save them and we want them enhanced, and we will fight the government all the way.”

We welcome the Prime Minister’s possible intervention. If any Health Minister, the Secretary of State or the Prime Minister would like to visit our beautiful part of Yorkshire, I am sure that we would, on a cross-party basis, be delighted to show him the issues that the closure would cause.

Hospital downgrades and closures are happening up and down the country. Two out of three NHS trusts are in deficit and the situation is only set to get worse. Headlines in our national newspapers scream of “NHS facing...worst financial crisis in a generation”, “NHS deficit soars to £1.6bn” and “Will 2016 push the NHS over the edge of chaos?” Searching “hospital closures” on the internet shows the full scale of the problem nationally.

A pledge was made that the PFI deal in Calderdale would be sorted out, but that neither hospital would close. It is beyond absurd that the price to pay for keeping Halifax A&E open is the closure of the Huddersfield facility. Across the two hospital sites, there are 141,000 A&E visits a year. How can one hospital, which is already buckling under the pressure, cope with that many emergency patients in one year? In addition, there will be further pressure on Yorkshire Ambulance Service to transfer acutely ill patients away from Kirklees to hospitals on routes that are often congested and severely gridlocked. Current proposals would see the average ambulance transfer time increase from 16 to 21 minutes. I reiterate that that is an average, so many patients would be in an ambulance for much longer.

I have received a number of emails, as I am sure have my hon. Friends, from understandably concerned constituents who have recounted extremely problematic journeys between the two sites, leading to real fear that there could be a catastrophe in a life and death situation. I recently undertook the journey between Huddersfield and Halifax after the recent rally in Huddersfield centre. I was caught in severe traffic and saw an ambulance held up. I would have hated it if a loved one or someone I knew had been in that ambulance being prevented from getting essential emergency care.

Jo Cox: Another issue for cross-party consensus is the lack of a coherent, integrated transport assessment of all the reconfigurations across Kirklees, in Dewsbury and in Huddersfield. Many of our constituents are on low incomes and rely on public transport. With congested roads, moving people around is not easy. I am not reassured that either trust has looked fully at the transport implications of these reorganisations and what they will mean for our constituents.

Paula Sherriff: I thank my hon. Friend for her contribution. She has almost read my mind. I have just come out of a meeting with the chief executive of the Yorkshire Ambulance Service NHS Trust and put that exact point to him. I was incredibly alarmed to hear him say that it is working on the modelling for how to transfer patients between hospital sites given the number

of reconfigurations in the area. I emphasised that that should have been resolved before, and he acknowledged that perhaps it should have been. The work has not even been carried out, yet there are proposals on the table that hospitals should be downgraded.

Yorkshire Ambulance Service has its own financial pressures and is struggling to meet its current performance targets. We have heard this afternoon that it is failing to meet performance targets for red 1 and red 2 ambulance patients. The question needs to be asked. Have they been consulted about these plans and can they deliver on the promises made by the clinical commissioning groups, despite the fact that we have received an acknowledgement this afternoon that the work is ongoing?

Other factors that need to be seriously considered include the looming adult social care crisis, impending pharmacy cuts—which could mean that 25% of community pharmacies close—lack of GP provision and uncertainty regarding junior doctors. All these factors impact on our local hospitals, and we need to be confident that they are addressed and answered.

Just yesterday evening we learnt that Calderdale Royal hospital and Huddersfield Royal infirmary were on black alert, which meant that they were unable to take any more patients because of a shortage of beds. The trust was said to have implemented the senior level gold command arrangements. Let us imagine the situation had that occurred when only one of the A&E services was functioning.

In the less than two weeks since the plans were announced, we have seen a massive public outcry—bigger than anything that I have witnessed before. Like the hon. Member for Colne Valley, I thank, applaud and pay tribute to all the people involved in the campaign. We have seen the message “Hands off HRI” projected on to many public buildings and looking absolutely fantastic. Sweatshirts and T-shirts have been printed. There are car stickers. People have been going door to door with petitions. There has been a wonderful community response. There is a Facebook campaign with more than 45,000 members—I wish that my MP page got that level of support—and there is an online petition with more than 46,000 signatures. I am pleased to say that at a recent Kirklees Council meeting, councillors voted to work cross party to oppose the changes. All those voices need to be heard, and we must have as long a consultation period as possible to ensure that they are.

Casually sitting back and watching this situation develop is simply not an option. Action must be taken, and it is our job, as elected representatives, to stand up and fight for our constituents. I for one will not be lying down on this issue and I welcome the cross-party pledge from all my MP colleagues—I know that they feel exactly the same way about this issue—that we will work together for a better funding deal and a solution to the chaos that we now find ourselves in.

3.1 pm

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): It is a pleasure to follow the hon. Member for Colne Valley (Jason McCartney) and my hon. Friend the Member for Dewsbury (Paula Sherriff), who have eloquently made the case and saved me from spending an awful lot of time going into the detail. However, I must repeat some of the narrative. Mr Speaker often, I think, verges

a little on ageism when he points out how long I have been in the House of Commons, but it does mean that I have a long memory and I know the narrative of what has happened in health provision in my part of the world. That is always difficult for Ministers.

I noticed that this Minister, when asked whether he had visited Huddersfield, looked down at his papers rather intently. I do not blame him for that—there are parts of England that I have yet to visit—but Huddersfield is an absolute gem of a place. It nestles in the Pennines. I once had an American student who said, “I’ve found out the difference between Lancashire and Yorkshire—you’ve got the Pyrenees between you.” I said, “A lot of people in Yorkshire wish it was the Pyrenees; actually, it’s the Pennines.” That is a slightly humorous remark, but the fact is that it is a very hilly area; conditions can be very difficult. We see the special signs up in bad weather. Can we go over the tops? Often the conditions are such that we cannot. Very close to us, it is very hilly, with very difficult road networks. There is not much flat land. We were looking for industrial investment. You and I, Mr Pritchard, care very much about the manufacturing sector, and when people are trying to attract new businesses, they are all the time looking for flat land. We do not have any flat land; that is the truth. It is very difficult to find a flat space in our part of the world. It is difficult terrain.

What is nice about this debate is that from both sides of the Chamber we are making it clear that we do not want to beggar our neighbour. We want good health provision throughout our area. Good health provision is what motivates all of us. We want the highest-quality health provision. However, we do want accountable delivery of health provision. Many of us feel that the old system had its imperfections and the new system has its imperfections. Both the hon. Member for Colne Valley and my hon. Friend the Member for Dewsbury talked about the PFI. I have a long knowledge of PFIs. When I was chairing the Select Committee on Education, PFIs were used, as you know, Mr Pritchard, for much school building. I learnt over many years of controversy over PFIs that one cannot dislike PFIs on principle, but one can be against bad PFIs and in favour of good PFIs. I think that that is the truth of the matter.

There is a lot of evidence that some of the health PFIs were entered into with a rather amateur group of people representing the health trusts. That is the only explanation if we are to be kind to those people who made the arrangements. They were dealing with some pretty clever people—leading consultancies and people who really knew their stuff from the City of London. A senior professor said to me that some of the people sitting on the other side of the table were not as sharp as they could have been. They may have been local accountants and solicitors or the local management team, and perhaps they did not see quite how much the PFI was going to cost them over the number of years for which it was to run. That is the context.

A particularly worrying PFI was agreed for the Calderdale hospital in Halifax. There were two trusts in those days: the Halifax trust and the Huddersfield trust. The Huddersfield trust was always very well managed and had plenty of reserves, but when Halifax and Calderdale ran into trouble, we were pushed by the then Department to merge with the trust that was limping rather. People may remember this. We did merge, because

we did believe in a good health service for all the people in our part of Kirklees and in Calderdale. That is the history; now we have to bring ourselves up to date.

There is a new dilemma, and I do not want to make it party political, but the urgent question on national health service finances yesterday did point to the fact that up and down the country a number of trusts are in serious financial trouble. Until comparatively recently, our health trust was in pretty good shape. Only comparatively recently did we suddenly have some real financial challenges. The Minister will be very familiar with this dilemma. On the one hand, we are being asked to make savings, efficiencies—4% every year—in order to maintain a good record with all the organisations that look at our health provision. On the one hand, there is that pressure for greater efficiency and saving money, but at the same time on our patch we have this PFI that is a great drain. On the other hand, we have what is a pretty old hospital in modern terms. I was once with Harold Wilson in the hospital when I was a very young MP. He had come up, and we were waiting for the top brass to come down and guide us. He said, “Barry, I don’t think I’ve ever been here before,” and behind him was a great marble stone that said, “Opened by Harold Wilson in 1965”.

The hospital is a classic early 1960s building. Some of us love some of the 1960s buildings. There are some that we cherish, such as the Barbican. Many people hate the hospital; I quite like it. There is a kind of brutalism that one likes. However, a lot of 1960s building was a little bit below par. We have on the one hand a hospital PFI that is very expensive and on the other a local hospital that is getting old. It has been invested in over the years. A great deal of investment has gone in, but I am told that a conservative estimate is that at least £200 million would be needed really to get it back on track. That is a great pressure on local health provision.

All of us across the parties in our area—local councillors have also been very active in the campaign—understand that we want the best possible healthcare for all the people on our patch. I know that the Minister is not so familiar with our part of the world. Not only is it hilly but it has a very mixed population. A lot of wealthy people live on our patch. There are a lot of middle-class people and a lot of people who are more challenged in terms of their income. It is a very mixed area, and that is the beauty of it. It is not boring; it is in every sense a vibrant area. I recently challenged the Secretary of State for Business, Innovation and Skills to come to Huddersfield and have a decent suit made of fine Huddersfield worsted; we still make the finest worsted in the world. Indeed, Mr Speaker is now also coming to Huddersfield to have a fine worsted suit made. I see you looking interested, Mr Pritchard—the invitation could be extended.

The fact is that, were there not so much contest between the smaller towns, the area might have had the name “Greater Huddersfield”. It is a city—one of the biggest urban conglomerations in the country—but people, especially outsiders, do not realise that because we have broken it up into different names. Kirklees is vast, which means that there are great healthcare challenges. Put that together with our difficult geography and an interesting history, and we face real challenges. We want the Minister to be open-minded and to enter into a discussion to find a way to get the very best result for the people of our area.

[Mr Barry Sheerman]

I shall be quite blunt about my resistance to CCGs. I wanted to be independent in assessing PFIs, and I said that there had been good PFIs and poor PFIs. There are also good CCGs and not so good CCGs, and I am not impressed by the quality and leadership of my local CCG. Although I have some resistance to CCGs, the general model is not a difficult one. I chair the all-party parliamentary group on management, so I am keen on good management in the health service and outside. Sometimes I see doctors managing CCGs; management is not part of any medical course I know of. We would not expect it to be. We train doctors to be good clinicians and good GPs, not to be managers. Some CCGs have real difficulties because they lack quality management.

There has been a failure of management in our local CCG when it comes to a proper, rational assessment of where we are now and how we can get the best possible healthcare in our area, taking into account all the difficult pieces of information that I have mentioned, including an ageing hospital that needs investment, a newish hospital that was built under a PFI, and difficult communications. I ask the Minister to look very carefully at what has been going on in our locality and to get the whole situation appraised carefully, independently and objectively.

Jim Shannon (Strangford) (DUP): I understand that this is an issue for the A&E in Huddersfield, but the hon. Gentleman mentioned getting other advice. In Northern Ireland, the Minister has set up a new panel to look at the whole health service and how best to take it forward in an area of financial restraint. Does he agree—I suspect that he does—that it is time to share those ideas across the whole United Kingdom of Great Britain and Northern Ireland? Thereby, we can all learn together.

Mr Sheerman: I very much welcome that information, which relates to the point made by my hon. Friend the Member for Batley and Spen (Jo Cox). She said that there was no clear, strategic plan for the broader area of West Yorkshire. West Yorkshire is very close to Barnsley on one boundary. On another, it goes a long way right up the valley to where a very large number of people live in places such as Todmorden, where a bridge was recently affected by floods. Those places are in strong Manchester commuting territory. The area is vast and complex, and I cannot remember a proper evaluation across the piece, rather than an assessment that just carved out one bit of territory and looked into that very carefully.

I do not want to go through how many people are enraged, but they include—I read in the *Huddersfield Examiner*—Sir Patrick Stewart. Until recently, he was the chancellor of Huddersfield University, which was university of the year last year. He sends, from Hollywood, his solidarity with the people of Huddersfield on the issue of keeping the A&E department open.

