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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Monday 8 February 2016

House of Commons

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The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Speaker's Statement

2.35 pm

Mr Speaker: I wish to repeat what I said to the House on Friday.

It is with great sadness that I must report to the House the death of Harry Harpham, the hon. Member for Sheffield, Brightside and Hillsborough. Harry entered the House at the last general election, following careers as a miner, as a researcher for David Blunkett, now the right hon. Lord Blunkett, and as a representative of the National Union of Mineworkers at Clipstone colliery. Harry was also a councillor on Sheffield City Council for 15 years, holding important cabinet responsibilities in that time, and serving as deputy leader of the council. Harry was a diligent constituency Member of Parliament, who held the Executive to account on behalf of his constituents. Most recently, on Wednesday 20 January, he asked the Prime Minister what support the Government were providing to world-class companies such as Sheffield Forgemasters.

I must tell the House that Harry informed me a few weeks ago of his circumstances. Let it be recorded that he first fought bravely his illness, and then bore it with stoicism and fortitude, continuing to battle on behalf of his constituents to the very end. Harry will be sadly missed by us all, and our thoughts are with Harry's wife, Gill, and the wider family at this very sad time.

Oral Answers to Questions

COMMUNITIES AND LOCAL GOVERNMENT

The Secretary of State was asked—

Supported Housing

1. **Mary Glendon** (North Tyneside) (Lab): What assessment he has made of the potential effect of planned reductions in social rents and housing benefit support on the provision of supported housing. [903499]

18. **Peter Dowd** (Bootle) (Lab): What assessment he has made of the potential effect of planned reductions in social rents and housing benefit support on the provision of supported housing. [903518]

The Minister for Housing and Planning (Brandon Lewis):

I associate myself and my colleagues on the Government Benches with your comments, Mr Speaker. Harry Harpham was a very distinguished long-serving councillor and we will all miss him in the years ahead.

This Government have always been clear that the most vulnerable will be protected and supported through our welfare reforms. Following our review of supported housing, due to report this spring, we will work with the sector to ensure appropriate protections are in place.

Mary Glendon: I, too, associate myself with the sad sentiments that have been expressed about our dear colleague.

The Minister says that the review will report in spring. It was due to report at the end of last year. Meanwhile, the Secretary of State is still pressing ahead with cuts before the review comes out. Can the Minister say why that is?

Brandon Lewis: As the hon. Lady may have heard in the recent Opposition day debate, we have always been very clear that the most vulnerable in our society will be protected. We will also ensure a fair settlement for taxpayers.

Peter Dowd: Will the Minister acknowledge that, although his announcement to delay the 1% rent cut affecting supported housing is welcome, it does not go far enough and the substantive proposals should be jettisoned to inject much-needed stability back into the sector?

Brandon Lewis: As I am sure the hon. Gentleman will appreciate, and as I said in the recent debate, we are working with the sector. The changes will come in in 2018, but we are very clear, and have always been very clear, that we will make sure that the most vulnerable in our society are protected.

11. [903510] **Peter Aldous** (Waveney) (Con): Homeless hostels and foyers play a vital role in helping rough sleepers to get off the streets and into long-term homes. I would be grateful if my hon. Friend could confirm that housing associations will be given urgent clarity on whether the local housing allowance cap applies to those services. If it does not, there is a real worry that many will close and that, as a result, there will be an unnecessary rise in the numbers of young homeless people.

Brandon Lewis: My hon. Friend always fights hard for his constituents. Preventing youth homelessness is a priority for this Government. We are investing £15 million in the fair chance fund, an innovative payment-by-results scheme. That is helping some 2,000 vulnerable young homeless people to get into accommodation, education, training and employment. We will work closely with providers to find a long-term solution to the funding of supported accommodation.

Dr Roberta Blackman-Woods (City of Durham) (Lab): I, too, associate myself and those on the Labour Benches with your comments, Mr Speaker. Harry Harpham will be sorely missed by the Labour party, his constituents, and, of course, his family and friends. Our thoughts are with them at this time.

Research from Changing Lives, a Newcastle-based specialist housing agency, estimates that it and other supported housing providers across the country will lose a huge sum of money from the Chancellor's crude cuts to housing benefit. The discretionary fund on which the Government say they must rely is totally inadequate. What will the Minister do to ensure that that vital form of housing for many thousands of people with disabilities and other specialist needs remains and is properly funded in future?

Brandon Lewis: I say to the hon. Lady, as I have said before, that we will make sure that the most vulnerable in our society are protected. We are also boosting supply with £400 million-worth of funding announced in the spending review to deliver specialist affordable homes for the vulnerable, the elderly and those with disabilities. Of course, there is also our £5.3 billion investment in the better care fund, through which we are looking to integrate health and social care.

Property Purchase Schemes

2. **Christopher Pincher** (Tamworth) (Con): What progress his Department has made on the Help to Buy and Right to Buy schemes. [903501]

The Secretary of State for Communities and Local Government (Greg Clark): I associate myself with your sentiments, Mr Speaker, about our former colleague, Harry Harpham.

This Government are committed to increasing home ownership. More than 130,000 households have purchased a home through Help to Buy since 2012. We have just launched London Help to Buy, and I can tell the House that in the first seven days, 15,000 people have registered to take advantage of it. Since April 2010, more than 53,000 homes have been sold to tenants under Right to Buy, and a voluntary Right to Buy scheme will give 1.3 million more families the opportunity to do so.

Christopher Pincher: Bovis Homes, a major employer in my constituency, commends Help to Buy as a tremendous initiative, but we all know that we need more small-scale developers in the supply chain to increase the supply of homes to which Help to Buy can apply. Does my right hon. Friend agree that large-scale developers franchising some of their plots to small and medium-sized developers is one way of getting those small-scale developers into the supply chain?

Greg Clark: I do agree with my hon. Friend. One of the effects of the financial crash was that many small builders left the industry, and we need to get them back and involved. My hon. Friend has a good idea. The direct commissioning scheme that we have announced, whereby we can carve up public sector land into small plots so that small builders can take advantage of it, will be a big step forward, too.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): We should have an end to these excuses. There is a generation in the rented sector who have no hope of owning their own homes. Is it not about time that we had some bold, imaginative policies? How many new towns are there? How many new generations of building are going on? How many houses are being built in Ebbsfleet, for example, which is supposed to be a new town? Will the Secretary of State answer that?

Greg Clark: Over the last five years, home ownership, and particularly house building, has been revived from the crash that happened under Labour. The hon. Gentleman should welcome the planning reforms that we made, which have increased planning permissions by 50%. He should welcome the introduction of starter homes to give first-time buyers a foot on the housing ladder. He should welcome the extension of Help to Buy, which has helped so many people to achieve their dream of a home of their own.

Antoinette Sandbach (Eddisbury) (Con): Right to Buy does not apply to rural exception sites. Does the Secretary of State therefore agree that affordable housing in rural areas is absolutely key?

Greg Clark: I do agree with my hon. Friend. In providing homes in all communities for all types of people we need to make sure that we have diversity of tenure, especially in rural areas. My hon. Friend is right.

Andy Slaughter (Hammersmith) (Lab): The idea that any of these schemes are affordable is an Orwellian myth. In my constituency, people need an income of £70,000 to be able to get an affordable home, and that is going up to £90,000 before long. To whom is that affordable?

Greg Clark: I do not think the hon. Gentleman does a good service to his constituents. He should know that under the combination of Help to Buy and shared ownership, the deposit that a London first-time buyer can be required to pay on the average price paid of £385,000 is as low as £4,800. The hon. Gentleman would do his constituents a service by promoting these schemes to them.

Robert Neill (Bromley and Chislehurst) (Con): I welcome my right hon. Friend's comments about the importance of the small and medium-sized building sector. Does he agree that one of the most damaging things that could happen to that sector's involvement in London would be the imposition of a 50% affordable housing target across sites, which would have no relation to the viability? As experienced under Ken Livingstone, this would actually drive developers away from bringing sites forward.

Greg Clark: I completely agree with my hon. Friend. It is not a matter of speculation but a matter of fact, because, as he says, the last Mayor tried that, and the amount of available housing in London fell. We want to provide homes for Londoners. The present Mayor has an exemplary record in providing affordable homes—indeed, homes of all types—ahead of the targets, and the £400 million that is being invested in the 20 housing zones across London is a tribute to his tenacity.

Ben Howlett (Bath) (Con): I am pleased to say that hundreds of families in my constituency, and in the local authority area of North East Somerset, have benefited from the Help to Buy and Right to Buy schemes, but young families still cannot get on to the housing ladder because of the high cost of housing. Will the Secretary of State meet me, and other Members whose constituencies contain high-value areas, and will he undertake to roll out the two-for-one guarantee in those areas?

Greg Clark: I will certainly meet my hon. Friend and his colleagues. It is essential for homes to be built in every community, so that young people and rising generations throughout the country have a chance to continue to be part of the communities in which they were born and raised.

Mr Speaker: Mr Stephen Pound? Not here. Where is the fellow?

Private Rented Sector

4. **Ms Karen Buck** (Westminster North) (Lab): What plans he has to improve conditions for tenants in the private rented sector. [903503]

5. **Vicky Foxcroft** (Lewisham, Deptford) (Lab): What plans he has to improve conditions for tenants in the private rented sector. [903504]

The Minister for Housing and Planning (Brandon Lewis): I believe that all tenants should have a safe place in which to live. In the Housing and Planning Bill, the Government have introduced the strongest ever set of measures to protect tenants and ensure that landlords provide good-quality, safe accommodation.

Ms Buck: According to a freedom of information inquiry that I carried out last year, only 14,000 of a total of 51,316 complaints made to councils about poor housing were subjected to a local authority environmental health assessment, and, on average, councils prosecuted only one rogue landlord every year. Is it not irrefutable that local authorities lack the resources, certainly, and the will, in some cases, to take action against rogue landlords? What possible grounds can the Minister have for resisting a modest change that would allow tenants to take legal action against landlords who let homes that are not fit for human habitation?

Brandon Lewis: The hon. Lady is right, in that local authorities should be using the powers that they have. As I have said, there is already a requirement for properties to be fit and proper, and she may wish to welcome the extra £5 million that we have added to the £6.7 million that we have already invested to support it. However, if she looks at the changes in the operation of fines in the Housing and Planning Bill, she will see that the amount of resources for local government will be beyond anything that we have ever seen before, and certainly beyond anything that the Labour Government ever did.

Vicky Foxcroft: Much of what the Minister said is not what I am hearing from constituents. Many of those who come to see me speak of substandard homes which are damp and cold and have not been subjected to gas and electricity safety checks, and many are afraid of dealing with their landlords because they fear being evicted. What will the Minister do about that? Does he now regret not supporting Labour's amendment to the Housing and Planning Bill, which would have ensured that landlords only let properties that were fit for human habitation?

Brandon Lewis: I hope that the hon. Lady will join me in insisting that her local council takes its duty seriously and deals with the situation. The Bill will enable councils to issue civil penalties amounting to up to £30,000 and remedy payment orders for up to 12 months. That will

give them a resource that they have never had before, and one that I hope they will endorse and use. [Interruption.]

Mr Speaker: I must say that there are sounds of some very heavy breathing. I call Mr Mark Prisk.

Mr Mark Prisk (Hertford and Stortford) (Con): While the hon. Member for Westminster North (Ms Buck) is right to draw attention to the difference in the enforcement of existing regulations, neighbouring councils with the same resources often enforce the regulations in radically different ways. May I encourage the Minister not only to promote the best practice in enforcement, but, most important, to challenge councils that are failing to use the powers that they have?

Brandon Lewis: My hon. Friend has a wealth of experience in this field, and, as always, he speaks with great common sense and logic. Local authorities should be using the powers that they have. By far the majority of landlords provide a good service, but authorities should be using those powers to crack down on the rogue landlords whom all of us, including good landlords, want to see driven out of the system.

Mr Stewart Jackson (Peterborough) (Con): May I commend the Government for taking the toughest action on rogue landlords in a generation in the Housing and Planning Bill? On the provision of private sector rented housing, will the Minister give me an undertaking that he will continue to work, on a cross-party basis if necessary, to develop residential estate investment trusts, on which there has been a commitment from both parties over the years, and work with the Treasury to bring forward proposals for private sector housing, particularly in areas with affordability issues?

Brandon Lewis: My hon. Friend makes a good point, and we are working right across government on the institutional investments. I can tell the House that the estates regeneration panel that the Prime Minister has set up will be meeting for the first time tomorrow and will be looking at all these issues in that context as well.