On 11 March this year, we celebrate the centenary of the birth of Harold Wilson—a great man and a great Prime Minister—who was born in Huddersfield. When I used to drive him around Huddersfield, we would pass the old further education college, which was the old, old Huddersfield hospital, and he always said, “My appendix is in there.” The area has a great history. Please, in this

special year, let us listen to the voices of the people of Huddersfield and Halifax, and get this right. At the moment, the suggestion of closing A&E in Huddersfield is not right, nor is the suggestion that Halifax is the only alternative. Personally, I think that there is a scheme by which we could keep both A&E departments open. My request to the Minister is: get that rigorous, independent, thoughtful appraisal of what the hell is going on, and get it right.

3.15 pm

Justin Madders (Ellesmere Port and Neston) (Lab): It is a pleasure to serve under your chairmanship, Mr Pritchard. I congratulate the hon. Member for Colne Valley (Jason McCartney) on securing this extremely important debate, and on the eloquent and powerful way in which he set out the issues in his opening speech. We heard quite a remarkable volley of NHS-related slogans at the start. I aim to keep a copy of that *Hansard* extract in my pocket for future use at rallies and so on, such was the power and breadth of his comments. He deserves praise for the non-partisan way in which he presented the issues, and his passion for the local hospital, which he and his family have clearly used on a number of occasions, shone through. He spoke with great personal knowledge about the geography of the area and how it does not lend itself to the proposals, and he pointed out, quite rightly, a need for a wider, sub-regional focus on services.

I pay tribute to the contribution of my hon. Friend the Member for Dewsbury (Paula Sherriff), who spoke with typical passion and sincerity, and brought with her a wealth of experience from the health sector. She rightly questioned whether Halifax will be able to cope with the extra A&E visits, and we all ought to take note of her revelation that the ambulance service has not yet worked out the implications for its service.

My hon. Friend the Member for Huddersfield (Mr Sheerman) spoke with typical authority about how his constituents will be affected. His recounting of the history of healthcare in his area was highly informative. He rightly pointed out that the financial pressures that this trust faces are not unique and he was characteristically forthright about what he considered to be the failings of the local CCG.

I congratulate my hon. Friend the Member for Batley and Spen (Jo Cox) on her intervention. She spoke eloquently and clearly about how significant the issue is when she pointed out that an entire Kirklees Council area will be without its own A&E unit. She also astutely pointed out that the issue has ramifications far beyond the immediate CCG area.

All hon. Members who have contributed to the debate have clearly set out their constituents' concerns about the proposals, which will fundamentally change how NHS services are delivered in Huddersfield, Calderdale and the surrounding areas. The question of how services are configured in the area has been the subject of discussion for some time, but found a new impetus on 15 January when Calderdale CCG and Greater Huddersfield CCG released the pre-consultation business case on a reconfiguration of hospital services across Calderdale and Kirklees. As we know, the proposal is to treat emergency cases at Calderdale Royal hospital in Halifax, while a newly built Huddersfield Royal infirmary will tackle planned cases. That will involve the closure

of the A&E department at Huddersfield, which has understandably caused a great deal of anxiety locally and has been much of the focus of today's debate.

It is not just hon. Members who have expressed concern. Stellar characters such as Patrick Stewart have joined in, and there has been a considerable reaction in the community. On 25 January, a paramedic was quoted in the *Huddersfield Examiner* expressing concerns that the proposals had the potential to create delays of up to an hour in taking a 999 patient to casualty. As we heard, a local statistician has warned that there could be an additional 157 deaths a year if the changes go ahead. It is hugely important that the CCG responds to those claims as part of the consultation process, as patient safety must be the primary consideration when any changes to health services are proposed.

It is clear from the pre-consultation business case that the changes are significant. As the risk assessment states,

"the most likely areas for negative impact is to those groups who are high users of accident and emergency services, such as younger, older people, and some ethnic groups."

As the hon. Member for Colne Valley mentioned, the risk assessment also states:

"We understand that the population of Calderdale and Greater Huddersfield is ageing slightly faster in the rural areas than in urban areas. This means that new service models could place older residents at a slight disadvantage if the services they need to access are located further away than the services they are currently using."

We know before we start that older people are more likely to be particularly affected by the proposal to close Huddersfield A&E, as they are more likely to live in rural areas that are further away from Calderdale Royal and, of course, they are far more likely to use emergency services. It is therefore vital that there is the widest possible consultation on these proposals and that the consultation is meaningful. I note from the business case that seven separate engagement exercises have so far been undertaken. However, not one of them has asked this simple question: "Do you want the A&E at Huddersfield Royal infirmary to close?" It is vital that residents are now given the opportunity to engage with those core issues through accessible methods.

Residents of Calderdale and Huddersfield may well be a little disappointed that we are even discussing this issue today. As my hon. Friend the Member for Dewsbury said earlier, residents will remember that in 2007, when in opposition, the Prime Minister visited, posed for photographs and spoke about having a bare-knuckle fight with the then Government to safeguard A&E services at Huddersfield Royal and many other hospitals. The Prime Minister's attention has been elsewhere recently, so perhaps he needs to be reminded of those comments now. The Minister will know that when the Prime Minister visited Halifax last year, he promised to "sort out the PFI mess and financial mess that they're in."

My hon. Friend the Member for Halifax (Holly Lynch) had hoped to be here today, but she has whipping responsibilities on the Energy Bill. She has been persistent in trying to hold the Prime Minister to account for that promise. I trust that the Minister will be able to set out what is being done to sort it out.

I am sure the Minister will also be gracious enough to acknowledge, as the hon. Member for Colne Valley did, that although the PFI deal was signed when Tony Blair was Prime Minister, much of the work and negotiating

was done when John Major was in charge. I am sure the Minister will also agree that the residents of Huddersfield would be right to say that arguing about who is responsible takes us no nearer to finding a solution.

It would also be fair to say that the financial problems faced by the trusts are not solely down to the PFI deal, nor are they alone in facing such challenges. Despite the warm words on funding, a number of challenged trusts are now being asked to consider headcount reductions additional to the current plan. The truth is that the Government have lost control of NHS finances. By slashing social care budgets, they have created a crisis in the sector that is adding pressure to every part of the NHS. By completely mismanaging staff issues, they have created a crisis in recruitment and retention, leading to a surge in spending on agency staff. The report makes it clear that workforce issues are a factor in driving the need for reconfiguration. In 2010-11, the spend on agency staff at Huddersfield and Calderdale was £7.2 million; according to page 29 of the business case, this year the figure is forecast to be £21.2 million, an increase of 194% in just five years.

That issue is not unique to Huddersfield and Calderdale; it is a deeply worrying trend that we see replicated across the country. One of the key reasons for that increase, which again is set out in the business case, is recruitment, retention and vacancy challenges. An example of that is the Government's decision, after taking office, to slash the number of nurse training places, which led to far fewer nurses qualifying than in previous years. The upshot of that, as the Royal College of Nursing and the Labour party warned at the time, is that trusts across the country are simply unable to fill all their vacancies and are left to rely on expensive agency staff. I ask the Minister, as I have asked him before, whether he will now accept that cutting the number of nurse training places was the wrong thing to do and is a fundamental cause of the increase in spending on agency staff.

The business case also refers to sickness rates being a worrying 5.3% in the clinical directorate, with by far the main causes being anxiety, stress and depression. Sickness rates are high and retention rates are low because the NHS workforce are, frankly, demoralised. I look forward to hearing what the Minister intends to do to improve the position, as many of the challenges facing this trust pervade throughout the NHS.

3.24 pm

The Parliamentary Under-Secretary of State for Health (Ben Gummer): It is a great pleasure to serve under your chairmanship, Mr Pritchard. I, too, thank my hon. Friend the Member for Colne Valley (Jason McCartney) for the clear-sighted way in which he set out his case. This clearly is a cross-party effort, for which I respect him all the more. Everyone sitting in this room has come here with earnest intent on behalf of their constituents, and I take their representations very seriously indeed. I appreciate the comments of those who have spoken in this debate, including the hon. Members for Batley and Spen (Jo Cox), for Huddersfield (Mr Sheerman) and for Dewsbury (Paula Sherriff). I also thank the shadow Minister. There was an intervention from the hon. Member for Strangford (Jim Shannon), who has left.

This is one of what I imagine will be a series of debates on reconfigurations, because throughout the NHS's history—I am sure the hon. Member for Huddersfield

[Ben Gummer]

will know this better than me—reconfigurations and the configuration of health services has been a feature of how the NHS works. In beginning to respond to the debate, it would be helpful if I set out where the Secretary of State and I stand in relation to reconfigurations. That will explain what I am able to do and, perhaps more helpfully, what I am not able to do, because that has changed in the past few years.

I recognise that the clinical commissioning group has presented a very detailed plan—the plan is very detailed, whatever one’s arguments about its merits, or otherwise—but it has, rather classically, chosen a title, “Right Care, Right Time, Right Place,” that is so generic in its quality and so indirect in its aspiration that the CCG should first look to change the title to say what it actually proposes to do. Such generic consultation titles and bureaucratic-speak are a feature across the NHS, and it does not help anyone to get to the nub of the matter.

Were the reconfiguration to proceed, it would be for the CCG to make the decision about how it wished to buy services on behalf of the people it serves. That is a key reform of the Health and Social Care Act 2012 but, even before then, previous Secretaries of State—Labour ones—recognised that it is wrong for Whitehall to make determinations on matters of reconfiguration because it is often influenced by politics when it should be the clinical voice that is heard first and foremost.

The hon. Gentleman mentioned the former Prime Minister Harold Wilson a number of times. Harold Wilson was a well-known exponent of valuing expert opinion, and we should do that in the NHS above all, because we are dealing with people’s lives. That is why I ask people speaking in this debate more broadly to listen carefully to what clinicians are saying on both sides of the argument and to weigh up their opinions before coming to a settled point of view.

Mr Sheerman: I absolutely agree with the Minister. It is the clinicians who are talking to us. The clinicians in hospitals do not want this reconfiguration and do not agree with it; it is general practitioners jumped up into management in the CCG who are putting this before us. The clinicians to whom my colleagues and I have talked are almost uniformly against the reconfiguration. He is absolutely right. If we listen to the clinicians, we will have A&E in both hospitals.

Ben Gummer: I will come on to that process. It is a little unfair to characterise the clinical commissioning group in that way. Primary care is the frontline of all patient care in this country. GPs see and deal with the majority of patients in the health service, and they guide the patient pathway. Therefore they should have responsibility for ensuring that services are fit and proper for patients. It is GPs who make the decision on how that happens. If local people disagree with that decision, as the hon. Members for Dewsbury and for Batley and Spen are experiencing in their own areas, a referral can be made to the Independent Reconfiguration Panel via the local authority’s overview and scrutiny panel. The Secretary of State will then take the recommendations of the independent panel.

So far, out of a number of Secretaries of State, none has chosen to go against the panel’s recommendations, although there is always a first time. However, the panel

exists, and I do not think that anyone disputes its independence. That is the process. All that I can do here is set out the broader clinical arguments on which I know the CCG will draw, and with which I expect all Members will agree, to talk about private finance initiatives and answer the specific questions raised by speakers in this debate.

For the record, I will explain what the CCG claims are its reasons for the reconfiguration. It is important for people watching this debate to know the CCG’s side of the story also. The CCG believes that the NHS services in Halifax and Huddersfield, as currently organised, do not deliver the safest and most effective and efficient support to meet patients’ needs. It believes that the trust is affected by shortages of middle-grade doctors and a high use of locums in its accident and emergency department; I will turn in a minute to the remarks on that matter by the hon. Member for Huddersfield. Sickness absence levels are high, and clinical rotas are described as “fragile”. There are difficulties providing senior consultant cover overnight and seven days a week, which is a wider issue in which hon. Members will know the Government have an interest.

Both hospital sites operate an emergency department and a critical care unit. The care provided by both those services is, in the CCGs’ view, neither compliant with some of the standards for children and young people in emergency care settings nor fully compliant with guidance on critical care workforce standards. Neither site satisfies the Royal College recommended minimum of 10 consultants per emergency department and 14 hours a day of consultant cover.

Inter-hospital transfers are often necessary due to the lack of co-location of services on both sites. Those factors have a direct bearing on the safety of patient care. The co-location of emergency and acute medical and surgical expertise can result in significant improvements in survival and recovery outcomes, most notably for stroke and cardiac patients. The most seriously ill with life-threatening conditions have a much greater chance of survival if they are treated by an experienced medical team available 24/7. That last comment is not just the opinion of the CCG; it is the recommendation of Professor Bruce Keogh, the medical director of NHS England. I think that we all agree on the principles from which he speaks.

The CCG believes, first and foremost, that the proposals are designed to save lives. It is not an issue of cost. However, there is an issue of cost involved in deciding where the co-located services should go. We must be open about that; the CCG has made a value for money determination suggesting that the better site is in Halifax, at Calderdale Royal hospital, and not at Huddersfield.

Mr Sheerman: On finance?

Ben Gummer: On a value for money basis, because of the ability to release the Huddersfield site to build the new hospital and the more modern facilities available in Calderdale. That is the CCG’s determination, and it is important in these discussions that everyone examines whether they believe that the CCG has made the right determination.

Turning quickly to an issue of numbers, I want to make a general point about the number of people being supported by A and E services across the country. The current chief executive of NHS Improvement, Jim Mackey,

ran a successful large hospital system in Northumberland where a reconfiguration is providing some of the finest patient outcomes not just in the United Kingdom but in western Europe. It was brave and controversial at the time. What he has proved, and what has subsequently been proved in Manchester and in London stroke services, is that where services are reconfigured sensibly, outcomes improve. I know that that is the driving ambition of clinicians in Mid Yorkshire, and indeed in Huddersfield and Halifax. Whether they are arriving at the correct way of delivering those improved outcomes should be the exercise of the consultation, so it is an appropriate way to start the debate, but it is important to inform the discussion with all the current facts.

According to Public Health England, the Calderdale and Huddersfield NHS Foundation Trust serves a population of 402,000 across two hospital sites. That means that each hospital serves what is, in the scale of the NHS, a small population group. To give some local comparisons, Leeds Teaching Hospitals Trust serves a population of 752,000, and Mid Yorkshire Hospitals NHS Trust is also a bit larger at 553,000. Within the scale of local health economies, Calderdale and Huddersfield serves a relatively small population, across two sites. The CCG's judgment, and I suspect clinical opinion across the NHS, is that something must be done to improve clinical outcomes by concentrating consultant and clinical offer. I am not making any judgment about where that should happen, merely about the principle being established by senior clinicians.

Turning to the issue of deaths, it is the judgment of Professor Bruce Keogh, who is coming to the end of his urgent and emergency care review, that intensive procedures are best done by people who are well practiced and do many a year. The best way to do so is to ensure that they are concentrated in centres of excellence. The understanding of the rest of the world is that we prevent deaths by doing so. The hon. Member for Huddersfield contends that we could cause 157 deaths by joining the services.

Mr Sheerman: In Halifax.

Ben Gummer: Yes. I caution the hon. Gentleman about using such figures. Whereas the CCG has been careful not to use a precise figure for how many lives will be saved, merely citing international evidence about improved outcomes, that figure, which has been provided to him, makes the serious error of conflating and confusing emergency admissions with emergency attendances; they are two completely different things. Using those two figures has allowed the person who made that figure to come up with 157. The figure itself is erroneous, and it is important that it is not repeated until there is a proper statistical base that can be shared with local people, because it will clearly frighten people. It is important that that figure, if it is true at all, has a proper statistical base before it is used.

Likewise, figures have been quoted about PFI. I actually have a dogmatic view on PFI, which is that it is a less than elegant way of borrowing money. Classically, the Government will borrow money at around 4%, and the private sector at 6% or 7%. One can get PFI deals that work; there are some. They work when one can incentivise efficiency over a long period, but it is very difficult to measure, and the jury is still out on even the best deals. There are circumstances in which they do work, but they do not work in every circumstance.

None the less, it is important that we present local people with the figures. My hon. Friend the Member for Colne Valley has mentioned in the House the figure of £773 million over the course of the contract; I believe that that figure is just the sum of all the unitary payments made year by year. If we strip out inflation, as we must in order to come to a real figure, we arrive at a sum that is about two thirds of that: £527 million. If we then subtract from that £527 million the costs of providing maintenance, cleaning, portage and the other functions that form part of the PFI deal, we come to a figure about half that, or about £263 million or £264 million. It is difficult to divide it up precisely, because it is a unitary payment. That is the financing charge.

If we compare that financing charge with what it would have been for public debt if the money had been borrowed, as it would have been at the time in order to build the hospital, we are talking about a difference of about £90 million to £100 million. Again, when presenting these figures to the public, it is very important that we are consistent about it. This figure is not £773 million and in that sense it does not matter who signed it, and I will be the first person to stand here for hours defending Sir John Major. It is much closer to £100 million over and above what would have been paid for had it been public debt.

Again, I think that puts it in context and may explain why this figure is not the defining figure, because when £100 million is divided up by the course of the contract it comes out at a much smaller figure than might be supposed. It is not the determining factor in what the CCG is trying to do, and I am convinced of the CCG's arguments in that respect.

However, the CCG is very open about the value for money that it says there is in using the Halifax site as opposed to the Calderdale site, and Members should discuss that with the CCG. They might have a very interesting discussion with it about how it will dispose of the capital one way or another.

I will just run through the CCG's proposals quickly in response to the problems it has identified in the local area, and then I will just turn quickly to some of the additional comments that have been made by Members.

The trust identifies that in the area the summary hospital-level mortality indicator—the SHMI mortality figure—was 108.9 in March 2015 against an expected benchmark of 100, so it is significantly over the expected figure. The trust did not achieve a reduction in its mortality rate during 2014 and 2015; it was not able to narrow the gap in the mortality rate to 100. In large part, it puts that down to the operating problems it has on the two sites.

Therefore, the trust's answer to that problem is to provide exactly the kind of specialised concentrated care that Members from all parties have identified—albeit they think it is in the wrong place—as part of a joined-up community care plan, which it is developing in co-ordination with the wider local area.

The hon. Members for Dewsbury and for Batley and Spenningsdale came to speak to me in great detail, and very interestingly, about the proposals for their area. I take very seriously the remarks that the hon. Member for Batley and Spenningsdale made about looking at the wider area of mid-Yorkshire in co-ordination with this work.

[Ben Gummer]

I do not know whether I have been to Huddersfield and I told the hon. Member for Huddersfield why. I spent the first year of my life in Wakefield, as I explained to the hon. Members for Dewsbury and for Batley and Spen the other day, and so maybe my mother took me to Huddersfield. I would like to return in the near future and experience it properly as an adult, and I shall. Nevertheless, it is clear that the area we are discussing is a very complicated one to deal with. It is a hilly area, something which—being a boy from East Anglia—I do not understand very well, and it has a lot of towns of considerable population that are divided by difficult terrain, and travelling between those towns can be less simple than travelling in other parts of the country. So I take on board the points that the hon. Gentleman made.

I will certainly take back the suggestion by the hon. Member for Batley and Spen that this issue we are debating today should be looked at in the wider context, and I undertake to ask Jim Mackey to see whether there is a co-ordination between these two plans and whether he can encourage the CCGs to adopt a more joined-up approach to what they are doing. Maybe they are already joined up—I am not prejudging the conversations that have happened—but it is important that the CCGs answer these questions.

Mr Sheerman: On the figures, we listened intently on the lesson on PFI. But these figures have been in the public domain from many sources since the announcement and the PFI has been looked at. People find these sums difficult to understand. It is our job to ensure that we make the toughest case we can. Yes, we have used those figures, and they are still pretty appalling. Regarding the figure of 157, we got it from an impeccable source; we will go back and check it, but I think it is good.

Ben Gummer: I would submit both figures. There is a difference between £773 million and £100 million, although one is larger than the other. I am not justifying the original deal, but it is important that we put it in context.

My hon. Friend the Member for Colne Valley asked me whether I would arrange a meeting with the Secretary of State; of course, I will be happy to do so. However, can we wait for some of these issues to have been thrashed out with the CCG, so that we have a proper evidence base that we all agree on? That is part of the point of a consultation. Then we will have an even better informed meeting than if we had one tomorrow. So let us have a proper public debate locally and allow the CCG to respond to some of the accusations that have been made here and elsewhere.

My hon. Friend also asked about investigations into the PFI deals. Each PFI deal is different; some are legally very difficult to unpick while some are easier. We have unpicked quite a few during the past few years and I know that the team are looking at all the PFI deals on a revolving basis. Therefore, I can make a commitment that the Department of Health will continue to look at PFI deals—each and every one of them—to see whether we can get more value from them. However, I have to be clear with my hon. Friend that this deal, which was one of the earliest to be made, has been very carefully worded.

Jason McCartney: This gets to the nub of the matter. May I just confirm that the Minister's team will specifically look at the Calderdale PFI, because it was a bit generic there as well? There are discrepancies over the figures, which are slightly different. Incidentally, my colleagues and I would be absolutely delighted if this process were not being influenced by the PFI; if the issue is down to clinical reasoning and other matters, Huddersfield will keep its A&E unit.

Ben Gummer: I can guarantee that Lord Prior is looking at every single PFI in the country on a revolving basis, because we are trying to ensure that we can squeeze maximum—

Jason McCartney: But this one.

Ben Gummer: This one is part of “every single PFI in the country”, so I assure my hon. Friend that it will be looked at.

Mr Sheerman: Perhaps it would be helpful to the Minister if—

Ben Gummer: May I just respond to my hon. Friend's original point?

We must remember that the PFI deal is borne by the entire trust, so it is not as if it fixes precisely on one site or another; it does not influence the decision of where to go. It could be possible to run a cold site on the PFI hospital and fill the hospital that way. It does not have to be filled with the particular function that the CCG wishes to put there. The CCG just believes that the buildings there are better, more suited and more modern—the hon. Member for Huddersfield would agree with that assessment—for the particular purposes it wants to put there.

It is for the CCG to justify that; I cannot speak with any authority about this, because I do not know. However, I really do not think that the PFI has a bearing, because no matter where the services are put, the PFI deal will still exist. All I am saying is that I want to be realistic about our ability to unpick every single PFI in the country, because in many cases they have been very carefully worded and agreed in a lawyerly fashion—

Mark Pritchard (in the Chair): Order. I remind colleagues and the Minister, first, that the Minister should face inwards, so that we can get a good shot of him on camera. This debate is being televised—just a gentle reminder. Secondly, those Members who want to make comments should stand up to do so, so that the *Hansard* writers can identify who they are. Thank you very much indeed.

Mr Sheerman: Thank you, Mr Pritchard. I hope this is a useful intervention. We have written to the Public Accounts Committee to ask it to have a look at this particular PFI, on the basis that it would be a very good one to try to unpick. That might be helpful to the Minister and us.

Ben Gummer: I am sure that the Chairman of the PAC will listen carefully to the hon. Gentleman, who is her esteemed colleague. I know that the PAC has looked at the PFI issues many times before, but I would be glad if it were willing to look at them again.

The hon. Member for Dewsbury raised the issue of traffic, as did other hon. Members. Again, it is for the CCG to ensure that it justifies the traffic times that it is putting in the consultation document. I have sympathy with Members who say that these consultation documents are often impenetrable. I cannot speak for this one, because I have not read it in its entirety, but such documents must be written well—especially the parts that will be put to local people—so that they are understandable to people who do not speak NHS-speak. It is not a question of people's intelligence; it is about ensuring that the document is written in normal English in a way that people can understand. As to whether the document could ask, "Would you like your A&E to move?", as long as people are informed about the facts of the case and understand that such a move could improve their children's outcomes, and there is a reasonable case for it, I see no reason why that question should not be put.

The hon. Member for Huddersfield and the shadow Minister, the hon. Member for Ellesmere Port and Neston (Justin Madders), both raised the issue of wider deficits across the NHS. We addressed that point in the urgent question yesterday; there is financial pressure in the NHS and there are reasons why that should be the case, which I will not go into now. The issue is not cuts, because the amount of money going into the NHS is increasing. The NHS faces a raft of challenges, as it has since its foundation, and our job is to ensure that the money is used as efficiently as possible, which is why we have brought in the controls on consultancy spend, locums and agency workers.

What is true is that under the previous Labour Government and the coalition Government, the number of doctors in training went up. I genuinely do not blame the previous Labour Administration for the current shortages, but we have inherited the numbers from decisions made in the 2000s about the length of doctor training, and before that date about consultant grades. The fact is that, in some parts of the country, it is difficult to recruit—sometimes because the clinical base under which consultants, especially A&E consultants, are asked to operate is not safe. Again, I cannot speak, publicly, about the situation in either of the two hospitals under debate, but that is the case elsewhere, while in some metropolitan centres it is easy to recruit vast numbers of doctors. How do we create hospital bases to which we can recruit clinicians who want to work in a safe place, and carry out good procedures—and numerous ones, to keep the rates up? That is one of the challenges for all healthcare systems across the world, and one that we are determined to meet here in England.