Tulip Siddiq (Hampstead and Kilburn) (Lab): Many of the 33% of my constituents who rent privately have been the victim of revenge evictions. Shelter has estimated that in a calendar year 4,000 people in my constituency were victims of revenge evictions and 200,000 people across the country suffered from rogue landlords. The Minister has been speaking about how much work the Government have been doing, but will he clarify what impact the law that was brought in last year has had on the number of revenge evictions across the country?

Brandon Lewis: It is clearly a matter for local authorities to use those powers to crack down on rogue landlords and to ensure that they are providing the right services. It is just a shame that the Opposition did not support those measures in the Housing and Planning Bill.

Matt Warman (Boston and Skegness) (Con): In my constituency, some of the worst landlords have been prosecuted by Boston Borough Council, and the Department for Communities and Local Government has recently awarded it a £74,000 grant to keep up that

good work. Does the Minister agree that when councils are proactive, there are resources available for them to enable them to be more proactive?

Brandon Lewis: My hon. Friend is right. He has given us an example of a good council looking to do the right thing by its local residents by ensuring that they are well protected and well served, using the extra funding that we have put in. In addition, local authorities will be able to impose the new £30,000 civil fines when the Housing and Planning Bill gets Royal Assent, and it is a shame that the Opposition did not support that measure. It will mean that councils will be able to do more in this regard than ever before.

City Deals: Scotland

6. **Dr Philippa Whitford** (Central Ayrshire) (SNP): What recent discussions he has had with Ministers of the Scottish Government on the Aberdeen city region deal. [903505]

The Parliamentary Under-Secretary of State for Communities and Local Government (James Wharton): On 28 January, the Government, along with the Scottish Government and the local leadership in Aberdeen were able to announce the Aberdeen city deal heads of terms. The deal includes an investment fund of up to £250 million. This shows the investment going in and the support being delivered for our economy in Aberdeen, just as it is across the country as a whole.

Dr Whitford: With the Treasury having received more than £300 billion from North sea oil revenue over the past 40 years, and given that the current low oil price is being aggravated by deliberate under-pricing, including by our “friends” in Saudi Arabia, does the Minister not think that the UK Government should at least match the £250 million given by the Scottish Government, instead of offering just £125 million to help the region through this difficult time?

James Wharton: Most people welcome the Aberdeen city deal, the significant investment that is going in and the joint working that it demonstrates between the British Government and the Scottish Government to make a real difference and to drive forward the economy in Aberdeen, which faces some of the challenges of which the hon. Lady speaks. It underlines the fact that we really are better together.

Alison Thewliss (Glasgow Central) (SNP): I would first like to offer the condolences of the Scottish National party to the family and friends of Harry Harpham. He was passionate about housing, and he would no doubt have wanted to be here today to question the Government.

The Aberdeen city and shire deal submitted a bid for £2.9 billion of investment, but that ambition was not matched by the Tory Government, who stumped up only £125 million for the deal. Can the Minister understand why the people of Aberdeen city and shire feel disappointed and let down by this Tory Government?

James Wharton: Agreeing a city deal, with £125 million added to the other money that is going in, which is wanted by local people and delivered in co-operation with local partners, should be welcomed. It will drive

forward growth, and it is something that a number of other areas would be very keen to secure if they could do so.

Alison Thewliss: This Government are not providing a 50:50 basis for this deal. In fact, the Scottish Government are contributing £379 million to it. Will the Minister and his Government respond to calls from the Cabinet Secretary for Infrastructure, Investment and Cities and stump up the additional £200 million that Aberdeen so clearly needs?

James Wharton: When I saw that this was an area of questioning with which we would be dealing today, I had hoped the questions would focus on the great positivity that has surrounded the announcement, which is characteristic of the working together that has got us to a place where the heads of terms on this deal have been announced. This deal will make a real difference and it is only possible because of the contribution the British Government have made, alongside the Scottish Government, working with local partners. It is a welcome deal—it is a welcome deal in Aberdeen and it should be welcomed by Scottish National party Members rather more than it appears to be at the moment.

City Deals: Scotland

7. **Martyn Day** (Linlithgow and East Falkirk) (SNP): What progress has been made on the Edinburgh and South East of Scotland city deal. [903506]

The Parliamentary Under-Secretary of State for Communities and Local Government (James Wharton): This question underlines the point I was making about how other areas would like city deals, too. We have to work together to deliver city deals and we have to ensure that they are properly thought through, but we will continue to have those discussions and continue to work together to deliver something that can make a real difference. I am sure the hon. Gentleman will continue to be a passionate advocate for it.

Martyn Day: This city region deal was submitted in September, with further information being submitted to both the UK and Scottish Governments on 18 December. Local government received a draft set of terms of reference from the UK Government, which was responded to in early January, but despite follow-up, it is still to hear anything further back. Can the Minister confirm whether a deal will be in place prior to the purdah period for the Scottish Parliament elections?

James Wharton: The Edinburgh and South East Scotland city deal is another important area of potential growth. The discussions are important, as this has to be done properly. The discussions have to be detailed, going through the opportunities as well as the costs. Given what has been achieved in Aberdeen, it is no surprise that the hon. Gentleman is keen to secure a city deal for his area, too. We will continue to have those discussions, and if the right deal can be reached, we will look to deliver on it.

Deidre Brock (Edinburgh North and Leith) (SNP): The Government committed £500 million to the Greater Cambridge city deal—or 50%. Following the news that

only 25% of Aberdeen and Shire's deal was funded by Whitehall, may I ask what percentage of the Edinburgh and regions deal the Minister will be committing?

James Wharton: As I said, those discussions are ongoing and we will see what conclusion they reach. What is welcome is the recognition across the House that city deals can make a real difference and the recognition in those communities and economies of the value they can bring and of the growth they can generate. We will continue in those discussions. I hope we will reach a conclusion that will be welcomed by hon. Members from across the House, but I am confident that the city deals, as a whole, are making a real difference and will continue to do so.

Brownfield Sites

8. **Wendy Morton** (Aldridge-Brownhills) (Con): What support his Department is making available for the use of brownfield sites. [903507]

9. **Pauline Latham** (Mid Derbyshire) (Con): What support his Department is making available for the use of brownfield sites. [903508]

15. **Andrew Stephenson** (Pendle) (Con): What support his Department is making available for the use of brownfield sites. [903514]

The Minister for Housing and Planning (Brandon Lewis): We are committed to fulfilling our manifesto commitment of supporting development on brownfield land. To that end, we are creating a £2 billion long-term housing development fund to unlock housing on brownfield land, and we are determined to make sure that we get 90% of that land with planning permissions by 2020.

Wendy Morton: I am grateful to the Minister for that answer. In my constituency, we place great importance on the amenity that the green belt provides to our communities. What support is his Department providing to metropolitan boroughs to unlock brownfield sites for modern commercial as well as housing development, in order to afford further protection to the encompassing green belt?

Brandon Lewis: My hon. Friend is right to say that we want to make sure we are protecting the green belt, and the national planning policy framework does just that. This £2 billion fund will make that brownfield land more attractive, as will planning permission in principle, once the Housing and Planning Bill goes through. This is about making sure we do everything we can to get those brownfield land areas developed for the benefit of our local communities.

Pauline Latham: Celanese is a very large brownfield site in Spondon in my constituency that is not included in Derby City Council's core strategy, because it says that it will not be ready for development until at least 2028. The company on the site, however, says it will be ready by 2018. Does the Minister agree that local authorities should be doing more to utilise these sites through the funding that the Government have announced is available and increasing their efforts to make things ready for development?

Brandon Lewis: My hon. Friend, who is working passionately for her local community to make sure that brownfield land is appropriately and properly used, will appreciate that I cannot comment on the particular local plan that is at examination stage. It is true to say, however, that a local authority should be working with its local community to make sure that appropriate brownfield land, with a good understanding of its availability, is brought forward at the earliest opportunity and can take advantage of this new £2 billion fund as well.

Andrew Stephenson: Pendle has 46 hectares of brownfield land, 40 hectares of which is assessed as suitable for housing, yet just days ago Labour and Lib Dem councillors voted through an application to build 500 homes on a greenfield site in Barrowford in my constituency. I am a strong supporter of localism, but how can the Government make councils such as Pendle Borough Council step up to the challenge of brownfield development, rather than just taking the easy option and building on our green fields?

Brandon Lewis: My hon. Friend highlights a good case. I know that, with his support, the previous Conservative-led Administration in Pendle was passionate about delivering on brownfield land. We want to see 90% of that land given planning permission. The best route is for the local community to take note of what the authority does and to let it know exactly what it thinks at the ballot box next time round.

Mr Clive Betts (Sheffield South East) (Lab): I join you, Mr Speaker, in paying tribute to my friend and colleague, Harry Harpham, who will probably be the last coalminer elected to the House. As you rightly said, despite the seriousness of his illness, he was still here three weeks ago arguing passionately for the steelworkers and steel industry in Sheffield. It was a fitting culmination to years of dedicated service to the people of Sheffield. That service included the delivery of the decent homes programme, from which thousands of our tenants have benefited.

There are many brownfield sites in the Don Valley in Sheffield on which more than 1,000 homes could be built. The problem is that the land is subject to flooding. Sheffield City Council has identified £40 million towards a £60 million flood prevention programme. Will the Minister ask his officials to liaise with officials from the Department for Environment, Food and Rural Affairs and city council officers to find a joined-up approach to ensuring that this land can be safeguarded and that those 1,000-plus homes can be built on the available brownfield land?

Brandon Lewis: Yes, the hon. Gentleman outlines a good example of where everybody could work together in the best interests of the community and to see more housing built, and I am happy to organise that meeting. I will make sure I have that conversation with him and the local authority.

Rachael Maskell (York Central) (Lab/Co-op): York desperately needs family and social housing, yet the council plans to build predominantly high-value units on the 72 hectare "York Central" brownfield site, which will go no way to addressing our housing crisis. Will the

Minister meet me to discuss the principle of York First and putting the interests of the city ahead of asset housing?

Brandon Lewis: As the hon. Lady will appreciate, it is absolutely right that local communities can make local decisions about what is right for them and that her local authority can look at its local housing need and make a decision about what is right for it, as it is looking to do in York.

Tristram Hunt (Stoke-on-Trent Central) (Lab): In 2012, the Secretary of State told the House that the new planning policy framework offered “clear and unequivocal” protection of the green belt, yet the number of green-belt approvals has increased fivefold in the last five years under this Government. The new permission in principle powers in clause 102 of the Housing and Planning Bill will only further undermine the green belt. When will the Government put urban regeneration first, rather than ex-urban sprawl?

Brandon Lewis: Through the national planning policy framework and the guidance that has come out since, we have actually strengthened green-belt protection. With the new planning permission in principle, the new requirement for a brownfield register and the £2 billion fund, we are going further than any Government before in making sure that brownfield sites are developed first.

Stephen Hammond (Wimbledon) (Con): Will the Minister agree that the plan of my hon. Friend the Member for Richmond Park (Zac Goldsmith) to drive the London Land Commission to force local authorities to bring forward unused land will secure the homes that Londoners need and protect the environment and give London the quality of environment it deserves?

Brandon Lewis: My hon. Friend outlines the sensible and productive approach that has been outlined by my hon. Friend the Member for Richmond Park (Zac Goldsmith), who I hope will be the next Mayor of London, to make sure we deliver more housing for London. As the joint chair of the London Land Commission, I look forward to working with him.

Andrew Gwynne (Denton and Reddish) (Lab): Does the Minister understand the plight of the residents of Haughton Green, an urban village in my constituency, who, under the Greater Manchester Combined Authority’s spatial framework, have seen every remaining piece of open green space in that area identified for future development? Is it not time we had a planning system that worked for the people of Haughton Green?

Brandon Lewis: The hon. Gentleman’s council is represented on that authority, so I would hope it has a voice. I am also co-chairing the Manchester Land Commission, and I will certainly raise that point with the Labour interim panel chair and Mayor.

Neighbourhood Plans

10. **Mims Davies** (Eastleigh) (Con): What steps his Department is taking to support communities in setting up neighbourhood plans. [903509]

The Minister for Housing and Planning (Brandon Lewis): Our £22 million support programme for neighbourhood planning for 2015-18 provides neighbourhood planning groups with online resources, an advice service, grants and technical support in priority areas. Furthermore, the Housing and Planning Bill will speed up and simplify the neighbourhood planning process.

Mims Davies: I thank the Minister for his important answer. Having failed to deliver the first time, the Liberal Democrat-led Eastleigh borough council is now consulting on its new and somewhat controversial draft local plan document. Does the Minister agree that the best possible solution for my constituents is to have a suitable and properly supported local plan, and to back parishes such as Botley on their community-created neighbourhood plans, as there is currently none going to referendum in Eastleigh?