Finally, the shadow Minister spoke about the overall control of finances in the NHS. It is important not to link the overall financial performance of the NHS with this consultation, which, as the CCG makes clear, is centrally about clinical outcomes. I know that the shadow Minister cares very much about ensuring good clinical outcomes, as do all hon. Members; to do that, it is important that local people get a full grasp of the facts. Although we might have a broader argument about NHS finances, it is important to focus on the core facts of the situation. This is about clinical outcomes, the difficulty of providing the outcomes on two sites where they are best provided on a single co-located site, and the value-for-money arguments about what that site should be.

If we can have a strong, well-informed and nuanced debate, and take into consideration the surrounding area—a point well made today—local people can come to a good decision that is supported across the patch, which will mean better health services for those living in Huddersfield and Halifax and the surrounding areas, an improvement in clinical outcomes, and better life chances, especially for those who are born with the least.

Mr Sheerman: I used to have good discussions with the Minister's father. One thing I know about him is that he, like me, was really interested in good management. The Minister has not come back to us about the quality of management, which is something that CCGs in many places do not seem to have. Good managers in the health service seem to be undervalued. I made what I think was a good point about medical training not containing any management element. I am sorry to remind the Minister of his father's excellent commitment to good management, but I am sure that he shares that view.

Ben Gummer: I share the view of the hon. Gentleman. Good management is, of course, vital in the NHS, which is why I am never particularly keen to beat up NHS managers—a predilection of politicians on both sides. But it is true that we have not considered carefully enough the quality of management in CCGs; I agree with the hon. Gentleman about that. That is precisely why we are bringing in a CCG scorecard, just as we have done with the Care Quality Commission rankings for hospitals—that is a well-led domain—that describes precisely how well a hospital is managed.

We want to do similar work for CCGs, which will enable the hon. Gentleman to say, "Empirically, my CCG is poorly—or well—managed compared with neighbouring ones". That will be useful for our holding them to account. I agree with the hon. Gentleman, and I hope that I will be able to deliver, in the next year, precisely what he wants.

3.54 pm

Jason McCartney: I thank the Minister for his thorough and detailed response, which we will obviously pick through. I thank him also for his specific commitments. We will have a cross-party meeting with the Secretary of State for Health once the consultation is up and running, which is imminent, as we want to get the best value from it. The Minister's team is considering the PFI deals, including the one at Calderdale. I assure him that he will be seeing a lot more of not just me but my parliamentary colleagues here in the coming months, as the consultation gets under way.

I also thank my parliamentary colleagues for their contributions. I work with the hon. Member for Huddersfield (Mr Sheerman) on so many issues. We co-chair the all-party Yorkshire and North Lincolnshire group. Many people who watch debates in Parliament do not realise that we work cross-party on important issues for our local areas. Such working is not uncommon, and it will continue.

The hon. Member for Dewsbury (Paula Sherriff) gives an extra perspective, and her passion really came across loud and clear today. I thank the shadow Health Minister for his kind comments and support, and the hon. Member for Batley and Spen (Jo Cox), who was

[Jason McCartney]

here earlier. The hon. Member for Barnsley Central (Dan Jarvis) was here, too, for much of the debate, although he could not stay because of other pressing commitments; his presence shows how our region is closely considering the issue. Also, of course, there was the hon. Member for Strangford (Jim Shannon), from Northern Ireland, who talked about similar issues in his part of the world.

The consultation is about to start and this is where the battle begins—with me and my parliamentary colleagues, the community campaign, the volunteers and the 46,000 people who are now in the Facebook group. We have firm, clinical evidence and logical, safe, patient-led reasoning to persuade the GPs on the clinical commissioning group to keep our A&E at Huddersfield Royal infirmary. We will fight all the way. We have worked together so far and will continue to. We will say once again, “Hands off our HRI, we’re going to save our A&E at Huddersfield!”

Mark Pritchard (in the Chair): I thank colleagues for their co-operation today. My intervention earlier was due in part to some of the microphones not working today, which is unusual. We will have an inquiry into that. But do not worry; *Hansard* is here and everything was captured on television also.

Question put and agreed to.

Resolved,

That this House has considered A&E services at Huddersfield Royal Infirmary.

Telford Co-operative Multi Academy Trust Schools

[SIR EDWARD LEIGH *in the Chair*]

4 pm

Lucy Allan (Telford) (Con): I beg to move,

That this House has considered Telford Co-operative Multi Academy Trust schools.

It is a great pleasure to serve under your chairmanship for the first time, Sir Edward. All Members would agree that a good education gives young people, no matter what their background or where they live, the life chances to be the best that they can be. Education is an open door to opportunity, and that is something I want for every child in Telford. The Minister, who is not here, may be aware that in Telford all our academies benefited from the highest level of Building Schools for the Future funding. Every school is newly built with impressive facilities that every student can be proud of. Good education, however, is more than investment in the best buildings and facilities; it is about good leadership, high expectations and enabling students to reach their full potential, giving them a sense of personal responsibility and self-worth and ensuring that they feel cared for and valued.

In my constituency, the education of 2,000 children was affected by the collapse of the Telford Co-operative Multi Academy Trust last year. Following inspections by Ofsted, all four secondary schools within the trust were put into special measures after receiving “inadequate” ratings. All four Ofsted inspections made similar observations. There were widening gaps in the achievement of the most disadvantaged children and a culture of low expectations on achievement, behaviour and attendance. Specifically, Ofsted said that the multi-academy trust had failed to take action to halt the decline in achievement and failed to provide effective support and challenge to the schools.

The “inadequate” ratings were based on far more than merely exam results. The schools failed because of failings at the top and because of the leadership decisions taken by the multi-academy trust. Ofsted was clear in every report that that was the case. It is true that schools within the cluster had very poor GCSE results in consecutive years. Only 20% of the most disadvantaged children were achieving five good GCSEs including English and maths. All four schools within the trust fell below the 40% floor target, with two falling below 33%. In one school, almost three quarters of children failed to achieve five good GCSEs in consecutive years.

In seeking to raise the issue, I speak as someone whose mother was a teacher in a comprehensive school and as someone who has been a governor in schools in areas of significant disadvantage, so I understand the challenges that teachers and governors face. I pay tribute to those at the coalface in Telford who tried so hard in circumstances that in hindsight were far too challenging. However, I also want to speak for the young people who were failed. We can make no mistake: in schools where 80% of children are in receipt of the pupil premium and 80% are leaving school without getting five good GCSEs, we have to ask about their life chances and talk about the impact on their future. Children’s education, particularly that of children from the least advantaged, least educated families, is an important duty of local authorities.

In the case of the Telford Co-operative Multi Academy Trust, the portfolio holder for children and young people was on the board of directors, as was the local authority's assistant director of education. In 2014, it became apparent that there were difficulties. Immediately, the local authority ceased its involvement, leaving behind well-intended, ill-equipped and inexperienced people to shoulder the burden of financial failings and educational shortcomings. After the schools were placed in special measures, councillors brought a motion at a council meeting in Telford in October 2015 expressing

“deep concern and censure of the authority's...leadership with regards to Education policy, provision and achievement”.

The portfolio member responsible for children and young people claimed that the way Ofsted had conducted the inspections had triggered the problems, but that in any event it was an academy chain, so the local authority had no responsibility. It appeared to many that what had happened was being brushed under the carpet.

The portfolio member could have accepted that the children had been let down. He could have recognised the shortcomings and seen an opportunity to learn lessons for the future. Instead, he criticised those who wanted to find out what had gone wrong. He claimed they were guilty of playing party politics with our children's future. In reality, everyone supported the schools while they were in special measures. Opposition councillors did not raise the issue publicly until students had finished their 2015 summer exams. As the new MP for Telford, I have waited until now to raise the issue, because as the Minister may know, a new sponsor has been found and things are starting to go well.

Whenever something goes wrong there are lessons to be learned. Unless we are prepared to speak out, nothing will change and an opportunity to build a better future for our children will be lost. There are three clear lessons from the Telford Co-operative Multi Academy Trust story. They are on, first, the crucial importance of strong leadership and governance; secondly, the high expectations of students and of teachers; and, thirdly, the willingness of a local authority to intervene quickly when things go wrong and to accept a duty towards every child in the borough. In his response, will the Minister confirm that a local authority has a statutory duty for every child in a borough, academy or no academy? It must be right to ask whether the local authority fulfilled its statutory responsibilities in this case.

Caroline Ansell (Eastbourne) (Con): I commend my hon. Friend for securing this important debate. There is surely nothing more important than the next generation and ensuring that they have the very best opportunities going forward. Education and good schooling are absolutely critical to that. She does full justice to the strain and stress around Ofsted and around being in special measures and what that means for the school and the wider community. I subscribe to her plea that the local authority has a duty of care in that. We all have a very important part to play. She talks about school leadership, but I commend her for showing significant political leadership in bringing this issue to light to better help the children of Telford.

Lucy Allan: I thank my hon. Friend for her excellent intervention and sensible words. I know how experienced she is in this field, and I am grateful to her.

I believe those asking questions on behalf of the children who lost out are right to do so, and their questions deserve answers. Will the Minister confirm that if things are not working—if leadership and governance are struggling—local authorities should be proactive and get help from the Department for Education and regional schools commissioners? Will he encourage local authorities to intervene early and not to tolerate an inadequate education for any of our children, but particularly the most disadvantaged?

The Minister will be pleased to know that there is good news in Telford. We already have two fantastic academies: Madeley Academy and Abraham Darby Academy. Those schools give their students a good and rounded education. They serve areas with a similar demographic to those served by the Telford Co-operative Multi Academy Trust. Those schools show that no matter where someone lives and no matter what their background is, they can have a good education.

The Telford Co-operative Multi Academy Trust was dissolved. The DFE got involved and a new sponsor was found. The sponsor formally took over in November 2015. It is early days, but the signs are encouraging. The new academy chain has ensured a full staff restructuring, with shared leadership across all schools. New timetables, new day structures, new approaches to behaviour and teaching and new leadership and governance processes have been successfully put in place.

An early DFE monitoring visit saw examples of excellent practice being identified, and there were two successful Ofsted monitoring visits where the positive impact of the new trust and the work of the school-based leaders were recognised. The chief executive told me earlier this week:

“We are still in the early days of school improvement and there is still much to do, but the young people in the schools are getting a better deal.”

A recent Ofsted visit found that the trust

“has played a crucial role in removing barriers to the academy's progress and putting in place a clear strategy for the academy's improvement. The structures, mechanisms and foundations are now in place...to secure sustainable improvements.”

I offer my full support to the new trust chain, the leaders, the teachers and the students as they all move forward on this exciting journey, and I know the Minister will join me in that support.

I will conclude by saying to the Minister that if the Government's education policies are working, the Telford schools will be a benchmark of that success. If in four years' time, given the right leadership and high expectations, the schools have been turned around, and if children from the least advantaged areas in Telford have the same life chances as others, that will show that the Government have got their education policy absolutely right.

As Telford's MP I will pay close attention to the progress of the schools and the students. I will continue to raise their progress with the DFE and with the Minister. As we look to the future, we should not discard the lessons of the past or avoid an understanding of what went wrong. We should all hold on to the belief that young people, no matter where they live or what their background, deserve the life chances that a good education provides and an open door to opportunity.

4.11 pm

The Minister for Schools (Mr Nick Gibb): I apologise to you, Sir Edward, and to my hon. Friend the Member for Telford (Lucy Allan) for being a few minutes late for the start of this debate. Never has the journey on foot from the Department for Education to Westminster Hall been as swift as the one that I have just undergone in order to hear my hon. Friend's speech and to be able to respond to it. I congratulate her on securing this debate. I pay tribute to her for her work on this and other education issues, particularly for her work on children in care. She made a powerful speech on children in care in early January, and today she has made another powerful and compelling speech about education in her constituency.

I share the view of my hon. Friend the Member for Eastbourne (Caroline Ansell) that our hon. Friend the Member for Telford is showing significant political leadership in taking up these issues in Westminster Hall today. She is right to celebrate the achievements of the Community Academies Trust in improving schools in her area. The trust is a fine example of the success of the academies programme, which is raising academic standards by giving headteachers greater freedom and also greater responsibility. Before 2010, there were just 203 academies, but the Academies Act 2010 opened the programme to every school in the country so that the benefits of academy status were available to any school. Headteachers have seized the opportunity to raise standards. There are now more than 5,000 open academies, and 65% of all secondary schools are academies or free schools.

In 2015, secondary converter academies outperformed national average attainment at GCSE by 7.2 percentage points, with 64.3% of pupils achieving five or more GCSEs at A* to C, including English and maths. I am pleased that there are already 10 open academies in Telford and Wrekin, and I know that my hon. Friend is encouraging more schools in her constituency to consider the advantages that academy status brings. Despite the overall success of the programme, the performance of some academies falls short of our expectations. Where this is the case, we do not hesitate to intervene swiftly so that the necessary improvements are secured. The answer to the question about intervention that she raised in her speech is that it has to be swift, and it is swift thanks to the academies programme.