Brandon Lewis: My hon. Friend makes a very good point, and I am pleased to reassure her constituents that if they go forward with a neighbourhood plan, it will have weight in planning law, and if the local authority is failing to do its duty by its local residents in the community then the neighbourhood plan is the best way to proceed.

Liz McInnes (Heywood and Middleton) (Lab): A number of neighbourhood plans have failed because of insufficient evidence, unrealistic expectations and a failure to meet European environmental requirements. What help is the Department giving those formulating these plans to ensure that they meet the standards set down by the independent examiners?

Brandon Lewis: As I outlined in my initial answer, we not only have online resources and advice services, but give grants of up to £8,000, with a further £6,000 in particularly difficult areas. Workshops are also going out around the country, and the National Association of Local Councils is talking through its parish council network about how the system works. I gently say to the hon. Lady that every single neighbourhood plan that has gone to referendum has passed with a huge majority.

Mr Philip Hollobone (Kettering) (Con): Might it not be a good idea to highlight an exemplar neighbourhood plan in each shire area, which could be specifically rolled out across that county, to encourage more parish councils in particular to get involved?

Brandon Lewis: As is often the case, my hon. Friend raises a very good idea, and I will take it forward. I will be talking to the group that is going out and doing this kind of work and sharing best practice around the country. It is a good idea for local authorities to look at what others have done locally, and we will certainly do our best to take up his idea and to promote it further.

Social Care Services

12. **Kelvin Hopkins** (Luton North) (Lab): What recent assessment he has made of trends in the level of demand for social care services. [903511]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones): We have provided up to £3.5 billion of funding to meet the demographic

pressures on social care. This is significantly more than the £2.9 billion that the Local Government Association estimated was needed.

Kelvin Hopkins: When will the Government accept that the problems of social care will be overcome only when there is a comprehensive and publicly provided system of social care for all, which is free at the point of need? I am talking about a national care service, exactly parallel to and integral with the national health service—a true public service free of privatisation.

Mr Jones: This Government are absolutely committed to the full integration of health and social care by 2020, and we will require all areas to have a clear plan for achieving that by 2017. The hon. Gentleman will also be interested to know that, by the end of the decade, the spending review does include more than £500 million for the disabled facilities grant, which is more than double the amount this year. That will fund around 85,000 home adaptations by that year, and is expected to prevent 8,500 people from needing to go into a care home by 2019-20.

17. [903517] **James Morris** (Halesowen and Rowley Regis) (Con): Adult social care will be one of the biggest challenges that we face over the next several decades. Does the Minister agree that more needs to be done to integrate health and social care, particularly building on the success of the better care fund, to encourage local authorities to work with local health providers to come up with innovative solutions for adult social care?

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones): I know that my hon. Friend is a real campaigner on this issue. As he identifies, the better care fund is paying dividends. We are seeing significant joint working through the better care fund, which, in many areas, is reducing delayed transfers of care from hospital. We are absolutely intent on spreading best practice around all areas of the country. Plans are also in place to improve areas that are the most challenged.

Barbara Keeley (Worsley and Eccles South) (Lab): I am afraid that what we have just heard is nonsense. Government funding for social care falls far short of what is needed. Directors of adult social services tell us that £4.6 billion has already been cut from adult social care, and the gap is growing at £700 million a year. The social care precept will raise only £400 million a year, and the better care fund, which the Minister mentioned, does not start until next year, at £105 million a year. Government Ministers must consider that they are risking the collapse of social care because their funding is too little and too late.

Mr Jones: The funding coming into the better care fund—£1.5 billion—is all new money for adult social care, and it is going directly to local authorities. The absolute key is the integration of health and social care, and as I have set out to the hon. Member for Luton North (Kelvin Hopkins) and my hon. Friend the Member for Halesowen and Rowley Regis (James Morris), the Government are determined to achieve that integration.

Mrs Emma Lewell-Buck (South Shields) (Lab): Does the Minister agree with the Conservative council leader who covers his constituency and who was recently quoted

in the press as saying that inadequate Government funding has left his local council struggling to provide adult social care services?

Mr Jones: First, I welcome the hon. Lady to the Dispatch Box. I heard what she said about the Conservative leader of my local authority, Warwickshire County Council. I speak to the lady to whom she referred at all times. [Interruption.] Well, what I would say is that Warwickshire County Council set a sustainable budget last week, and was able to do that by protecting social care services.

Syrian Refugee Resettlement

13. **Karen Lumley** (Redditch) (Con): What assessment he has made of the effect of the Syrian refugee resettlement programme on the resources required by local authorities. [903512]

The Parliamentary Under-Secretary of State for Refugees (Richard Harrington): Resettlement costs for year one are funded by the Department for International Development through the official development assistance budget. At the spending review, we announced a further £129 million towards local authority costs in years two to five. This amount was calculated after consulting the Local Government Association and local authorities with experience in this field on the likely costs that they would incur in being part of our Syrian refugee resettlement programme.

Karen Lumley: I am working hard with my council leader, Bill Hartnett, to provide refuge for two Syrian families in Redditch. Does my hon. Friend agree with me that that is the right thing to do, and will he reassure local people that it will not be paid for by local council tax, as there is some concern in my town about that?

Richard Harrington: I thank my hon. Friend and the leader of Redditch Borough Council for the part they have played in the joint bid with Worcestershire County Council. As they are aware, we work closely with local authorities to ensure that capacity is identified as suitable for that area, and I again confirm to my hon. Friend that the funding available through the spending review will go a long way towards funding the resettlement of Syrian refugees.

Keith Vaz (Leicester East) (Lab): I commend the Minister on being the first Home Office Minister in living memory to set a target for resettlement and meet that target. However, there are still another 19,000 Syrian refugees to be resettled before the next election, and the number of other asylum seekers has risen from 9,000 to 17,000. Where are we going to find that accommodation?

Richard Harrington: Mr Speaker, excuse me, but to be complimented by the Chairman of the Select Committee on Home Affairs puts one off one's stride at the Dispatch Box. I remind the right hon. Member for Leicester East (Keith Vaz) that the refugee scheme for which I am responsible very much requires the good nature of local authorities. That, together with the asylum programme, is important to us, and I am pleased to say that the demand for places from refugees equals the supply.

Mr Speaker: I understand the Minister. It is humbling indeed to be praised by someone of the exalted status of the right hon. Member for Leicester East (Keith Vaz).

Council Tax

14. **Andrew Bridgen** (North West Leicestershire) (Con): What estimate he has made of the average difference in council tax paid by residents of urban and rural areas. [903513]

The Secretary of State for Communities and Local Government (Greg Clark): The average council tax has long been higher in rural areas than in urban areas. In response to the consultation on the local government financial settlement, several councils and hon. Members have pointed out the extra costs of providing services in rural areas—something that I am determined to address.

Andrew Bridgen: Figures from the rural fair share campaign show that those who live in urban areas receive 45% more funding than their rural counterparts, while at the same time those rural residents pay on average £81 more in council tax. Does my right hon. Friend agree that my constituents have every right to feel aggrieved about that inequality? What steps will the Government take to address that issue?

Greg Clark: I have been looking carefully at the responses to the consultation on local government finance, including that from Leicestershire, which seems to make a perfectly reasonable point that the essential requirement is that the underlying formula should reflect the different costs of providing services in different places. If my hon. Friend is patient and comes back a little later, I shall have more to say then.

Fiona Mactaggart (Slough) (Lab): Is it not a fact that in practice, despite their rhetoric, Conservative councils are charging more than Labour councils? That is what the question from the hon. Member for North West Leicestershire (Andrew Bridgen) conceals.

Greg Clark: It is a long-established fact that Conservative councils offer lower council tax than Labour councils, which accounts for their success and their majority in local government.

Geoffrey Clifton-Brown (The Cotswolds) (Con): Can my right hon. Friend say whether the gap between urban and rural authorities is widening? If it is widening in favour of urban authorities, will not the council tax payers in rural authorities, who are going to see their council tax rise considerably over the next three years, have to conclude that they are subsidising higher-spending urban authorities?

Greg Clark: My hon. Friend knows that we are moving to a world in which councils will be funded by council tax and business rates. It is essential that the formula underpinning that is fair to all types of authority. That has been very clear in representations that he and others have made.

Mr Steve Reed (Croydon North) (Lab): The Tory election manifesto promised to keep council tax low, so will the Secretary of State explain to the House why he

has just written to town halls up and down the country saying that he expects them to force council tax up by more than 20% over the next four years?

Greg Clark: I have written no such letter. I remind the hon. Gentleman that council tax doubled under the previous Government. On all the forecasts that we have made, it will be lower in real terms than it was at the beginning of the last Parliament.

Mr Speaker: Last but not forgotten, I call Paula Sherriff.

Support for High Streets

16. **Paula Sherriff** (Dewsbury) (Lab): What steps he plans to take to support high streets. [903515]

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones): We are committed to ensuring that high streets remain at the heart of their community. We have introduced a £1.4 billion package of support, which includes business rate relief, help for small business, measures to tackle over-zealous parking enforcement, and practical changes to simplify the planning system.

Paula Sherriff: May I associate myself with the comments regarding Harry Harpham? He was a dear friend, a good and decent man, and we will miss him very much indeed.

A week before the general election, the Chancellor told the *Dewsbury Reporter* that within the first 100 days of a Tory Government, the town would be added to a list of enterprise zones in which new businesses would be spared business rates for the next five years. Will the Minister confirm that nine months into a Tory Government, there is no enterprise zone in my constituency, and local businesses on our high street are still paying full rates? Will he offer an apology to local people who were promised one thing when the Chancellor wanted their votes, and got quite another once he was in office?

Mr Jones: We are committed to supporting high streets. High street vacancy rates are at their lowest since 2010. Investment in high street property is up by 30%, and where areas are doing the right things, they are seeing people return to their high street. That was seen through the Great British High Street competition. There are a number of winners from Yorkshire, and I am sure that people in Dewsbury will be able to take tips from around Yorkshire so that they can improve their high street.

Topical Questions

Mr Speaker: I call Mr Geoffrey Robinson. Not here.

T2. [903525] **Joan Ryan** (Enfield North) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Communities and Local Government (Greg Clark): Since the beginning of January, the Cities and Local Government Devolution Bill has been enacted and given Royal Assent, the Housing and Planning Bill has passed its Third Reading, the voluntary

housing association right to buy has been launched in five areas, and direct commissioning of housing has been launched.

I take this opportunity to pay tribute to the life and work of Mrs Hazel Pearson OBE, who died on Friday at the age of 92, having retired as a Middlesbrough councillor only last year at the age of 91. She was a formidable leader of Conservatives in Middlesbrough, achieved much for her town and was greatly respected by all parties and by her community over 47 years of service. She represented everything that was best in public service.

Joan Ryan: Enfield has the fourth highest population figure of all London boroughs. The last census said we had seen a population increase of more than 14% in one decade. That rapid population growth is well above the national average and is not reflected in an increased funding settlement. I am grateful to the Under-Secretary of State for Communities and Local Government, the hon. Member for Nuneaton (Mr Jones), whom I met last month to discuss these matters. However, in the light of that meeting, and of submissions that have been made, what further measures are the Government willing to take to ensure there is a more equitable funding mechanism for boroughs in this situation?

Greg Clark: I understand the point the right hon. Lady makes, which is very reasonable. It is important that the funding that local government receives reflects the very latest information available in terms of the population. I have reflected on the representations that have been made in the consultation, and I will have more to say about that later.

T3. [903526] **Johnny Mercer** (Plymouth, Moor View) (Con): In my city of Plymouth, local campaigns seem regularly to mislead my constituents on the spare room subsidy, something that many people see as a fair way of bringing about parity between the social and private rental sectors. I commend the Government, therefore, for making funds available for specific cases where the spare room subsidy is not appropriate. However, will the Minister confirm that Plymouth City Council has chosen to return that discretionary housing payment to central Government every year, so no one should be struggling as a result of this policy?

The Minister for Housing and Planning (Brandon Lewis): My hon. Friend highlights the interesting point that a local authority is sending this subsidy back and then claiming that it cannot look after people. That local authority should be answering to local people, doing the right thing and using the subsidy for the purpose the Government set out in the first place.

John Healey (Wentworth and Dearne) (Lab): The Secretary of State will know that one of the many proud achievements of the last Labour Government was the rise in the number of families able to realise their dream of owning their own home—the number was up by 1 million over 13 years. Will the Minister tell us what has happened to the number of homeowners since Conservative Ministers took charge in 2010?

Brandon Lewis: I find it interesting that the right hon. Gentleman raises this question, bearing in mind the fact that, as a Minister, he said he thought a fall in home

ownership was not a bad thing. I disagree with him on that, as I do on other things. I think home ownership is something people aspire to, and we should support it. I am proud that the number of first-time buyers has doubled since 2010. Our work through the Housing and Planning Bill will take that further, and we must go further to support those aspirations.

John Healey: Let me repeat: the number of homeowners under Labour was up by 1 million. Since 2010, it is down by 200,000. For young people, it is now in free fall, and they have little or no hope of ever being able to buy their own homes. Never mind the spin or short-term policies, the Minister has no long-term plan for housing. That is why I have commissioned the independent Redfern review to look at the decline in home ownership. We would welcome evidence from Ministers, but will the Minister at least agree to look at the review's findings, so that five years of failure on home ownership do not turn into 10?

Brandon Lewis: Coming from somebody who oversaw the lowest level of house building since roughly 1923, that was interesting, particularly as the Redfern review is being led by Pete Redfern of Taylor Wimpey, who has called for an end to Help to Buy—the very product that is helping tens of thousands more people into home ownership. Perhaps the right hon. Gentleman is about to tell us that the Labour party will end Help to Buy, which is helping so many people. It is a shame that he and his party voted against the Housing and Planning Bill, which will deliver starter homes through increased Help to Buy. These measures will make sure that more homes are built for those who are working hard and who aspire to own their own homes—the very people let down by the crash under Labour.

T4. [903527] **Stuart Andrew** (Pudsey) (Con): What advice does my hon. Friend have for groups such as the Aireborough neighbourhood forum in my constituency, which finds itself in a constant fight with its local authority in trying to make progress? In this instance, Leeds City Council appears to be ignoring Government advice on brownfield sites, without any consequences.

Brandon Lewis: Having met some of my hon. Friend's constituents, I know they are very keen, and he has been supporting them strongly on their neighbourhood plans. Those should move forward, and we are putting in funding to support them. That gives them weight in law. This is a really good way for people to have control over local development opportunities if the local authority, in its local plan, is letting them down in the way my hon. Friend argues it is.

Mr Speaker: Dr Alan Whitehead—not here.

Steve McCabe (Birmingham, Selly Oak) (Lab): What does the Minister estimate the total percentage rise for residents of Birmingham will be once the Chancellor's social care tax, the increased police precept and the 1.9% council tax are added together?

Mr Marcus Jones: The core spending power figures that we released just before Christmas and have just consulted on do not take into account authorities putting their council tax up to the maximum referendum principle.

Council tax in Birmingham is a question for Birmingham City Council. However, my right hon. Friend the Secretary of State was absolutely right to say that we should not take any lectures from Labour Members on the council tax because while they were in power for 13 years council tax doubled.

T8. [903531] **Karen Lumley** (Redditch) (Con): Will my hon. Friend confirm that if the people of Redditch want to be a full member of the west midlands combined authority, they will also be able to take part in directly electing a mayor?

The Parliamentary Under-Secretary of State for Communities and Local Government (James Wharton): I thank my hon. Friend for that question. She is a passionate advocate for the people of Redditch. Whenever I see her, she does a very good and effective job of explaining why she has a desire to pursue this matter and ensure that her constituents will get a say if appropriate and at an appropriate time. I can confirm that were Redditch to become a full member of the combined authority, then yes, people would have a vote in the mayoral election, although of course it would be done only by local agreement. As this Government have pursued matters throughout devolution, we want to build consensus and work with local people to find deals and structures that meet their ambitions.

T6. [903529] **Kirsty Blackman** (Aberdeen North) (SNP): Aberdeen has supported oil, with our residents having to put up with the bad and the good that comes with this. The UK Government have tried to tell Aberdeen that their £125 million of investment will inspire hundreds of millions of pounds of investment from currently hard-pressed Aberdeen businesses. What will the UK Government be doing to encourage businesses in Aberdeen that are suffering, along with the rest of us, to stump up cash?

James Wharton: I thank the hon. Lady for her important question, which ties in with the discussion we have already had about the Aberdeen city deal and the significant amount of money that is going in from the British Government in Westminster and the money that is going in in partnership with the Scottish Government, local authority leadership, and the local leadership of the business community in Aberdeen. We intend to ensure that the deal brings real growth and benefit to Aberdeen. We recognise the challenges that it faces because of the price of oil and other factors that affect its local economy, but we are determined, with local people who understand what is needed, to drive change and to do everything we can to support its economy.

T9. [903532] **Bob Blackman** (Harrow East) (Con): Under Mayor Livingstone, the number of new housing starts in London plummeted as a direct result of developers walking away from unaffordable sites, thanks to the 50% affordable housing target. What does my hon. Friend think would happen if the new Mayor were to introduce a 50% affordable housing target?

Brandon Lewis: As my hon. Friend outlines, the evidence shows that those kinds of targets, if they are not appropriate for the local area, distort viability, meaning that developments do not go forward and we do not get the houses built that we need. Local areas have to look at what is right for them and make sure it is viable.

My fervent hope is that we have a very sensible Mayor of London in my hon. Friend the Member for Richmond Park (Zac Goldsmith), who will take forward an increase in housing supply.

T7. [903530] **Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): The Inverness city deal from Highland Council is based on the idea of a region for young people. The Highlands area has, over many decades, seen a drain of young people. Much work has been done to address this, including the opening of the Inverness campus, but more needs to be done to attract and retain young people. A plan such as the one put forward can help to rebalance the population demographic. Does the Minister agree that the aims of the plan and the statement of intent are worthy of support?

James Wharton: The hon. Gentleman is diligent in raising this issue, which we have discussed in the Chamber before. I think he recognises, as I do, the value that these sorts of deals can bring and the difference they can make. I recognise his comments and the importance that he attaches to this as a diligent local Member of Parliament, and I will certainly take it away and look at it. I cannot pre-announce deals at this Dispatch Box today. However, we continue in discussions and we are determined to deliver where the deal is the right one, and his effective advocacy is helpful in pursuing that ultimate objective.

T10. [903533] **Helen Whately** (Faversham and Mid Kent) (Con): Only 94 of 1,600 asylum-seeking children and care leavers in Kent have been taken in by other areas under the voluntary dispersal scheme. With more refugee children coming, how will my hon. Friend's Department get local authorities across the country to accept their share of the asylum-seeking children who are already here?

The Parliamentary Under-Secretary of State for Refugees (Richard Harrington): We hope that dispersal arrangements remain voluntary and are working with the Home Office, the Department for Education, the Local Government Association and the Association of Directors of Children's Services on a national dispersal scheme for unaccompanied asylum-seeking children. Provisions in the Immigration Bill will underpin dispersal arrangements and, if necessary, enforce them.

Barry Gardiner (Brent North) (Lab): I know that the Minister for Housing and Planning well understands the extraordinarily high cost of private sector housing in London, but does he understand the impact that the changes to the local housing allowance are having on residents in my constituency? Will he ask his departmental officials to provide data on the impact of those changes?

Brandon Lewis: If the hon. Gentleman reads the answer I gave earlier, he will see that we have already outlined a one-year delay. We are also looking at the implications before the 2018 introduction and are working closely on it with the sector at the moment.

Kelly Tolhurst (Rochester and Strood) (Con): Medway Council is currently working on its local plan. Could the Minister give an update on the work of the expert panel, which was set up in September to help streamline the local plan process?

Brandon Lewis: I am happy to do so. As my hon. Friend outlines, we are determined to make sure that local areas can have a clear-cut, simple system to deliver local plans that give control to the local community, because they should be locally led. I look forward to seeing the panel's feedback in the weeks ahead.

Jenny Chapman (Darlington) (Lab): In response to questions asked earlier by Conservative Members about funding allocations for rural areas, Ministers hinted that they think there is some unfairness in the system. May I encourage Ministers to look at the issue again, because I agree that there is a great deal of unfairness? The funding in my borough in Darlington is being decimated and the cuts are devastating for the local economy, whereas the spending power of a similarly sized town, Wokingham, will be increased over coming years. That is fundamentally unfair. Will Ministers look at the issue again?

Greg Clark: I will respond on the provisional financial settlement shortly. It is important for every type of authority that its needs and the costs of providing services are properly met, and that is the Government's objective.

Michael Fabricant (Lichfield) (Con): My right hon. Friend is keen, as am I, on building on brownfield sites. With the closure of coal-fired power stations, including the possible closure of one in my constituency, what are we doing to encourage building on brownfield sites that include contaminated land?

Greg Clark: I am grateful for my hon. Friend's question. In the spending review the Chancellor established a fund to decontaminate brownfield sites so that they can be made available for house building in the way that my hon. Friend recommends.

Daniel Zeichner (Cambridge) (Lab): The Local Government Association is predicting that the Government's pay-to-stay proposals will lead to some 60,000 council tenants leaving their homes. At the same time, councils are saying that they do not know how much their tenants earn. Will the Minister for Housing and Planning explain to councils how and why they should be asking their tenants how much they earn?

Brandon Lewis: As we have said throughout the progress of the Housing and Planning Bill, on the Floor of the House and in Committee, we are looking at tapering to bring this in and we are working with the sector itself. It is absolutely right that we come up with a deal that is also fair for taxpayers, to make sure that as people earn more and can afford to pay towards their home they do so in a way that always makes it pay to work.

Kit Malthouse (North West Hampshire) (Con): I assume that the Minister is aware that Basingstoke and Deane Borough Council's local plan is due for adoption this spring. Could he reassure the council's planning committee that it can now start to make decisions in line with that plan, safe in the knowledge that the planning inspector will not overturn those decisions, thus protecting the countryside from speculative development?

Brandon Lewis: That is good news. My hon. Friend outlines another local plan that is in its later stages. I can confirm that, as a local plan gets to those later stages, it picks up more weight, so the local authority should be making planning decisions in line with the local plan. That is the right thing to do for local communities.

Diana Johnson (Kingston upon Hull North) (Lab): What assessment have Ministers made of councils that introduce a 2% precept increase for social care? For those councils with a very low council tax base, that will not result in the funding required to ensure that social care continues at the level it should in areas such as Hull.

Greg Clark: Part of the settlement that was made in the spending review was to include this new council tax precept in addition to the better care fund. On top of the resources that councils already invest, we will be able to invest more than the Local Government Association requested for social care in advance of the spending review.

Several hon. Members *rose*—

Mr Speaker: Order. I am sorry, but we must now move on.

Junior Doctors' Contract Negotiations

3.34 pm

Heidi Alexander (Lewisham East) (Lab) (*Urgent Question*): To ask the Secretary of State for Health if he will make a statement on the junior doctors' contract negotiations.

The Parliamentary Under-Secretary of State for Health (Ben Gummer): I would be delighted to update the House on the junior doctors' proposed industrial action. The Government were elected on a mandate to provide for the NHS the resources it asked for and to make our NHS a truly seven-day service. The provision of consistent clinical standards on every day of the week demands better weekend support services, such as physiotherapy, pharmacy and diagnostic scans; better seven-day social care services, to facilitate weekend discharging; and better primary care access, to help to tackle avoidable weekend admissions.

Consistent seven-day services also demand reform of staff contracts, including those of junior doctors, to help hospitals to roster clinicians in a way that matches patient demand more evenly across every day of the week. In October 2014, the British Medical Association withdrew from talks on reforming the junior doctors' contract and, despite the fact that the Government asked it to return, did not start talking again until the end of November last year in talks facilitated by the Advisory, Conciliation and Arbitration Service. Throughout December we made very good progress on a wide range of issues and reached agreement on the vast majority of the BMA's concerns.

Regrettably, we did not come to an agreement on two substantive issues, including weekend pay rates. Following strike action last month, the Secretary of State appointed Sir David Dalton, one of our most respected NHS chief executives, to take negotiations forward on behalf of the NHS. Further progress has been made under Sir David's leadership, particularly in areas relating to safety and training. However, despite agreeing at ACAS to negotiate on the issue of weekend pay rates, Sir David Dalton has advised us that the BMA has refused to discuss a negotiated solution on Saturday pay. In his letter to the Secretary of State last week, Sir David stated:

"Given that we have made such good progress over the last 3 weeks—and are very nearly there on all but the pay points—it is very disappointing that the BMA continues to refuse to negotiate on the issue of unsocial hours payment. I note that in the ACAS agreement of 30 November, both parties agreed to negotiate on the number of hours designated as plain time and I hope that the BMA will still agree to do that."