My hon. Friend raised particular concerns about the performance of the Telford Co-operative Multi Academy Trust, which was joined by four academies in Telford in April and June 2013: Lakeside, Phoenix, Sutherland and Wrockwardine. At the time of conversion, the schools were performing well. In February 2015, however, all four schools were judged inadequate by Ofsted and serious financial issues were uncovered by the Education Funding Agency. Standards at the schools had dropped

significantly, as cited by my hon. Friend in her speech, and fewer than 40% of pupils were leaving the schools with good key stage 4 results.

Although technically part of the trust, the four schools effectively operated in isolation, losing the benefits of closer collaboration and support for each other. The poor performance of the schools was unacceptable. The Department therefore intervened and secured the trust's agreement for a new sponsor, the Community Academies Trust, with a proven track record of school improvement. CAT was originally formed by two outstanding schools, Polesworth secondary school and Birchwood primary school, in 2012. In all the schools within the trust, there has been significant improvement, and the two founding schools continue to be judged "Outstanding" by Ofsted. At Polesworth secondary school, 64% of pupils achieved five A* to C, including English and maths, and 38% achieved the EBacc combination of GCSEs in the summer of 2015. At Birchwood primary school, 80% of pupils achieved at least a level 4 in reading, writing and maths.

The Community Academies Trust took responsibility for the four TCMAT schools in November 2015. I am pleased to confirm, as my hon. Friend has said, that recent Ofsted monitoring visits in December and January have noted significant improvements. Ofsted inspectors commented positively on the schools' leadership and governance, and praised the support being provided by the Community Academies Trust. Specifically, Ofsted has said:

"New leaders have acted with drive and determination to alter the culture and ethos of the academy...The clear strategic vision and ambition of the executive head of school and Community Academies Trust, supported by an able team of deputy headteachers, is now beginning to have an impact on standards...The quality of teaching, pupils' attendance and behaviour are improving. This is starting to raise the achievement of some pupils...The signs are that pupil numbers will be up to sustainable levels within the 4 years."

This approach—recognising and quickly addressing underperformance—is fundamental to the academies programme. To date, we have issued 134 formal notices to underperforming academies and we have ensured a change of sponsor in 123 cases of particular concern.

The Education and Adoption Bill will strengthen the Department's powers to ensure that every failing or coasting school, whether maintained or an academy, receives the support that it needs to improve. I am grateful to my hon. Friend for raising these issues today, and I congratulate the Community Academies Trust on the progress it has already made. I wish the schools in her constituency every success as they continue to improve.

Question put and agreed to.

4.18 pm

Sitting suspended.

Gender Pricing

4.30 pm

Paula Sherriff (Dewsbury) (Lab): I beg to move, That this House has considered gender pricing.

It is a great pleasure to serve under your chairmanship, Sir Edward, for the first Westminster Hall debate I have secured in my own name. Right hon. and hon. Members on both sides of the House will have noted the research recently conducted by *The Times* that shows that items marketed at women are, on average, 37% more expensive than similar items marketed at men. It analysed hundreds of products marketed at men and women, and found only one example of a male item priced higher than a female item—boys' underwear is more expensive than the equivalent for girls—but numerous examples of female items that cost more. Clothes, beauty products and toys for women and girls were found to cost more than the equivalent items marketed at men and boys. Such price differentials were found in some of the UK's biggest retailers, including Tesco, Boots and Amazon.

Mrs Maria Miller (Basingstoke) (Con): I congratulate the hon. Lady on securing this debate. Will she join me in welcoming the news that Boots has announced today that it will take action? It is withdrawing two products that it identified are priced in a sexist manner.

Paula Sherriff: Of course I welcome the news that Boots announced today that it will withdraw those items and charge a rate equivalent to that of men's items. The onus is now on other retailers to do the same.

Some of the examples brought to light by *The Times'* research are remarkable. Tesco charges double the price for 10 disposable razors simply because they are pink. In fact, standard razors for women cost, on average, a huge 49% more than the equivalent products for men. At Argos, identical children's scooters are £5 more expensive in pink than in blue. Bic sells a range of "for her" ballpoint pens that are more expensive than its ordinary range, even though the products are almost entirely identical. Amazon sells a Playmobil pirate ship for £12.59, while the equivalent fairy queen ship, marketed at girls, costs £14.99. According to *The Times*, neither Amazon nor Playmobil will comment on the rationale behind that price gap.

The Times' study follows a similar study conducted by New York City Department of Consumer Affairs in December. It compared nearly 800 products with clear male and female versions from more than 90 brands sold both in-store and online, and found that products for female consumers were more expensive than those for male consumers in all but five of the 35 product categories. Across the sample, the research found that women's products cost more 42% of the time, whereas men's products cost more just 18% of the time. The DCA report remarked:

"Over the course of a woman's life, the financial impact of these gender-based pricing disparities is significant."

In 1994, the state of California studied the issue of the gender-based pricing of services. It estimated that women effectively pay an annual gender tax of approximately \$1,351 for the same services as men.

The Government must ensure that an independent analysis is conducted to identify the extent of unfair gender pricing and marketing practices in the UK. The

full impact of gender differentials in pricing on women must be quantified. Women may pay thousands of pounds more over their lives to purchase similar products to men. Will the Minister commit to conducting such an analysis?

It could be argued that some products for women have additional design and performance features, and that others are priced individually based on factors including formulation, ingredients and market comparison. Of course, a women's jumper might be made with better-quality fabric, and a men's jumper might be made with cheaper material, but *The Times'* study indicates that that is often not the case. Frequently, the only difference between the two products is the colour.

In 2012, Development Economics conducted research on gender-based pricing on behalf of the insurance provider Aviva. It found that women pay an average of £200 more per year than men for essentially the same consumer goods and services. The only difference is that the products are specifically designed for and targeted at the female market.

Mrs Helen Grant (Maidstone and The Weald) (Con): Does the hon. Lady agree that many women do not have the time to go around shops comparing and contrasting prices? This smacks of retailers taking women for granted.

Paula Sherriff: I absolutely agree. There is a sense that exploitation is going on. It is fantastic that we are able to use this debate to bring these issues to the fore.

Ms Margaret Ritchie (South Down) (SDLP): I congratulate the hon. Lady on her very fine presentation, her compelling argument and the research she has done. Does she agree that for many women, particularly those on low incomes and those who depend on benefits, it is difficult to purchase the more expensive gender-based products?

Paula Sherriff: Once again, I completely agree.

If there is no discernible difference or advantage to purchasing a product designed for women, but the consumer is led to believe that there is, we must ask questions about advertising standards and whether consumers are able to make properly informed choices. What is it about a multipack "for her" ballpoint pen that makes it more custom-fit or specially designed for a woman? If female consumers are told that they should purchase a specific product because it is the only version suitable for women, when in fact there is no discernible difference in the product, it can be argued that they are being misled.

This debate raises concerns about the kind of choices and information available to female consumers when they make purchases and whether discriminatory practices are taking place, but we should also consider the worrying pattern of gender economic inequality under the Government. The UK gender pay gap currently stands at 19.2%—well above the EU average. Low pay and poor employment practices persist in sectors in which women are the majority of employees, including the care, retail and hospitality sectors. Analysis by the TUC found that more than half of the job growth for women since 2010 has been in low-paying sectors, and that 29% of women earn less than the living wage, compared

[Paula Sherriff]

with 18% of male workers. Women are paid less and are expected to spend more on products and services. They are charged more simply for being women.

Will the Minister agree to Labour's calls for a cumulative gender impact analysis of the Government's policies since 2010? If the Government will not do anything to tackle intrinsic gender economic inequality, they must at least not make matters worse. The recently published research raises numerous issues about consumer rights, fair advertising and gender economic inequality. Women are paid less but are expected to spend more on products that are often not discernibly different to the equivalent products for men.

In the absence of a Government gender equality strategy, I ask the Minister to respond to the following questions. Will the Government ensure that independent analysis and further study is conducted to identify the extent of unfair gender pricing and marketing practices in the UK? Will they seek to quantify the full cumulative impact of gender differentials in pricing for women? Will they meet the UK's major retailers to identify what steps they are taking to rectify the situation?

Once again, I welcome the news that Boots has taken steps this afternoon to change some of its pricing, but I have just received an email from Tesco suggesting that its pink razors are significantly more expensive than the blue or black versions because they are produced in smaller quantities. I struggle to see how that justifies the extra cost. We need to meet retailers and have that discussion.

How will the Government discern whether gender pricing differentials amount to discriminatory practice? Will they produce a cumulative impact analysis of their policies on women since 2010 to understand the true extent of gender economic inequality in the UK?

4.40 pm

Mrs Maria Miller (Basingstoke) (Con): It is a pleasure to serve under your chairmanship this afternoon, Sir Edward. I commend the hon. Member for Dewsbury (Paula Sherriff) for securing this timely debate. We should all be thanking *The Times* for its investigative skills in uncovering yet another form of sex discrimination that was, frankly, hiding in plain sight: the pricing of similar or the same products. Many women were clearly unaware that stores charge different prices for the same product depending on whether it is marketed at men or at women, and many people find this quite surprising. On a closer look, one can find similar research from France and in the United States. It is surprising that people experience such price differentials not only in the UK, or perhaps we should not be surprised because the manufacturers and retailers mentioned could well be those that have fallen foul of the research done elsewhere, France in particular.

When the report was published by *The Times* some 10 days ago, the Women and Equalities Committee, which includes my friend the hon. Member for Lanark and Hamilton East (Angela Crawley), happened to be meeting that day, and we immediately deemed it appropriate for the Committee to undertake a short investigation into the findings of this piece of journalism. We have written to several of the manufacturers and retailers cited in the report to ask for the rationale behind why

they differentiate their pricing in this way. They could find themselves well out of step with their customers following the exposure of the findings, because there cannot be many customers who visit our supermarkets and expect exactly the same product, whether a razor or any other of the vast range of products put under the microscope, to be charged at a discount to men and a surcharge to women.

Having spent almost 20 years in advertising and marketing before I came to this place, I know first-hand that marketing departments and retail outlets are making such choices. It is not happenstance or a mistake; a conscious choice is being made to price the same products differently depending on whether it is expected to be bought by a man or a woman. I cannot understand why that would be the case. Retailers and manufacturers need to explain themselves clearly and quickly. I do not think that the Government should get involved in this issue, because customers ultimately vote with their feet. If such organisations cannot explain themselves clearly enough, that is exactly what customers will do.

I welcome the swift action that Boots has taken in making right the pricing on two products that were part of *The Times*' research, and I think it is undertaking to look further at the matter, which shows real responsiveness. I thank Tesco for the email I received a few moments ago, which, as the hon. Member for Dewsbury said, did try to explain its product pricing. That is the start of a conversation and certainly not the end of one.

Mrs Helen Grant: Does my right hon. Friend agree that this presents a great opportunity for retailers to get off the sidelines and play their full part in the battle for gender balance and fairness?

Mrs Miller: My hon. Friend is absolutely right. Gender stereotyping helps no one. It does not help women or men. As we go forward, people will be calling for a reduction in gender stereotyping and far more gender-neutral approaches to the products and services that they purchase.

I again commend the hon. Member for Dewsbury for securing today's debate. I hope that she follows the work of the Women and Equalities Committee as we consider the evidence that we receive and decide what to do next. We may even invite some retailers and manufacturers to give oral evidence if we feel that there are further questions to ask. I thank her for her support in an important area of work for women's equality.

4.45 pm

Dr Rupa Huq (Ealing Central and Acton) (Lab): It is a pleasure to serve under your chairmanship, Sir Edward, and an honour to follow the right hon. Member for Basingstoke (Mrs Miller), who served with distinction as Minister for Women and Equalities. I congratulate my hon. Friend the Member for Dewsbury (Paula Sherriff) on securing this important debate. She made her name with the tampon tax, which made waves even if it did not quite get legislative change, so let us hope that such change will result from today's debate.

I agree with everything that has been said. This is an example of everyday sexism. As my hon. Friend pointed out, it hits from babyhood to old age. There are so many examples. It is a great hidden gender swindle perpetrated by the retail trade, which has spotted an

opportunity that many of us do not notice because someone would have to be quite diligent to do the comparison every time.