The Government are clear that our door remains open for further discussion, and we continue to urge the BMA to return to the table. Regrettably, the BMA is instead proceeding with strike action over a 24-hour period from 8 am this Wednesday. Robust contingency planning has been taking place to try to minimise the risk of harm to the public, but I regret to inform the House that the latest estimates suggest that 2,884 operations have been cancelled.

I hope that hon. Members from both sides of the House will join me in urging the BMA to put patients first, call off its damaging strike and work with us to ensure we can offer patients consistent standards of care every day of the week.

Heidi Alexander: There is so much that could be said about this dispute that it is hard to know where to begin, so let me ask the Minister four simple questions.

First, the Health Secretary says that his door is open to further talks with the BMA. What does that mean? Specifically, can the Minister envisage a new contract where the definition of plain time working at weekends applies only to a Saturday morning?

Secondly, if a negotiated solution to a new junior doctor contract cannot be found, will the Minister today rule out imposing one? Does he not see how harmful imposition would be to patients, given its impact on staff morale, the risk of a protracted period of industrial action and the implications for future recruitment and retention?

Thirdly, can the Minister confirm that the pay protection offered to one in four junior doctors means that those doing the equivalent jobs in the future will be worse off? Should we not value the junior doctors of tomorrow as much as we value those of today?

Fourthly, and finally, throughout the dispute Ministers have repeatedly conflated the need to reform the junior doctor contract with their manifesto commitment to a seven-day NHS. Can the Minister name a single chief executive who has told him that the junior doctor contract is the barrier to providing high quality care 24/7? If junior doctors are the staff group who have to change their working patterns least to deliver this, which other groups of NHS staff will need to have the definition of unsocial hours changed in their contracts during this Parliament?

In the past year, the Health Secretary has implied that doctors do not work weekends, insinuated that juniors are somehow to blame for deaths among patients admitted on Saturdays and Sundays, and insulted professionals' intelligence by telling them they have been misled by the BMA. If he was here, I would ask him whether he regrets the way he has handled this dispute, but he has not even got the nerve to turn up.

No one is saying the existing junior doctors' contract is perfect, but anyone in the NHS will tell you that this whole episode has been an exercise in using a sledgehammer to crack a nut. It is time now for the Government to do what is right for patients, for staff and for the NHS.

Ben Gummer: The hon. Lady wonders where to begin. I would say to her that where we begin is with the promise made to the electorate to deliver seven-day services in order to make care more consistent through the week and thereby bring down the rate of avoidable deaths. That has been the aim of this Government—pursued in the guise of the previous coalition and by the current Government—for some years. The junior doctors' contract, about which negotiations have been going on for some years, has been framed partly in that respect during that time.

The hon. Lady asks a number of questions, and I will answer them directly. She asks whether the door is open and whether the Secretary of State is willing to see further talks. Of course it remains open. Throughout the entire process—from back in the summer, when the BMA made it a point of principle not to return to talks—we have asked the BMA to come back to the negotiating table time and again. I have done so, as has the Secretary of State, so the door remains open. I hope that, in the coming days up to the strike, such contacts will continue.

The hon. Lady asks whether there can be discussions about Saturdays. The Secretary of State has made it

plain throughout the process that every aspect of the contract is open for discussion. What is not up for discussion is the ability of hospitals to roster clinicians on a consistent basis through the week. The one group of people who are refusing to negotiate about Saturdays or anything to do with the extension of plain time is the British Medical Association. Despite its assurance—in fact, its promise—at ACAS at the end of the November that it wished to discuss this issue, it has now refused to do precisely that with Sir David Dalton. We are therefore left at an impasse, where I am afraid that on the one item left to discuss, which is Saturdays, it is refusing point blank to open a discussion because of what it calls an issue of principle. For us, the principle is patient safety, and that is why we will not move.

The hon. Lady's second question was about the introduction of a new contract. At some point, the Government will need to make a decision. Time and again, we have extended the point at which we will introduce the new contract, precisely so that we can give time for talks to proceed, even though the BMA, in a disjointed manner, refused to discuss it for several years until this point. At some point, we will have to make the changes necessary to get consistency of service over weekends. We cannot delay this any longer. No Health Secretary or Health Minister could stand in the face of the many academic studies that have shown there is an avoidable weekend effect and say that nothing should happen. Of course this should be done in concert with other contract changes—changing the availability of diagnostics, pharmacy and other services—and we have always said that it is part of the piece, but it has to be done at some point and that point is fast approaching.

The hon. Lady asks whether imposition will be harmful to patients. I ask her to consider whether avoiding changing rostering patterns to eliminate the weekend effect would not itself be harmful to patients to the number of several thousand a year.

The hon. Lady asks about pay protection. We have urged the BMA to put to its members the pay protection that we made clear right at the beginning of the process, but I am afraid that it wilfully misled its members about the pay offer that we put on the table. I ask her, therefore, to be careful in what she says. For this cohort of junior doctors, this is a very good deal. Those who are coming into the service can be assured that they will have a quality of contract that the current cohort has not benefited from: a reduction in the maximum number of consecutive nights from seven to four; a reduction in the maximum number of consecutive long day shifts from seven to five; a reduction in the maximum number of consecutive long late shifts from 12 to five; and a reduction in the maximum number of hours one can work in a week from 91 to 72. Those are considerable improvements in the contract that will protect the safety and working practices of future generations of junior doctors.

When the hon. Lady wrapped up her remarks, she asked whether we had any regrets about the way this process has proceeded. We do have regrets. We regret that the BMA wilfully misled its members at the beginning of the process, making them believe that there was going to be a cut to pay and an increase in hours, neither of which was true. We certainly regret the fact that the BMA refused to talk to us for months on end, when many of these issues could have been dealt with. We certainly regret the fact

that the BMA has gone back on its promise to discuss plain time hours—a promise made at ACAS that it has now reneged upon. I am afraid that in dealing with the BMA, we have not been able to address the matter that is most important to doctors, which is protecting patient safety. That is why, in the end, we will have to come to a decision on this contract for the betterment of patients and the consistency of clinical standards through the week.

Dr Sarah Wollaston (Totnes) (Con): Under the current contract, too many junior doctors are forced to work excessive hours and are overstretched during the hours they work. Will the Minister, having set out that the hours will be reduced, reassure the House about what measures will be put in place to make sure that managers do not let this slip and that we do not return to the days of overworked junior doctors?

Ben Gummer: My hon. Friend is right that new measures have been introduced in the proposed contract. A new guardian role, which was proposed by NHS Employers, will help to protect the hours of junior doctors in individual trusts. That has been a point of success in the negotiation between the BMA and NHS Employers. A new fines system, which is not currently in place, will penalise trusts and ensure that the moneys that are generated by the fines go towards enhancing the general wellbeing and training of doctors within those trusts.

Dr Philippa Whitford (Central Ayrshire) (SNP): Obviously, I am disappointed that it is not the Secretary of State we are speaking to today. The Minister referred again to weekend deaths. I gently point out that if one studies the evidence from Freemantle, one sees that there is a lower level of deaths at weekends. Perhaps we might be a bit more precise and say that we are talking about people admitted at weekends who die within the next 30 days.

I welcome the commitment to increase diagnostics and social care, as I think will everyone in the NHS, but junior doctors already work seven days and seven nights a week, so I really do not see how they can be the barrier to the safety of patients.

I do think that, on looking back, the Secretary of State and the Minister may regret how this matter has been handled. Right from last summer, it has been so combative. In October, when we debated the junior doctors, the Secretary of State was still refusing to go to ACAS, so this cannot all be put on the BMA. Doctors are not stupid; they are capable of reading what has been offered. Many of the junior doctors who have written to me have talked about the fear of hours getting out of control. When I was a junior doctor, the hours were ridiculous and it was the automatic financial penalty on trusts that changed things. It is important that their concerns are listened to and that they are not patronised, as they were on the Marr show yesterday. That has aggravated things further, and the way in which this process has been dealt with from beginning to end has been really disappointing.

We are facing the second day of strike for the first time in 40 years—that is my entire career. What does the Minister feel will be brought to the table by the Department of Health in the next few days to try to get out of this and to try a different approach? We do not have junior

[*Dr Philippa Whitford*]

doctors on the streets in Scotland. He has to ask himself why we have them on the streets here.

Ben Gummer: The hon. Lady speaks from experience, and rightly points to the fact that avoidable mortality that is attributable to weekends is different from mortality at weekends—the Secretary of State has been clear about that in his public statements. However that gap does exist, as the hon. Lady knows, and Professor Sir Bruce Keogh was clear in his statements that there is an avoidable rate of mortality. He stated:

“There is an avoidable ‘weekend effect’ which if addressed could save lives. This is something that we as clinicians should collectively seek to solve. It also strengthens the moral and professional case for concerted action.”

The way in which the hon. Lady characterised the discussions in September, October and November is not quite right. We implored the BMA to come and talk; I personally had those discussions with leaders of the BMA, and they refused to do so. It was only when they came and talked to us that we made substantive progress.

The hon. Lady is right to raise these issues, and we wanted to discuss such matters with the BMA. One issue was protection against excess hours, but we had no counterparty with whom to negotiate. Since we have had that counterparty, we have made good moments of progress, and the result is the guardian position, which she welcomed in another place. The guardian will be able to levy fines, and those fines will be remitted to the guardian. I hope—and indeed expect—that process to reduce the excess hours that we still see in a small minority of positions. We must get away from the perverse incentives for trusts and a small minority of doctors that mean that unsafe working hours are perpetuated.

Of course we all regret the course that this dispute has taken, but it would not have done so had the BMA taken a responsible position from the beginning. If people lie to their members and say that they will have their pay cut and their hours raised, of course doctors will be angry—all of us would be. The fact is that that was never true, but it has inflamed the situation. We could have had the kind of productive talks that we have had over the past three or four weeks back in August, September and October had we not had all the mess beforehand because of untruthful statements issued by the BMA.

Helen Whately (Faversham and Mid Kent) (Con): The level of support among junior doctors for this pay dispute is at least in part because of longstanding dissatisfaction with the experience of being a junior doctor. Sir David Dalton recommended a review of those longstanding concerns in his recent letter. Do the Government intend to commission such a review?

Ben Gummer: The Government will be looking at Sir David Dalton’s recommendation and acting on it. He is right to point to the fact that the 1999 contract is imperfect—it was agreed back in 2008 that it had many failings, and that something needed to be done to fix it. That contract in its generality has helped to contribute to the lowering of morale in the junior doctor workforce, which Sir David Dalton has recognised, as has the Secretary of State. It is not just the way in which

training placements are made and a whole series of other problems with the contract; it is also the fact that people have to work for long periods of consecutive nights and days, all of which is reduced in the latest proposed contract.

Mr Dennis Skinner (Bolsover) (Lab): Is the Minister aware that it takes two sides to call a strike? It cannot happen just because one side of the argument wants a strike. The Secretary of State has been looking for a fight with the doctors ever since he got the job. Does he realise that when I came here 45 years ago, I was getting time and a half for all-day Saturday, and double time, like other miners, for Sunday? Every time the doctors are replaced by agency nurses it costs the Government and the taxpayer a small fortune. Get the matter settled, and be decent for a change.

Ben Gummer: The hon. Gentleman has long prized himself as a champion of working people, yet the current contract and the proposed contract by the BMA, which I presume the hon. Member for Central Ayrshire (Dr Whitford) supports, prefers junior doctors over porters, cleaners and junior nurses, and it gives them better rates of pay, and premium rates that could not be enjoyed by lesser paid workers under contracts negotiated by unions that the hon. Gentleman supports. Here we have it: the final morphing of the Labour party into a party that prefers professionals over porters. That, I am afraid, is the party that he is now a member of.

Dr Andrew Murrison (South West Wiltshire) (Con): I very much support the Government’s stance on junior doctors, while acknowledging that most doctors—junior and senior—work well beyond their contracted hours. Does the Minister agree that it is not junior doctors but their seniors, and seniors’ terms and conditions, who really set the tempo in our national health service?

Ben Gummer: My hon. Friend also speaks from experience. We have said right from the beginning that reform of consultants’ and junior doctors’ contracts will be critical in delivering seven-day services. On consultants’ contracts, it is important to make sure that consultants are providing clinical cover over weekends, not just for the benefit of patients but for juniors, who are often covering rotas without clinical cover from consultants with and to whom they might wish to confer and refer.