In 2016, we have been led to believe that gender barriers are dissolving and eroding in many areas, but there are examples of price differentials from toys to toiletries and even in clothing. A white T-shirt for a man in Tesco's F&F range costs a lot less than the woman's equivalent. It just seems wrong that products for her are much higher priced than the equivalent for him. *The Times'* research found that the differential can sometimes be 37%, which is quite a lot, and the total cost of that can rack up over a woman's life, and yet it happens without anyone noticing.

There was a disagreement over whether tampons and sanitary products were luxury items. This is not about those Yorkie bar wrappers saying, "It's not for girls!", which make my blood pressure rise—I am off Yorkies now. The issue will never be one of those things that is emotive in the same way as "Made In Dagenham" and the Equal Pay Act 1970 or the suffragettes, about whom a film was also made recently, because it happens without our noticing. It is not totemic in the same way. When shopping, the relationship is usually between value and quality, but here it has been subverted by gendered commodities. It seems strange to have two different versions of a product. Surely a razor is a razor and a pen is a pen, no matter the gender of who uses it. At Boots—I think—eight women's razors cost £2.29, but it is £1.49 for 10 men's razors. It makes no sense at all. If it is true that Boots has bowed to pressure, that is good news.

The campaigning has been thoroughly modern. The Fawcett Society started a petition that was spearheaded by Stevie Wise of Middlesex University and gathered some 35,000 signatures. This has happened a few times on women and equality issues recently. A constituent of mine ran a petition that achieved nearly 4,000 signatures, protesting that none of the 70 composers on the A-level music syllabus were women, and there has now been movement on that. When the new draft regulations for A-level politics come out, I think we will see that feminism has been reinstated in some form. The petition for that received nearly 50,000 signatures. It is a thoroughly modern, bottom-up way of campaigning that has led to Boots caving in. I said that I would be brief, but I just want to agree and commend my hon. Friend for her initiative. There are things that can be done.

Counterintuitively, in America, capitalist land of the free, they are more progressive than we are. The New York research that was mentioned earlier led to retailers sitting down around the table. We should be doing the same, including with Amazon and other online retailers, even if we think that their tax arrangements are a bit too friendly and they seem to be able to pay what they want. In fact, in New York they have rent control as well. I know that that is not pertinent to the subject of the debate, but on some of these issues, counterintuitively, the Americans have got it right. Surely we can catch up.

I hope that the Minister will have some good news. We thought that progress was being made on women's equality. After all, at Prime Minister's questions at the end of last year, the Prime Minister declared to me across the Dispatch Box that he is now a feminist. He needs to put his money where his mouth is and do something, because it seems like women are viewed as cash cows. One might say that we can vote with our

wallets, but, as the right hon. Member for Basingstoke said, how many people are really going to make the comparison all the time? It happens beneath the radar. It often seems like we are sleepwalking into discrimination. We have anti-discriminatory legislation in this country—introduced by Labour Governments—so this rip-off needs to stop.

Sir Edward Leigh (in the Chair): We come to the only other man present.

4.51 pm

John Mc Nally (Falkirk) (SNP): It is quite interesting that you say that, Sir Edward. I thank the hon. Member for Dewsbury (Paula Sherriff) for securing this debate on a subject that is very close to my heart. It is always a pleasure to serve under your chairmanship, Sir Edward. I apologise for the gender imbalance today. I think we are outnumbered 8:2, which is never a problem for me—I thoroughly enjoy being outnumbered by women.

As a hairdresser, barber and salon owner, I worked for most of my adult life in a sector with universally accepted gender pricing inequalities. A haircut for a man with short hair could cost 40% less than one for a woman with short hair. An average women's haircut in London is 97% more expensive than the average men's haircut. That difference in average prices caused a lot of debates and arguments—most of them humorous—in my own salons over the years, especially when a man, a wife, a daughter and a son were sitting together, because I had to do some very quick mental calculations to show how I had thought things out thoroughly. I can assure Members that it caused an awful lot of problems, and still does.

The hon. Member for Ealing Central and Acton (Dr Huq) mentioned New York. It is interesting to note that New York addressed gender-differentiated prices. Salons were nudged into harmonising their prices. It has worked for most of them, and there are some great examples. Unfortunately, it can work the wrong way, as when a men's haircut went from \$10 to \$75. It was similar to the difference between the price of a cup of tea in one railway station and another: the prices will never come down; they always go up. There are some cases, particularly in my profession, of a legitimate business need for gender pricing, but the fact is that society is not generally aware of gender pricing inequality, which is of great concern.

We are teaching our daughters, and thereby perpetuating the myth, that being a woman is be more expensive. It is our duty and responsibility as MPs to consider what we could and should do to address such inequality. The example I gave of haircuts is relatively frivolous, but I picked it because it exemplifies the wider social issue: our general acceptance that it is more expensive to be a woman.

As I said in my speech in yesterday's Westminster Hall debate on state pension age inequality, the UK Government's fiscal programme and determination to push through austerity measures has affected women disproportionately. Coupled with a failure to do anything about the gender pay gap and gender pricing, we are left with what is essentially a triple charge on being a woman.

I am proud to be a member of the Scottish National party, as is, I am sure, my hon. Friend the Member for Lanark and Hamilton East (Angela Crawley). We are

[John Mc Nally]

committed in Scotland to the cause of gender equality. The SNP is the only party that is committed to the removal of VAT on female sanitary products—it is in our manifesto.

Recent reports have shown, again, that women pay more than men for nearly identical items in nearly every demographic from childhood to old age. I have a son and a daughter. They are older now, but over the years I have noticed the differences between the prices of something for a boy and something for a girl. Christmas presents were always difficult as I tried to spend the same amount of money on my daughter and my son but, generally speaking, my girl's presents were always far more expensive than my son's.

On average, products marketed at women are 37% more expensive than their male equivalents—from razors to cologne to children's toys and clothing. Hundreds of products are priced higher for women. In the 21st century, when we strive to be a progressive, tolerant and accepting society, that is not something that should be ignored or accepted. There should be no premium on being a woman. It is for that reason that I am keen to hear the findings of the Women and Equalities Committee's investigation into price discrimination if and when it is launched.

I suspect that the findings of any investigation will be self-evident. Retailers charge more for feminine products and services because they can. They charge as much as the customer is willing to pay. However, retailers have a corporate responsibility to treat women and men using similar products and merchandise equally. I hope that some of our large retailers take the lead on this, similar to the lead taken by Boots and similar to the lead taken by John Lewis and Waitrose in reducing the sugar content in their food and drink products.

Let the Government and the Select Committee forgo this political navel-gazing. If the architects of choice—the retailers—do not take the lead, the behavioural insights team employed by the Prime Minister should guide the Government to do the proper thing and take action to legislate against gender-differentiated prices of goods and services. Marketing and commerce can be deeply discriminatory. We must work to build a society in which women are not treated as overcharged second-class citizens. I urge the Government to address the issue of gender pricing and the wider issues surrounding gender inequality.

4.57 pm

Angela Crawley (Lanark and Hamilton East) (SNP): It is a pleasure to serve under your chairmanship, Sir Edward. I congratulate the hon. Member for Dewsbury (Paula Sherriff) on securing the debate. This debate is welcome because, surprisingly, it is the first debate on the topic in any Chamber of this House. However, I suspect that if men were paying the premiums that women are, there would be outrage on the Floor of both Houses, and in boardrooms, and perhaps action would have been taken before now. In fact, one of the primary arguments for why we should have more women represented in our Parliament and in our boardrooms is so we can ensure that someone is taking serious action.

The reality is that the gendering of products starts at an early age—pink for girls and blue for boys—and continues throughout our lifetimes. It includes everyday items such as perfumes, deodorants, razors and shaving cream, but it does not stop there. Studies suggest that women pay more for mortgages, insurance premiums and even cars.

I welcome the points raised by other hon. Members. The hon. Member for Dewsbury rightly pointed out that women pay 37% more than men for the same products, which seems ludicrous, yet it is a reality that has an impact on the incomes of women on low pay. The fact that 25% of women earn less than £10,000 a year should be a stark reminder to us that this is something that we should tackle in this House. Although it is the responsibility of retailers, we in Parliament and those in the Government have a responsibility to put pressure on retailers to take serious action.

Mrs Miller: Does the hon. Lady share my concern at the fact that just 9% of executive positions in big businesses in Britain are held by women? Does she think that, in some way, that may be part of the reason that these issues are not taken more seriously at a board level?

Angela Crawley: Absolutely. It is something that we have looked at closely in the Women and Equalities Committee. Across Parliaments—in Scotland and the UK—action needs to be taken. There is only so much that Governments can do but we need all companies of all sizes to take serious action to ensure that women are represented at every level of the organisation, and not just to have boardrooms full of men. I suspect that that is a large part of why we find ourselves having this debate.

I welcome the fact that Boots has withdrawn two of its lines, and I think Argos recently conceded that a pink scooter had to be repriced on the basis of the price of a blue scooter, but it seems ridiculous that we should have to point out such things and make such comments in a modern-day society.

Gender stereotyping does exist. The fact that I can plainly state that pink is for girls and blue is for boys is absolutely ridiculous. In a society where many people identify as non-binary or do not identify in clear gender stereotypes, why should we have products catering to that market? As the right hon. Member for Basingstoke (Mrs Miller) has previously pointed out, the reality is that this is marketing and it is what people are paying for. Unless we raise awareness of the issue, there will continue to be higher prices for products.

The Government can take action in one regard, in that female sanitary products are subject to VAT and are considered a luxury. Unlike Jaffa Cakes, sanitary products are not a luxury.

Paula Sherriff: I was very proud to table the amendment in the House last year calling for the Government to attempt to renegotiate the rate of VAT on feminine hygiene products. We welcome their attempts to do that, but does the hon. Lady agree that we must see that they are putting this on an equal footing with their other EU negotiations and that they are not treating women as second-class citizens in this regard?

Angela Crawley: Absolutely. The hon. Lady is a mind reader. My point is that sanitary products are not luxuries. Although I appreciate the difficulties that block the way to change with regard to EU legislation, I am sure that the Government can and must do more. Perhaps while the Prime Minister is renegotiating our position in the EU he could pay some attention to the gender inequalities that exist as well.

The regulation that appears to restrict us from removing the tampon tax has been in place since the 1970s, so this is not a new subject and it is surprising to me that it is only now coming to the fore. Issues such as the use or misuse of the terms “swarms” or “migrants” have become topical in discussions on the EU and yet, the topic of a tax on women has not been a serious issue for the Prime Minister to address, so I hope the Government will do so.

Mrs Miller: I thank the hon. Lady for picking that point up, and I am delighted that the Financial Secretary to the Treasury, my hon. Friend the Member for South West Hertfordshire (Mr Gauke), has already started to have these sorts of discussions. I commend him particularly for taking such a strong stand on this issue, and I am sure all our good wishes will be with him to achieve a successful negotiation.

Angela Crawley: Absolutely, I think it is in everyone’s interest that there is a successful negotiation. I am only sorry that it has taken so long for this conversation to happen at all, to be perfectly honest.

As has been cited, research conducted by the Fawcett Society indicates that 85% of the cuts have come at the expense of women. Whether we are talking about the welfare cap or cuts to carer’s allowance, women have borne the brunt of the austerity measures imposed by this Government. I say that not to politicise the issue, but simply to make the point that women are paying more than men for some decisions that are taken. The measures that require women to prove that they have been raped are also an abhorrent policy and something that must be addressed quickly and urgently.

The Government have forgotten women on many occasions, and although many actions have been taken by members of the Government to address those points, whether this is about gender pricing or gender-specific policies, we must do more to eradicate the inequalities that exist between men and women. We must do that, so that one day a little girl will not end up earning less than her brother, so that one day our sons and daughters will be equal, and so that one day a person’s gender will not determine how much pay they take home.

In conclusion, although I appreciate that it is the responsibility of retailers to take a lead and to continue to urge all Governments to tackle this issue, serious inequalities do exist between men and women, and I would like to hear what actions the Government plan to take to tackle gender inequality. Beyond rhetoric, there must be action.

5.4 pm

Kate Osamor (Edmonton) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Sir Edward. This is the first time I have responded from the Front Bench and I am very grateful for the opportunity to do so.

I, too, pay tribute to my hon. Friend the Member for Dewsbury (Paula Sherriff) for securing the debate and for her eloquent and insightful comments. I also thank everyone from all parts of the House—the right hon. Member for Basingstoke (Mrs Miller), the hon. Members for Maidstone and The Weald (Mrs Grant), for South Down (Ms Ritchie) and for Lanark and Hamilton East (Angela Crawley), my hon. Friend the Member for Ealing Central and Acton (Dr Huq) and the hon. Member for Falkirk (John Mc Nally) —who have all contributed to the debate. This is an important, principled debate, and it should not be a party political issue. I congratulate *The Times* journalists on reporting on this issue and bringing it to the forefront of public and mainstream media attention. Their calculation that gendered products marketed at women are 37% more expensive than their male counterparts reflects a wider reality of how women are expected to engage with the high street.