Mr Ben Bradshaw (Exeter) (Lab): Is it not at the very least odd that the Secretary of State yet again chooses to stay away and not come before the House to answer questions on this very important subject? As a former Health Minister, I know how difficult the BMA can be, but this would seem to indicate to me that it is the Secretary of State who has become the main obstacle to a sensible solution to this crisis.

Ben Gummer: The right hon. Gentleman will know that, numerically, the previous Labour Government had far more scraps with the BMA than the coalition Government and this Government have achieved so far. He will know that it is a mark of all Health Secretaries to have disputes of one kind or another with the BMA. The Secretary of State will be here tomorrow, since the right hon. Gentleman asks, to answer oral Health questions.

Several hon. Members *rose*—

Mr Speaker: I am sure that nobody who toddled into the Chamber after the urgent question started would expect to be called. That would be quite out of keeping with our parliamentary traditions. I think I need say no more.

Crispin Blunt (Reigate) (Con): I wonder whether the Minister can help me. The messaging I have heard from the BMA is that the dispute is nothing to do with pay. We have heard the issue described as a “nut” by the shadow Secretary of State, yet it has led to a national strike for the first time in 40 years and we face industrial action again. What is going on here?

Ben Gummer: That is a question I am increasingly asking of those in the BMA’s leadership. They have agreed with Sir David Dalton that the remaining issue is about pay. Having said for several months that it was not about pay, they have now, in the end, come clean and said that it is about pay. That is what we are dealing with: pay rates for plain time and for Saturdays, where they wish for preferred rates over nurses and other “Agenda for Change” staff.

Dr Roberta Blackman-Woods (City of Durham) (Lab): Junior doctors in my constituency are only very reluctantly taking action on Wednesday. They are supported by many of my constituents, who think that it is simply a disgrace that junior doctors are being forced to take industrial action because the Government are simply failing to address the legitimate concerns raised by the BMA. I heard the Minister say that his door is open, but what he is actually going to do to settle the dispute, and does he think it helps to denigrate the BMA in the Chamber this afternoon?

Ben Gummer: The hon. Lady says the junior doctors in her constituency had legitimate concerns. They did. Every single one has now been answered in the negotiations between Sir David Dalton and his predecessors apart from one, and that is the one the BMA refuses to open negotiations on, despite having promised to do so in November last year. Yes, our door remains open, but the BMA has first to agree to talk to us, which it is again refusing to do.

Alex Chalk (Cheltenham) (Con): Junior doctors in Cheltenham are some of the most dedicated and hard-working people anywhere in our local community. It is therefore a concern to me that some have cited information from the BMA suggesting that the Government are proposing a pay cut. Will the Minister make the position crystal clear? Is that right?

Ben Gummer: No, it is not.

Norman Lamb (North Norfolk) (LD): Does the Minister ever wonder whether he has chosen the wrong target? He bases his entire argument on safety—and rightly so—yet chairs and chief executives of hospitals constantly tell me that they have no difficulty staffing their hospitals with junior doctors over weekends. At the same time, however, our GP out-of-hours services are under incredible strain and cover is threadbare in many parts of the country. That, surely, is where the real safety concerns lie.

Ben Gummer: The right hon. Gentleman will know that we are looking at the contracts for GPs, consultants and junior doctors: they are of a piece. We cannot see one clinical group in isolation, when they work together. He should know, therefore, that in concluding discussions with junior doctors, consultants and GPs, we need to ensure that we give hospitals and primary care settings the ability to roster staff consistently through seven days of the week.

Maria Caulfield (Lewes) (Con): I have met junior doctor colleagues over the last few weeks and months, and I know that many of them are cautious about the new contract and that strike action is the absolute last resort for them that they would rather not take. I met one of my constituents from Polegate this morning whose operation is going to be cancelled this week, thanks to the strike action. I welcome the Minister’s comment that the door is still open even at this late hour to call off the strike. Would he find it helpful if the shadow Secretary of State also condemned the strike and asked the doctors to call it off, so that patients do not become the real losers in this dispute?

Ben Gummer: My hon. Friend points to an interesting fact—that despite these many months of discussions, we have never had a clear line from the shadow Secretary of State or from the Opposition generally on whether they condemn or support the industrial action. It would be helpful if they made that clear because we would know at least whose side they are on. Are they on the side of patients, where we are trying to eliminate the weekend effect, or are they on the side of the BMA’s leadership?

Angela Rayner (Ashton-under-Lyne) (Lab): I find the Minister’s language and tone in regard to the BMA and the junior doctors unfortunate. He speaks as though junior doctors do not care and do not want to help their patients, and I find that regrettable. In my time as a Unison official, when I used to represent public sector workers in health care, the BMA was hardly known for its militancy within that organisation, and the Minister needs to reflect on that. Does he really think that this whole problem is, as my hon. Friend the Member for Bolsover (Mr Skinner) denied earlier, all the blame of the BMA and doctors? Doctors care about their patients; that is why they are in this position. Does the Minister not accept any responsibility for the impact?

Ben Gummer: I entirely agree with the hon. Lady about the passion and dedication of junior doctors—and never once has the Secretary of State or I questioned that. What we have questioned are the tactics of the BMA’s leadership. I happen to agree with her, too, about her previous employer Unison. I have constructive relationships with that union. I disagree with it, and it with me—often—but we agree on many things and have a straightforward relationship. I am afraid that it is difficult to do business with the BMA, however, when it promises to talk about one thing and then refuses to do so a few weeks later, when it refuses to come to the negotiating table for months, and when it misleads its members in a way that I do not think Unison has ever done.

Maggie Throup (Erewash) (Con): The residents in my constituency tell me two things: first, how much they value the work of doctors, both junior doctors and

[*Maggie Throup*]

consultants; and, secondly, how disappointed they are that this House is not united in saying that the strike is not justified on safety grounds. Is the Minister as disappointed as my residents?

Ben Gummer: Yes, and I would add the 2,800 people who have had their operations cancelled. I wonder what answer they would get from the Opposition about whether they support or condemn those cancellations. As soon as we get an answer to that very simple question, it will be easier for us to know the official position of Her Majesty's Opposition.

Julie Cooper (Burnley) (Lab): Yesterday, the Secretary of State for Health accused the BMA of misleading junior doctors. Today, the Minister comes to the House and accuses the BMA of lying. Is he really asking us to believe that some of the most intelligent people in the country—junior doctors—cannot see for themselves what the Government are proposing? Does he not feel that the continued abuse directed at the junior doctors' representatives is hindering any possibility of a settlement to this dispute and that that is damaging to patients?

Ben Gummer: The hon. Lady is also an intelligent woman, so let me ask her this. If a trusted body, such as the BMA, tells its members that they will have a pay cut of 30% and an increase in hours, but that statement is incorrect, does it constitute a lie? That is the question I would put back to her.

Stuart Andrew (Pudsey) (Con): A number of Members met representatives of the BMA in the House of Commons. We were disappointed that, despite continued questioning, they refused to go to the negotiating table, but thankfully they eventually did so, and made some progress. My constituents want a safe, seven-days-a week NHS. Is it not time to get back around the table, so that we can provide the service that NHS patients want?

Ben Gummer: It is, and that is why we need to move ahead in fairly short order. Ultimately, if staff contracts are not reformed across the service, those who will suffer most will be patients, and what will be most affected is the consistency of care that they receive at weekends.

Margaret Greenwood (Wirral West) (Lab): The shadow Health Secretary asked the Minister if he could list the hospitals in which there were currently not enough junior doctors working at weekends. He could not answer that question, so I will give the Minister another chance. Will he name them for us now?

Ben Gummer: Evidence given to the Review Body on Doctors and Dentists Remuneration made clear that rostering was made more difficult by the current plain-time terms in the contract. That is why it has been on the table for several years and has been the subject of parts of our discussions with the BMA, when we have been able to have them. It is also why one of the leading chief executives in the country, Sir David Dalton, who led the latest round of talks, has pressed the BMA to come and talk about Saturdays specifically and plain time in general. The BMA has refused to speak about either.

Richard Drax (South Dorset) (Con): Whatever the arguments in this case, I can think of no one more honourable, decent and honest to run the negotiations than my right hon. Friend the Secretary of State. It is reported that graduating medical students applying to be foundation year 1 and 2 junior hospital doctors are seeking work in Northern Ireland, Scotland and Wales to avoid the new contract. Is that true, and if it is, what can be done to stop this drain of our best medical students?

Ben Gummer: We do not see any particular evidence of the movement of juniors at present, but what we would most like to see for juniors is the introduction of the new contract, so that they can recognise that it will be better for their working practices than the current one. It is in everyone's interests—not just those of juniors, but those of patients—to ensure that juniors work safe hours. That is why the new contract involves reductions in the number of consecutive nights and long days, and it is why we want to reduce, and eventually eliminate, the excessively long hours in the week.

Christian Matheson (City of Chester) (Lab): I am sure that Ministers have a very clear idea of how their proposals will affect working practices, so may I ask this Minister on how many occasions last year a junior doctor worked 91 or more hours in a week?

Ben Gummer: We believe that last year about 500 junior doctors were operating on a band 3 payment, which equates to payments for hours of work that exceed what is specified in the working time regulations. That is a relatively small number within the NHS, but it is still significant, and for the doctors concerned, working those excessive hours is unsafe.

Mark Spencer (Sherwood) (Con): Will the Minister join me in thanking the junior doctors who ignored the call to strike last time, and does he agree that the lack of condemnation from the Opposition demonstrates that they are putting their support for industrial action before my constituents and their healthcare needs?

Ben Gummer: I entirely agree. Rather like an arsonist who pours petrol on a fire and then runs to offer help to put it out, the Opposition have done very little to help to get the contract into the place where it needs to be, and to stop the industrial action. I am afraid that the patients whose operations will be cancelled this week will suffer partly because of the Opposition's failure to take a firm stand.

Fiona Mactaggart (Slough) (Lab): As the Minister will know, Wexham hospital in Slough has enormously improved the care that it gives to its patients. It has done that with the same staff, but with a leadership which says to the people who work there that it has confidence in them and shares their values. The Minister is saying that he is the only person who cares about patient safety, and that doctors do not. What does that do for morale and for doctors' ability to improve the quality of care for patients?

Ben Gummer: I am not sure how to answer the right hon. Lady's question, given that she has wilfully misconstrued what I said. I have never once suggested

that only the Government care about patient safety. Almost every doctor out there cares for nothing other than patient safety and patient care. However, according to the 10 clinical standards of the Academy of Medical Royal Colleges, if there are to be consistent levels of care over the weekends, part of that will be achieved through reform of staff contracts. One of those is the junior doctors' contract, which is why we must press ahead with it.

Wendy Morton (Aldridge-Brownhills) (Con): I commend my hon. Friend for all the work he is doing to deliver a truly seven-day-a-week health service for the benefit of not only my constituents but those of every other Member. I am a little surprised by the hon. Member for Lewisham East (Heidi Alexander) saying that no one thinks the existing contract is perfect. Does the Minister agree that we should all be working together in the interests of our constituents to bring this situation to a successful conclusion, rather than trying to score party political points with it?

Ben Gummer: I agree with my hon. Friend. I am afraid that this is a mark of the way in which the Labour party has changed. I suspect that a Labour party of a different era—one that was more responsible in how it dealt with industrial disputes—would have understood on whose side it should be acting at this point.

Nic Dakin (Scunthorpe) (Lab): This is a Conservative Government, but to have a strike of this kind on any Government's watch is a disgrace and a failure. I quite like the Minister actually, but he has only ever laid the blame for this elsewhere. Surely, the Government should be evaluating their own performance and saying, "We can do better than this and we should ensure that this does not happen," even at the eleventh hour.

Ben Gummer: The hon. Gentleman tempts me with kindness, and I repay the compliment. However, having been involved in this process for some months now, I have found it incredibly frustrating. Up to the end of November, every time we asked the BMA to come and talk to us, it refused, despite personal entreaties. And when it did talk to us, we often found that we had nailed down an agreement only to find it slipping out of our fingers the next day in front of the media. This has been a hugely frustrating and difficult process for everyone concerned—not only for us but for the junior doctors, who have been left confounded and confused by the whole thing.

Dr Tania Mathias (Twickenham) (Con): Does the Minister agree that most, if not all, junior doctors exceed their contracted hours and that a 72-hour limit is therefore essential? Will he also acknowledge that, even after the negotiations are complete, many junior doctors will continue to exceed their contracted hours?

Ben Gummer: Some junior doctors exceed their contractual hours. The average across the service is 48 hours, but some are working as many as 91, which is the current permitted limit outside the working time directive. We wish to stop that altogether and bring it down to an absolute maximum of 72 hours a week, which would equate to a 48-hour average over the agreed period, which is currently six months. The key is to get the number of hours down, because working excessive hours is unsafe for patients and for doctors.

Barry Gardiner (Brent North) (Lab): The Minister has been keen to establish what he sees as the preferential terms and conditions that junior doctors enjoy, yet Sir David Dalton has said in an interview with the *Health Service Journal*:

"My assessment is that the staff group that will have to contribute the least above that which they are providing at the moment would be our doctors in training. Our messaging on this has got muddled".

Does the Minister agree?

Ben Gummer: Sir David Dalton has also made it clear that we have to reform all contracts. One can place the balance where one wishes, but it is important that we reform the juniors' and the consultants' contracts together, so that they can fit within the service of a piece. It is wrong, for instance, to have a junior on duty taking decisions at the weekend and not be covered by consultants supervising and helping with those decisions. We need to ensure that there is consistency of rostering through the week and at the weekend involving both juniors and seniors.

Robert Jenrick (Newark) (Con): I represent many junior doctors. I have met them and I have tried to represent their views to the Government, but I have always taken the view that my primary responsibility is to the patients of the NHS. One of those patients, a constituent of mine, emailed me this week to say that a consequence of the strike would be the "cancellation of my wife's biopsy, planned for this week, without which her already shortened life will be shorter".

Will the Minister, the shadow Minister and the whole House join me in condemning this strike? It will achieve nothing. It is a distraction from the negotiations, which need to continue, and it will put the lives of my constituent and others across the country at risk.

Ben Gummer: I cannot possibly add to the comment made by my hon. Friend, and I just hope the shadow Secretary of State takes note.

Liz McInnes (Heywood and Middleton) (Lab): Strike action is always a last resort, and I can say categorically, as an ex-NHS worker, that no NHS worker wants to go on strike. We have here a complete failure of negotiation. The Secretary of State's door may be open, but the inflammatory and insulting comments he made in the media this weekend do not exactly invite people to cross that threshold and talk to him. Given that he has manifestly failed as a negotiator, is it not about time he stood aside and let a trained negotiator deal with the BMA and come to an agreement, before it is too late?

Ben Gummer: I am not sure the hon. Lady has been listening to the statements made in this House and elsewhere.

Liz McInnes: I have been listening—

Ben Gummer: I am not sure the hon. Lady has been listening because otherwise she would have heard that the negotiations have already been taken on by leading negotiators from NHS Employers and, latterly, by Sir David Dalton, one of the leading chief executives in the country. Significant progress has been made, contrary to what she has just suggested. Negotiations have worked. We have managed to nail down—[*Interruption.*] The hon. Lady

[*Ben Gummer*]

shakes her head, but the fact is that Sir David Dalton has managed to secure agreement on every single point of contention other than pay rates for plain time, unsocial hours and Saturdays. This dispute on Saturday and the kind of results we are going to see across the country on Wednesday will, in essence, be about pay rates on a Saturday, with the BMA wanting preferential rates over nurses, porters, cleaners and other workers in the NHS.

Ben Howlett (Bath) (Con): May I join colleagues in thanking the Minister and the Secretary of State for all their work in negotiating a contract, which is obviously a tough discussion to have? Although many of my constituents may have sympathised last year with the BMA's case, patients and their families, including my father after a recent heart valve replacement, will be concerned that the BMA is not getting around the negotiating table and thus placing a lot of undue stress on the most vulnerable. Does the Minister agree that the BMA should seriously consider those patients as it protracts its negotiations?

Ben Gummer: If the BMA was truly representing its members, it would be thinking about patient welfare during the strikes. Just now, we heard my colleagues describe with great eloquence the kinds of effects on individuals that a strike will cause. These strikes will get us no nearer to a solution; the only way to come to a solution is by negotiation.

Matt Warman (Boston and Skegness) (Con): It is testament to the progress being made in the course of these negotiations that the BMA has cancelled some strikes and has downgraded the one we are expecting on Wednesday, but does the Minister agree that one crucial thing that would make the greater difference would be condemnation from the Opposition?

Ben Gummer: It would make a significant difference. Now that the Leader of Her Majesty's Opposition is sitting on the Front Bench, he might like to take note of

the fact that if we have a united political response condemning strikes that affect patients and their safety, it helps to bring negotiations to a more profitable end.

Diana Johnson (Kingston upon Hull North) (Lab): Hull royal infirmary is under a black alert, which means that local people have been told not to attend the hospital unless it is a matter of life and death. Will the Minister tell me how the insults the Secretary of State has been throwing around over the weekend, and those that he himself has made today about hard-working and dedicated junior doctors, will help people in Hull, who need a functioning NHS? How will those insults improve the morale of those doctors?

Ben Gummer: The hon. Lady does dangerous work if she tries to conflate the comments that I and others have made about the leadership of the BMA with the motivations of junior doctors, none of whom I have impugned. I recognise that junior doctors work incredibly hard, care passionately about their patients and have a vocational drive to do the best for the people they care for, but that is different from an organisation that refuses to talk, refuses to negotiate, lies to its members and is very slippery in the statements it puts out to the press.

Mr Philip Hollobone (Kettering) (Con): Kettering general hospital is always under huge pressure, and the junior doctors there do a fantastic job. May I tell the Minister that my constituents will be extremely disturbed to hear him tell the House today that the BMA said at the ACAS talks that it would negotiate about Saturday pay but is now refusing to do so? The consequence will be a strike on Wednesday, and my constituents are appalled that 2,884 operations have already been cancelled, with that number possibly set to go even higher.

Ben Gummer: My hon. Friend is right about that. He mentions one of a number of agreements that we have come to with the BMA in the course of these discussions that have subsequently been reneged upon by that organisation. That is why this whole process has been so torturous for everyone involved.

Syria Crisis: UK Response

4.19 pm

The Secretary of State for International Development (Justine Greening): With permission, Mr Speaker, I shall make a statement updating the House on the recent Syria conference, which the UK co-hosted with Kuwait, Norway, Germany and the United Nations last Thursday.

For nearly five years, the Syrian people have suffered unimaginable horrors at the hands of the Assad regime and, more recently, Daesh. Inside Syria, 13.5 million people are in desperate need, while a further 4.6 million people have become refugees. As we have seen over the past 72 hours alone, the impact on the people of the region is terrible and profound. When I was in Lebanon and Jordan last month, I spoke to refugees, some of whom were spending their fifth winter under a tent, and their stories were similar. When they left their homes, they thought they would be back in weeks or perhaps months at the most, but for an overwhelming number it has turned out to be years, and there is no end in sight.

Not only is Syria the world's biggest and most urgent humanitarian crisis, but its far-reaching consequences are being felt across Europe and touching our lives here in Britain. More than 1 million refugees and migrants risked their lives crossing the Mediterranean last year. Of these, half were fleeing the bloodbath in Syria.

Since the fighting began, Britain has been at the forefront of the humanitarian response to the Syria conflict. Aid from the UK is already helping to provide food for people inside Syria every month, as well as clean water and sanitation for hundreds of thousands of refugees across the region. Our work on the Syria crisis gives people in the region hope for a better future, and is also firmly in Britain's national interest. Without British aid, hundreds of thousands more refugees might feel they had no alternative but to risk their lives seeking to get to Europe.

Despite all that, more was needed. The UN Syria appeals for the whole of last year ended up only 54% funded. Other countries needed to follow the UK's lead and step up to the plate. That is why the UK announced we would co-host an international conference in London on behalf of Syria and the region, building on three successful conferences held in Kuwait in previous years. Last Thursday, we brought together more than 60 countries and organisations, including 33 Heads of State and Governments. The stage was set for the international community to deliver real and lasting change for the people affected by the crisis, but in the end it was going to come down to choices.

Could we pledge the record-breaking billions needed, going much further than previous conferences, and commit to going beyond people's basic needs and delivering viable, long-term solutions on jobs and education for Syria's refugees and the countries supporting them? At the London conference, the world made the right choices to do all of those things. Countries, donors and businesses stepped up and raised new funds for the crisis amounting to more than \$11 billion. This included \$5.8 billion for 2016 and another \$5.4 billion for 2017 to 2020. It was the largest amount ever committed in a single day in response to a humanitarian crisis, and it means that more has been raised in the first five weeks of this year for the Syria crisis than was raised in the whole of 2015.

The UK, once again, played its part. We announced that we would double our commitment, increasing our total pledge to Syria and the region to more than £2.3 billion. Going beyond people's basic needs, the world said at the London conference that there must be no lost generation of Syrian children and pledged to deliver education to children inside Syria and to at least 1 million refugee and host-community children in the region outside Syria who were out of school. This is an essential investment not only in those children, but in Syria's future. It also gives those countries that are generously hosting refugees temporarily the investment in their education systems that will benefit them in the longer term.

The London conference also made a critical choice on supporting jobs for refugees and economic growth in the countries hosting them. We hope that historic commitments with Turkey, Lebanon and Jordan will create at least 1 million jobs in countries neighbouring Syria, so that refugees have a livelihood close to home. That will also help to create jobs for local people and leave a legacy of economic growth. By making those choices, we are investing in what is, overwhelmingly, the first choice of Syrian refugees: to stay in the region, closer to their home country and their families who are so often still in it. If we can give Syrians hope for a better future where they are, they are less likely to feel that they have no choice other than to make perilous journeys to Europe.

I wish to thank all those civil servants from my own Department, the Cabinet Office, the Foreign Office and the Department for Business, Innovation and Skills for working so tirelessly as a team to help us deliver such a successful and vital conference. It is not often that civil servants get the thanks that they deserve, so on this occasion I decided to put my thanks on record.

The world has offered an alternative vision of hope to all those affected by this crisis, but, in the end, only peace will give the Syrian people back their future. The establishment of the International Syria Support Group at the end of 2015 was an important step on the path to finding a political settlement to the conflict. The Syrian opposition has come together to form the Higher Negotiations Committee to engage in negotiations with the regime on political transition, and the UN launched proximity talks between the Syrian parties in January.

The UN special envoy to Syria took the decision to pause these talks following an increase in airstrikes and violence by the Assad regime, backed by Russia. The UK has called on all sides to take steps to create the conditions for peace negotiations to continue. In particular, Russia must use its influence over the regime to put a stop to indiscriminate attacks and the unacceptable violations of international law. Across Syria, Assad and other parties to the conflict are wilfully impeding humanitarian access on a day-by-day basis. It is brutal, unacceptable and illegal to use starvation as a weapon of war.

In London, world leaders demanded an end to those abuses, including the illegal use of siege and obstruction of humanitarian aid. Our London conference raised the matter of resourcing for life-saving humanitarian support, which must be allowed to reach those who are in need as a result of the Syria conflict, irrespective of where they are.

[Justine Greening]

I also want to take this opportunity to provide an update on the campaign against Daesh in Iraq and Syria. Since my right hon. Friend the Foreign Secretary last updated the House on the campaign against Daesh in Syria and Iraq, the global coalition, working with partner forces, has put further pressure on Daesh. Iraqi forces, with coalition support, have retaken large portions of Ramadi. In Syria, the coalition has supported the capture of the Tishrin Dam and surrounding villages as well as areas south of al-Hawl.

The UK is playing its part. As of 5 February, RAF Typhoon, Tornado and Reaper aircraft have flown more than 2,000 combat missions and carried out more than 585 successful strikes across Iraq and Syria. We are also leading efforts to sanction those trading with, or supporting, Daesh. My right hon. Friend the Prime Minister gained agreement at the European Council in December on asset freezes and other restrictive measures.

Since day one of this crisis, the UK has led the way in funding and shaping the international response. We have evolved our response as this incredibly complex crisis itself has evolved. There will be no end to the suffering until a political solution is found. The Syria conference, co-hosted by the UK and held here in London, was a pivotal moment to respond to help those people and countries affected. We seized the chance to offer the Syrian people and their children hope for a better future. The UK will now be at the heart of making that ambition a reality and keeping the international community's promise to the Syrian people. That is the right thing to do for those suffering and, fundamentally, for Britain, and I commend this statement to the House.

4.29 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): The Syrian crisis is the most pressing humanitarian challenge facing us at this time, and the Government are to be commended on co-hosting an important conference that has raised more than \$10 billion for Syrian refugees. They are also to be commended on doubling our own commitment to more than £2.3 billion. The emphasis on education and jobs is entirely correct: we cannot allow a whole generation of Syrian children to be lost.