Women are expected to spend more on their personal hygiene, appearance and presentation than men, which is often reflected in advertising and the everyday pressures that we put on women from a young age to look and dress in a certain way. The overcharging of women for products on the high street is symptomatic of the way in which, more broadly, our economy makes women pay. Women are hit the hardest by austerity, and tampons are taxed as luxury goods.

Our domestic violence rescue services have suffered enormously over the past five years. Ironically, funds were only injected in the spending review through the tampon tax. Like grievances against the tampon tax, this debate is grounded in a principled belief that people should not pay more for products that, beyond the packaging, are identical. High street retailers should not exploit female-marked products in that way. To borrow the title of an article in *The Guardian* on this issue, women are overcharged every day. Imagine if that happened to men.

I applaud the work of campaigns such as “Let Toys Be Toys” that fight against unnecessarily gendered products. Gendered products on the high street are not only harmful to women in terms of pricing but often impose unnecessary gender stereotypes on to products. The Government must ensure that there is independent analysis to identify the extent of unfair gender pricing and marketing practices in the UK. The full impact of gender differentials in pricing on women must be qualified. I call upon the Government also to look at the United States and the action taken in New York and California to see what more can be done to eliminate unfair practices. Legislation has been passed in those two states to outlaw gendered pricing. An encouraging statement was released by Boots today saying that, following a Change.org petition, it has conducted a review and will be taking immediate action to amend the pricing of certain products.

I finish by expressing support for those who have campaigned on this issue, and I would welcome a meeting on this issue with the Minister and leading retailers in Parliament.

5.8 pm

The Parliamentary Under-Secretary of State for Women and Equalities and Family Justice (Caroline Dinenage): It is a pleasure to serve under your stewardship, Sir Edward. I welcome the hon. Member for Edmonton (Kate Osamor)

[Caroline Dinenege]

to her place—I look forward to working opposite her. I add my voice to those congratulating the hon. Member for Dewsbury (Paula Sherriff) on securing this important debate and on all her hard work and effort. This is a fundamental issue, and I have listened to all today's contributions with enormous interest.

This is not a straightforward issue. It seems like a case of simple, unacceptable injustice, but the closer we get, the more complex it is. Many people here, and others in the press, have raised interesting and important points about the way that pricing structures can exploit women. The general public have also been active partners in this debate, and rightly so. They are asking whether there is a tax on womanhood in the British high street. I am pleased to hear from my right hon. Friend the Member for Basingstoke (Mrs Miller) that the Women and Equalities Committee will be considering this important issue. She has had to leave, but she and her Committee will display their normal tenacity and insightfulness.

I will first respond to the hon. Member for Dewsbury by explaining that this position is tricky because it slips between equality and consumer law, and I will then set out the more general implications for gender equality. The Equality Act 2010 provides that a retailer must not discriminate against a customer, either by failing to provide goods or services or by providing them on different terms, on the basis of someone's gender. In the cases described in the research that we are discussing, retailers are not refusing to sell goods to female customers; in fact, I am sure that they are only too pleased to sell them, because they make more money doing it that way. Retailers are not applying discounts for men that they are not applying for women. We are all equally able to buy the same products. It is just that the ones marketed at women seem to be inexcusably higher in price. Goods and services that are in the high street can be bought by either sex at the same price, regardless of whom they are designed or marketed for. As long as the treatment is the same for both sexes, we are within the realms of equality law.

With very few exceptions, we do not operate price controls in the UK, and businesses are generally free to set their own prices on the goods that they sell to consumers. It is of course fundamental that businesses listen to their customers and any concerns that they have about pricing. It is very good news, and not a little ironic, that we are now beginning to hear from some of the major retailers that that is indeed what they are doing today. Responsibility for ensuring that markets operate competitively falls to the Competition and Markets Authority. Complaints of market failure need to be addressed to the CMA. I will be speaking to the CMA about this issue and I encourage everyone who has any evidence of this behaviour to do so, too.

There have been calls today for the Government to conduct an independent analysis of gender pricing. I am listening to those calls very carefully. It is important to understand that consumers are a very important priority for the Government. We need to have confident and well-informed consumers, because that drives effective markets and the UK economy. Only last October, the Consumer Rights Act 2015 came into force. It sets out a simple, modern framework of consumer rights. Consumers are also protected by the Consumer Protection from

Unfair Trading Regulations 2008, which ban traders from engaging in unfair commercial practices against consumers—for example, giving them false or deceptive information or descriptions of products, or misleading them by leaving out important information that they need to help to make a purchasing decision.

What about the role of advertising that exploits gender stereotypes? Product advertising is controlled primarily by self-regulation. The Advertising Standards Authority has responsibility for ensuring compliance with “The British Code of Advertising, Sales Promotion and Direct Marketing”. The code is a body of rules by which the advertising industry agrees to abide. It requires all forms of advertising to be legal, decent, honest and truthful and prepared with a sense of responsibility to both consumer and society. The ASA says that it is happy to look into consumers' concerns, and again I encourage anyone who feels concerned about the way products are advertised to speak to it.

When it comes to the law, it is important to consider whether we are talking about selling the same product at a higher price, or similar products aimed at different markets. If it is the latter, no laws are broken, yet it is absolutely valid to feel concerned at what is happening. Some people are asking: are manufacturers and retailers exploiting gender stereotypes to make women feel inadequate unless they pay a premium for products that implicitly or explicitly suggest that they are “for them”? That is the crux of the matter. Personally, I have a slight aversion to pink products that are specifically designed for ladies—maybe I am just a bit contrary like that.

The hon. Member for Dewsbury, who initiated this very important debate, has already given a number of examples of gendered marketing from recent years. Some of those have been largely met with ridicule. I do not know whether any hon. Members remember the stream of online reviews when a certain ballpoint pen manufacturer manufactured a lady's version, in pastel shades. Hundreds of women went online to express their heartfelt gratitude. One said:

“My husband has never allowed me to write, as he doesn't want me touching men's pens...Once I had learnt to write, the feminine colour and the grip size (which was more suited to my delicate little hands)...enabled me to vent thoughts about new recipe ideas, sewing and gardening.”

I am sure that we can all sympathise with that. Men joined in with complaints that the delicate pens were too slippery for fingers calloused from a hard day's shark wrestling, and that they hated the visions of fairies and rainbows that they got whenever they used those pens.

I have seen, as I am sure we all have, special women's Sellotape, dental floss, earplugs, energy drinks and even blenders, as well as the women's haircuts highlighted by the hon. Member for Falkirk (John Mc Nally). A personal favourite of mine is the men's and women's versions of unperfumed deodorant—because people might guess—and let us not forget that old favourite, man-sized tissues for man-sized noses.

However, there is a serious side to the issue, as hon. Members from all parties have pointed out. It is absolutely right that we empower consumers to ask whether there is a clear difference in the products and production costs, or whether the manufacturers believe that women can be persuaded to pay more than men. Consumers are within their rights to ask retailers to explain why.

Why might a pair of women's jeans cost more than men's? Is it due to a larger range of different fits, lengths, colours, types of stitching and qualities of denim, or is it just that they are particularly marketed towards women?

I recently had a constructive meeting with the chief executive of the British Retail Consortium. She informed me that although the consortium is keeping a lookout for the issue, it has not been raised by BRC members. Helpfully, though, a number of retailers have contacted my office within the last few hours to discuss the matter. As my right hon. Friend the Member for Basingstoke and others correctly pointed out, Boots today corrected the price of disposable razors and eye roll-ons, Sir Edward, so we will be paying the same price for those in future.

Sir Edward Leigh (in the Chair): Eye roll-ons? I don't normally buy those.

Caroline Dinenge: Well, you might now. It seems that the power of the female consumer's voice, once it is brought to public debates such as this, is starting to be heard. We encourage that, of course, and we encourage other retailers to take note. We heard from the British Retail Consortium that non-food prices have fallen continuously for the past 33 months, and that that may be in part because consumers are more informed than ever before. Long may that continue.

Another serious issue is the impact on children, which the hon. Member for Lanark and Hamilton East (Angela Crawley) mentioned. I know from my postbag that many parents are concerned about the impact of gendered marketing on children, which is compounded if, as we are discovering, there is a price differential too. Children learn through play, so it is important that they have access to a wide range of toys and interests, whatever their gender. So what if boys want to wear pink and girls want to play with train sets? At least, as we heard a couple of weeks ago, Barbie has finally put on a few pounds. That is something to make us all feel a bit better. That is why the Government are committed to supporting parents and teachers in raising the next generation of informed consumers by developing media literacy and resilience to restrictive stereotypes.

Angela Crawley: Perhaps if we removed gender from children's toys, we might find that young boys and girls could aspire to whatever careers they chose. It might have a large role to play in that as well.

Caroline Dinenge: The hon. Lady is absolutely right. Only last week, I was at an event geared towards getting girls into science, technology, engineering and maths. Those sorts of initiative are so important. In order to correct the gender pay gap, which we have discussed, we need women to aim for those higher-paid careers.

The hon. Lady also raised the point that if we could get more women on boards, gender discriminatory decisions might not be made. I am pleased to say that we have made enormous progress on that under Lord Davies; the 25% target for women on boards of FTSE 100 companies has now been met, although we agree that more needs to be done to improve the executive pipeline. At the moment, less than 10% of people in the FTSE 100 executive pipeline are women. We have accepted his recommendations to establish a new review focusing on the executive layer of FTSE 350 companies. That is important to ensuring that the retail issues change.

I do not want to make a massive party political point out of this, but I gently say to the hon. Ladies who have spoken about how cuts have hit women hardest that a record number of women are in employment. We all want to see women in higher-paid employment, but that record number is a good thing. The female participation rate has increased by more since 2010 than it did during the previous three Parliaments combined. Women's salaries are rising in cash terms. We are cutting tax for nearly 13 million women by 2017-18 and the gender pay gap is at its lowest level. No one should think I am in any way complacent about that. I know that there is still more to do, but we are dedicated to that.

As the Minister for Women and Equalities and Family Justice, I am happy to keep a very close eye on the issue raised today, but I fundamentally feel that is up to us all as intelligent, questioning consumers to demand an explanation from retailers and manufacturers for the different prices, if we have questions or concerns. Actions speak so much louder than words. While women's voices must unite on this issue, it is even more powerful if women speak with the power of our purses. As a result of the growing debate on this issue, I know that more women will understand that they do not have to buy pink razors. The blue ones are just as good, and men are of course welcome to try the pink ones out if they wish, Sir Edward. I know that if the tables were turned, men would be proudly choosing pink earplugs if they realised that they cost a third less.

Sir Edward Leigh (in the Chair): Does the hon. Lady wish to sum up?

5.21 pm

Paula Sherriff: Thank you, Sir Edward. I will sum up briefly. I thank all the contributors to today's debate. It was refreshing to hear the spirit in which the debate was entered into, and to have representatives from four political parties. I pay special tribute to the hon. Member for Falkirk (John Mc Nally), who has joined us this afternoon.

The Women and Equalities Committee has a significant role to play in this issue going forward, and I welcome its investigation. I completely agree with the Minister that retailers have some questions to answer, but equally, the Government have a role to play, and I urge her to consider the analysis on the cumulative impact on women.

My hon. Friend the Member for Ealing Central and Acton (Dr Huq) made a powerful point about people power. We have seen that this afternoon, with the response from Boots. The hon. Member for Lanark and Hamilton East (Angela Crawley) made a powerful point about the need for more women MPs. The number is going up, but it is not nearly enough. I am proud to belong to a party that practises positive discrimination for women with all-women shortlists. Equally, there need to be more women on boards. I acknowledge the progress that has been made, but until we reach 50%, I will continue to champion the cause.

I thank my hon. Friend the Member for Edmonton (Kate Osamor) for her contribution. She made a valid point on advertising and the pressure on women to look and behave a certain way. I agree that we could definitely learn from some of the research that has been undertaken in America. Like many others, I will be watching the

[Paula Sherriff]

issue carefully. I hope that I can contribute going forward by speaking to retailers. Let us see some positive difference in this area.

Sir Edward Leigh (in the Chair): Thank you to all those who have taken part in a most interesting debate. It was certainly an eye-opener for me.

Question put and agreed to.

Resolved,

That this House has considered gender pricing.

5.24 pm

Sitting adjourned.

Written Statements

Tuesday 2 February 2016

TREASURY

Public Service Pension Indexation and Revaluation

The Chief Secretary to the Treasury (Greg Hands): Public service pensions in payment and deferment are indexed annually, and the legislation requires them to be increased by the same percentage as additional pensions—state earnings related pension and state second pension. The Consumer prices index up to September 2015 was minus 0.1% and, in the same way that additional pensions will not be increased this year, public service pensions in payment and deferment will also not be increased this year.

Separately, in the new career average public service pension schemes, pensions in accrual are revalued annually in relation to either prices or earnings depending on the

terms specified in their scheme regulations. The Public Service Pensions Act 2013 requires HMT to specify a measure of prices and of earnings to be used for revaluation by these schemes.

The prices measure is the consumer prices index up to September 2015. Public service schemes which rely on a measure of prices, therefore, will use the figure of minus 0.1% for the prices element of revaluation.

The earnings measure is the whole economy average weekly earnings—non-seasonally adjusted and including bonuses and arrears—up to September 2015. Public service schemes which rely on a measure of earnings, therefore, will use the figure of 2.0% for the earnings element of revaluation.

Revaluation is one part of the amount of pension that members earn in a year and needs to be considered in conjunction with the amount of in year accrual. Typically, schemes with lower revaluation will have faster accrual and therefore members will earn more pension per year. The following list shows how the main public service schemes will be affected by revaluation:

<i>Scheme</i>	<i>Police</i>	<i>Fire</i>	<i>Civil Service</i>	<i>NHS</i>	<i>Teachers</i>	<i>LGPS</i>	<i>Armed Forces</i>	<i>Judicial</i>
Revaluation for Active Member	1.15%	2.0%	-0.1%	1.4%	1.5%	-0.1%	2.0%	-0.1%

[HCWS503]

DEFENCE

UK Military Flying Training System: Fixed Wing Contract

The Minister for Defence Procurement (Mr Philip Dunne): I am pleased to announce the award of a £1.1 billion contract with Ascent Flight Training, the UK Military Flying Training System (UKMFTS) partner, and its supply chain, for a designed and managed fixed wing flying training service until 2033.

Ascent is a joint venture (50:50) between Babcock and Lockheed Martin (UK). Ascent has placed a sub-contract worth some £500 million with Affinity Flying Training Services, a joint venture (50:50) between Elbit Systems (UK) and Kellogg Brown and Root Ltd, to provide three aircraft types as well as aircraft maintenance and support.

This contract secures the continued provision and modernisation of fixed wing elementary flying training from 2017, basic flying training from 2019, and multi-engine pilot training from 2018, to military aircrew from all three services. This will be supported by the procurement of three modern training aircraft types; the Grob 120 TP “Prefec”, Beechcraft “Texan” T-6C and Embraer “Phenom” 100, to replace a number of ageing aircraft types currently in service, as well as simulators and ground-based training environment equipment, incorporating modern digital training technology.

This is a significant milestone for the UKMFTS programme. Drawing on efficiencies identified in the current military flying training system, this contract will rationalise commercial processes, optimise the time

spent by military students in training and enable them to progress through their training programmes more quickly and cost effectively.

The 2015 strategic defence and security review reconfirmed our commitment to air power as an integral component of joint force 2025. This contract represents a significant investment in future military flying training and will ensure that our aircrew are provided with the world-class training they deserve, to enable them to undertake operational roles across a range of front line aircraft types and ensure their continued success on the front line.

[HCWS502]

EDUCATION

Childcare Bill: Early Implementation

The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah): Today I announced £13 million to allow councils across the country to deliver 30 hours of free childcare for hard-working parents of three and four-year-olds—a year ahead of schedule. As a result, some working parents in York, Wigan, Staffordshire, Swindon, Portsmouth, Northumberland, Newham and Hertfordshire will benefit from the offer from this September. The extra hours of childcare will make it easier for these parents to work and is another move designed to meet the Government’s commitment to make work pay. These councils will develop practical solutions to the barriers that parents face in accessing the childcare they need for work—for example, childcare

to support non-standard shift patterns, in rural areas, for homeless working parents, and for children with special educational needs and disabilities. Their experiences will be used to support full roll-out in 2017, with the aim of removing significant barriers to parents taking up their entitlement. In York, parents will test a new joint online application system being developed for 30 hours and tax-free childcare. The Department for Education ran an open competition to test how the 30 hours would work, and received 69 applications from local authorities working with childcare providers.

I have also announced £4 million to support an additional 25 “early innovator” local authorities to develop innovative, flexible childcare for working parents, and to make sure that the 30 hours works for children with special educational needs and disabilities, in homeless working families, and in rural communities ahead of full roll-out. The 33 local authorities will work together in regional clusters, enabling joint working and generating national learning. As part of this Government’s commitment to helping hard-working people, it will be investing more than £1 billion extra per year by 2019-20 to fund the extension of the free childcare entitlement.

[HCWS506]

FOREIGN AND COMMONWEALTH OFFICE

Jordanian Public Security Department: Gifting of Equipment

The Secretary of State for Foreign and Commonwealth Affairs (Mr Philip Hammond): It is the normal practice when a Government Department proposes to make a gift of a value exceeding £300,000, for the Department concerned to present to the House of Commons a minute giving particulars of the gift and explaining the circumstances; and to refrain from making the gift until 14 parliamentary sitting days after the issue of the minute, except in cases of special urgency.

Jordan faces growing internal and external threats to its immediate stability and security as well as longer-term risks of instability. Conflict in the region, particularly in Syria, has the potential to spill over into Jordan, which is an active partner in the fight against Daesh. As host to around 630,000 registered refugees from Syria, Jordan is at the forefront of the humanitarian response, but this has placed huge pressure on public services and increased tensions between refugees and host communities.

The UK remains firmly committed to Jordan’s stability and in supporting the Jordanian authorities to minimise contagion from the Syrian conflict. Building on work carried out over the past 18 months, we aim to contribute to increasing public and community safety and security by enhancing the delivery of effective policing in the refugee camps.

We intend to gift a package of £352,993.99 of radios and communication equipment to support the Syrian refugee affairs directorate of the Jordanian Public Security Department. The radio equipment provided will improve the radio coverage in Za’atari and Azraq refugee camps, allowing for effective police management of the camp. The proposed gift will be funded by the Government’s conflict, stability and security fund (CSSF) programme.

The proposed gift has been scrutinised to ensure that it is consistent with export controls under the consolidated EU and national arms export licensing criteria and complies with our international obligations. The proposed gift has also been scrutinised and approved by a senior, cross-Whitehall CSSF approval board, which has confirmed that it fits with the Government’s strategic and delivery objectives. Foreign and Commonwealth Office officials have assessed the project for human rights risks, using the overseas security and justice assistance guidelines established by the Foreign Secretary in 2011.

The Treasury has approved the proposal in principle. If, during the period of 14 parliamentary sitting days beginning on the date on which this minute was laid before the House of Commons, a Member signifies an objection by giving notice of a parliamentary question or a motion relating to the minute, or by otherwise raising the matter in the House, final approval of the gift will be withheld pending an examination of the objection.

[HCWS505]

HOME DEPARTMENT

Justice and Home Affairs Council

The Secretary of State for the Home Department (Mrs Theresa May): An informal meeting of the Justice and Home Affairs (JHA) Council was held on 25 and 26 January: 25 January was the interior day, and I attended on behalf of the UK; 26 January was the justice day, and the Minister for Immigration, my right hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire), attended.

The interior day began with a presentation by the Dutch presidency on information sharing, and an updated threat assessment from the chairman of the counter-terrorism group of member states’ security services (CTG). I welcomed the work of the CTG, but indicated that EU information systems had an important complementary role to play, stressing that this was why the UK fully supported the EU PNR directive and had now opted in to the Prüm framework. I pushed for an information sharing framework that includes common, measureable deliverables and clarifies what would be shared via SIS II, Europol, Eurodac, ECRIS and Prüm. The Dutch presidency concluded that it would hold an expert meeting to follow up on the discussion and would report back at the March JHA Council.

The Council discussed local approaches to counter-terrorism. The Mayor of The Hague explained the work undertaken in The Hague to counter-radicalisation. I set out the objectives of the UK’s Prevent strategy and explained how it is accompanied by a wider counter-extremism strategy, which seeks to promote an alternative to extremist ideology and to build partnerships with non-government institutions opposed to extremism. The Commission confirmed that the EU Radicalisation Awareness Network (RAN), which the UK supports, was being turned into a centre of excellence. The presidency reported it would take the issue forward at a conference on counter-radicalisation in Amsterdam in February, and would report back at the March JHA Council.

During lunch, the Council discussed the migration crisis, with particular focus on Schengen and external border issues, and specifically whether member states could maintain internal border controls under article 26 of the Schengen border code during the current migration crisis. The next step will be for the Commission to produce an evaluation report on the performance of Greek controls at the external border.

The Commission's forthcoming proposal to reform the Dublin system was also discussed. Member states expressed a range of views, with some in favour of a new burden sharing regime based on relocation of asylum seekers, but many expressing support for retaining the existing principles of the Dublin regulation. The Government do not support relocation as it is the wrong response to the migratory pressures the EU faces. It undermines the important principle that asylum should be claimed in the first safe country and does not address the causes of illegal migration.

Finally, the Commission introduced its proposal for a European border and coast guard. The UK is not taking part in the border guard proposal. However, the UK supports our European partners in ensuring the full and proper management of the EU's external border. Member states were broadly supportive of the proposal, including the proposed obligation for participating member states to provide border guards to the new agency. Member states were more cautious about the proposed right for the Commission to decide that the border guard should intervene directly in member states. The presidency concluded that there was support for the "right to intervene" in limited circumstances, but that the decision should be for the Council rather than the Commission.

The justice day began with a presentation on the Commission proposal to extend the use of the ECRIS system to third-country nationals, including the mandatory obligation to collect fingerprints. There was broad support for the proposal from member states. The UK welcomed the Commission proposal, in particular the inclusion of mandatory fingerprints, and called for even more ambition, specifically the inclusion of a minimum retention period for fingerprints of 10 years. The presidency concluded that it would seek a general approach on the ECRIS proposal by the end of March.

On Cybercrime, the presidency set out the challenges relating to cybercrime. Many member states felt that further action was needed at global, EU and national level, and supported the need for a common approach to deal with this. The UK agreed, but injected a note of caution into taking further action at EU level, and suggested the focus should instead be on sharing best practice and bilateral agreements. The presidency concluded that many member states wanted to see an EU common approach to dealing with the jurisdictional challenges faced by prosecutors and service providers, but noted that the UK was more cautious. The issue will subsequently be considered by a high-level expert conference in March, which will be followed by a paper for consideration at the June JHA Council.

Over lunch, the Council had a high-level discussion on a European forensic science area for exchanging forensic knowledge and expertise. The UK supported the sharing of forensic science data, but urged caution about any move towards common standards, best practice manuals and common competence criteria in this area.

[HCWS504]

Petition

Tuesday 2 February 2016

OBSERVATIONS

ENERGY AND CLIMATE CHANGE

Impact of Hinkley Connection project on the Wells constituency

The petition of residents of Badgworth, Compton Bishop and Mark Parishes,

Declares that the electricity transmission line to be built between Hinkley C Power Station and Avonmouth will have a significant and adverse impact on the visual amenity of this area; further that it will cause significant disruption during construction; further that it will damage the local tourist industry; and further that it fails to employ the most recent technologies for transmitting electricity underground or under the sea.

The petitioners therefore request that the House of Commons urges the Government to use the delay in construction of Hinkley C as an opportunity to re-evaluate

the strategic options available for the Hinkley Connection project and to direct that an undersea solution in the Bristol Channel be used instead.

And the petitioners remain, etc.—[Presented by James Heappey, *Official Report*, 9 December 2015; Vol. 603, c. 1109.]

[P001661]

Observations from the Secretary of State for Energy and Climate Change (Amber Rudd):

The Secretary of State for Energy and Climate Change announced on 19 January 2016 her decision to grant development consent for Hinkley Point C Connection project. The decision to grant consent was made on the merits of the scheme based on a report and recommendation from the Planning Inspectorate following a six month examination of the proposal. All representations provided to the Secretary of State following the close of examination, including this petition, were fully considered ahead of the decision being made. A copy of the Planning Inspectorate's report to the Secretary of State and the Secretary of State's decision can be found at the following link:

<http://infrastructure.planninginspectorate.gov.uk/projects/south-west/hinkley-point-c-connection/>

ORAL ANSWERS

Tuesday 2 February 2016

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PETITION

Tuesday 2 February 2016

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**not later than
Tuesday 9 February 2016**

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