The Secretary of State will be aware, however, of the report by Concern Worldwide that reveals that a third of the funds pledged to Syria in 2015 had not been confirmed by December of that year. Can she say whether all the money pledged in 2015 has now been confirmed, and does she appreciate the hopes of the entire House that she will get other countries not just to match our generosity but to hand the money over? The wholly commendable efforts on Syrian refugees in the region belie the Government's wilful myopia on the plight of more than half a million Syrian refugees here in Europe. It is true that the majority of Syrian refugees are in the region, and the situation continues to worsen. We all saw the television pictures at the weekend of tens of thousands of terrified Syrians waiting at the border with Turkey in response to Assad's bombardment of Aleppo, but will the Secretary of State explain how much longer this country and the EU can expect Turkey to keep its border with Syrian open while at the same time we want to prevent refugees from transiting to western Europe?

The funds raised by the conference are vital, but it is vital, too, that this country shows willingness to take its

fair share of refugees, including Syrian refugees. The UK has agreed to take, over five years, fewer refugees than Germany has taken in a month. The Opposition appreciate that this country has not signed up to Schengen, but does the Secretary of State acknowledge that the fact that we are not signatories to Schengen does not remove the moral responsibility that falls on us as part of the European family of nations, and does she accept that many people are surprised and disappointed that the Government have rejected the Save the Children campaign to take in just 3,000 child refugees?

The Secretary of State may well wish that these children had stayed in the region, but the direction in which the children chose to flee does not make them any less vulnerable. These children may not be in the part of the world she might prefer them to be in, but they are still lone children at risk of abuse, sex-trafficking and worse. She cannot behave as if there are two classes of Syrian child refugee: one set who stay in the region, whom she is prepared to help, but another class who have travelled to Europe on whom she turns her back.

The Secretary of State will have heard reports of the German Chancellor's speech in Turkey today. Does she agree with Angela Merkel that the ultimate solution to the migrant crisis is safe and legal pathways for refugees? On the political process, I am glad to say that the Opposition support calls on all sides in the Syrian civil war to take steps to move towards sustainable peace negotiations. In particular, Russia must use its influence on the Assad regime. We entirely agree that it is unacceptable and illegal to use siege, starvation and the blockage of humanitarian aid as a weapon of war. We welcome the steps taken to freeze Daesh assets and other restrictive measures, for which my right hon. Friend the Leader of the Opposition has called for some time.

All Syrian refugees want to return home. Immigrants and refugees, whether they go home or not, never lose that hope in their heart that they will return to the country in which they were born. But whether the Secretary of State would prefer it or not, there are half a million Syrian refugees here in western Europe. Together with my right hon. Friend the Leader of the Opposition, I visited the camp in Calais and met very many Syrian refugees there, many of whom, it seemed to us, had a legal right to come to this country, and all of whom were living in appalling conditions.

When the caravan of these international events has moved on, there will still be thousands of Syrians and other refugees, including an increasing proportion of women and children, living in appalling conditions in Europe, frightened, terrorised and at the mercy of people traffickers. We may all wish that they had not listened to the people traffickers, but this Government should be doing more not just for Syrian refugees in the region, but for the very many Syrian refugees here in western Europe.

Justine Greening: The hon. Lady raises the important point that it is vital that countries that came and made promises at last week's conference live up to them. Too often at similar meetings in the past, countries have spoken warm words or set out promises that they have not lived up to. The UK will play its role by delivering on our promises, as we have in the past and will in the future, and by putting in place the necessary transparency to enable us to ensure that other countries live up to the promises they made.

It is wrong of the hon. Lady to say that we have not played our role close to home. Our strategy from the word go has been to tackle the root causes of the crisis that we have seen reaching our own shores, which is to make it viable for refugees to stay close to home in their home region as that is, overwhelmingly, the first choice of most refugees. It has been a failure to deliver on such promises and to provide the necessary resourcing that has led them over time to give up on that.

We are playing our role close to home here in Europe. It is the UK that has been working with UNHCR and the Red Cross, making sure that newly arrived refugees are effectively registered—although the hon. Lady will understand the challenges that poses on occasion—and making sure that they have the shelter, clothing, blankets and sustenance that they need, having finally made that often fatal journey. So we are playing our role.

The hon. Lady will know that we are resettling 20,000 refugees from the region directly. That is not only a safer route for people to get to the UK if that is where they need to be resettled, but it enables us to focus on the most vulnerable people affected by the crisis who need to be resettled—people who could never otherwise make the kind of journey we have seen other refugees making across Europe. In more recent days we have set out the work that we will be doing particularly to help children affected by the crisis. I am very proud of the work that the UK has done to put children at the centre of our response to the Syrian crisis. It was at our initiative that the No Lost Generation initiative was set up. It was through our help that UNICEF has been able to put safe zones in refugees camps to help link up children who have become separated from their family. It is the UK that has been ensuring the availability of the psychosocial support that children so often need, having been involved in such crises and undergone the experiences that they have, and we will continue to do that.

More broadly, the hon. Lady's condemnation of Russia is correct. We can debate whether and how the UK's support for people affected by this crisis is working, but we should all be able to agree that the routine, flagrant, deliberate breaches of international humanitarian law that we see daily in relation to this crisis are unacceptable. A country such as Russia should be playing its role by pressing the Assad regime, which it is spending so much time and resource supporting, to allow the aid that is there in places such as Damascus to get down the road to the people who desperately need it. I believe that in time, as we look back on the crisis in the years to come, that breach of international humanitarian law will be one of the most telling aspects of it. People will ask themselves how it could have been allowed to go on.

Pauline Latham (Mid Derbyshire) (Con): May I commend my right hon. Friend for her calm and factual statement on the situation of the Syrian refugees, which contrasted with the rather emotive statement by the shadow Secretary of State, who is trying to whip up emotion about these things? Does my right hon. Friend agree that, actually, we do need peace in the region, we do need to talk to Russia about what it is doing, and somebody needs to tackle Assad? We should also be looking at keeping as many people as possible in the area where they have been brought up, where their culture is correct and where they understand the lifestyle, rather than encouraging them, as the Labour party

might choose to do, to come to this country, when we are putting so much money—taxpayers' money—into helping these people to settle there.

Justine Greening: These are two related issues. One, as I have said, is that we are, of course, playing our role close to home—here in Europe—in helping refugees who have finally arrived on our shores. However, my hon. Friend is right to recognise that, overwhelmingly, refugees basically want to stay close to home. I met a lady on my last trip to Jordan whose family were still in Homs, and she had intermittent contact with them. For her, the prospect of even considering leaving Jordan was totally not what she was looking at; what she desperately needed was to be able to work legally to support herself while she tried to get on with the life she suddenly found herself living.

As I said, at the beginning of this crisis, none of the refugees thought that they were leaving Syria for anything more than a few weeks or months, and we should all think about how we would cope with such situations. It is incumbent on the international community, though, to make sure that we now go beyond providing just day-to-day support, so that people are not just alive but able to have some kind of life. That is in their interests, but it is also in the interests of the host communities, which are so generously accommodating them.

Patrick Grady (Glasgow North) (SNP): I thank the Secretary of State for her statement and for giving us early sight of it. The Scottish National party, too, welcomes the pledges and commitments made at the conference. We recognise the achievement of securing the biggest ever pledges made in one day and particularly the commitments on child education and jobs. However, I echo the concerns about the difference between making and fulfilling a pledge, and it would be helpful to hear what discussion there was at the conference about processes for monitoring and implementing the pledges, bearing in mind the gap between last year's pledges and the actual assessed need.

There is a feeling in some quarters that civil society—especially local and national Syrian civil society organisations—was under-represented. However, it is those organisations that are often the front-line responders to the crisis and that have the access inside Syria that international counterparts do not. It would be useful to hear what role the Secretary of State sees civil society on the ground having in decision making and implementation as aid is disbursed.

While recognising the role the Government have played, I echo the concerns about the response to the refugee crisis in Europe. Analysis from Oxfam suggests that, rather than 20,000 refugees over four years, the UK's fair share would be 24,000 this year alone. How will the commitments the UK made at the conference support those displaced by the conflict, especially those already in Europe?

Finally, the only viable long-term solution, as we have heard, must be a negotiated peace. What discussions is the Secretary of State continuing to have with her Cabinet colleagues about the impact of UK airstrikes, and does she believe that the UK's involvement has helped or hindered its role as a peacemaker; and how can the Government be confident that their bombing is not adding to human misery, and that, while seeking to improve the humanitarian response on the one hand, they are not adding to the crisis on the other?

Mr Speaker: The hon. Gentleman might win a prize, although it may not be one that he craves, for probably the longest sentence in the Parliament.

Justine Greening: Mr Speaker, I shall try to answer briefly the points that the hon. Gentleman raised, which were all important.

As I said, we will do our level best to make sure that the commitments made last Thursday are honoured. The hon. Gentleman is right to highlight the important role of civil society. In fact, we had a day dedicated to that last Wednesday. Seventeen Syrian civil society organisations were represented at that event, and 27 non-governmental organisations overall. The role they have been playing, and can continue to play, is in delivery on the ground. Many of these people put their lives on the line every single day of the week to get into communities who desperately need their help. We have to continue to assess needs, and the information that we get from civil society is often vital in making sure that we target our aid where it can have the biggest impact.

Looking ahead, perhaps optimistically, but nevertheless importantly, when we finally get to a position where we can see Syria getting back on its feet and rebuilt, civil society will have a crucial role not only in understanding the needs and priorities of local people but in forming networks that can help on the ground to deliver on them. As I said, I believe that we are playing our role, not only, overwhelmingly of course, in the region, but closer to home here in the EU. A pound spent here in Europe does not go anywhere near as far in supporting refugees as a pound that can be delivered closer to home in the region to provide food, water and shelter, or get a child into school who is currently out of school. It is incredibly important that we do not lose sight of the need to tackle the root causes that underlie the refugee flows into Europe over recent months.

The hon. Gentleman will not be surprised to hear that I could not disagree with him more on UK airstrikes. One of the key challenges in ever reaching any kind of peaceful settlement in Syria is the presence of the barbaric Daesh, who, day by day, routinely commit acts of unspeakable brutality—particularly on women, but on people more generally—in the territories they control. These people are not simply going to get up and go home. That is why we need to take military action against them to force them out of those territories. This is already happening in Iraq. They are leaving a wasteland behind them, but at least it is a wasteland that we can start to rebuild in, and we are going to do the same in Syria.

Mark Field (Cities of London and Westminster) (Con): I wholeheartedly support what the Government are doing. A critical part of our strategy is to ensure that the two small nations nearby, Jordan and Lebanon, are able to cope. It must be incredibly difficult, given the huge number of refugees compared with their overall populations. Will the Secretary of State give some detail on the work we are doing to encourage those two nations, particularly in economic terms, through customs unions and the idea of economic co-operation—perhaps not just with the UK but within the EU as a whole—to try to ensure that they do their best in this regard? We must recognise that many hundreds of thousands of these Syrian refugees are likely to be in Jordan and Lebanon for many years to come.

Justine Greening: I am pleased that my right hon. Friend has mentioned this historic step forward in getting agreement to start creating jobs for refugees. For many years, they had been unable to work legally, and that forced many into working illegally to try to support themselves. They might have left Syria with some assets, but over the weeks, months and years those assets were depleted, and reaching the end of them led many to decide that they had no alternative but to try to find a life somewhere else. This therefore matters. In essence, countries such as Jordan and Lebanon decided to allow work permits so that greater numbers of Syrian refugees can work legally. These were big decisions for them to take, but they were right to do so as they cope, and indeed often struggle to cope, with the refugees who are temporarily, but in large numbers, within their countries.

What are we doing? On the Jordanian and Lebanese side, particularly with Jordan, we are setting up economic zones with advantageous tax rates to encourage investment. Some of this will be, in effect, the Syrian economy in exile. I have met business leaders who are re-establishing their Syrian companies, but in Jordan. That is not just good for Syrians who can get back into work; it is also providing work for local people who are unemployed. This is complemented by the investment coming from the World Bank and the European Investment Bank; and crucially, as my right hon. Friend mentioned, by reform at the European Union level and making our own trade barriers that much more flexible so that countries such as Jordan can more easily sell their goods into the huge market that is the European market.

We should be really proud of the work achieved with both Jordan and Lebanon at the conference. It was home-grown UK ideas that were put on the table and they got international support. Most importantly, they gave us the chance to work directly with the Governments of Jordan and Lebanon to help with the long-term provision of jobs and growth that will be there long after their generous hosting of refugees temporarily.

Mr Speaker: The lucidity and comprehensiveness of the Secretary of State's replies cannot be disputed, but I would gently point out that we have got through two Back-Bench questions in seven minutes, so we shall now strive for improvement in productivity.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I strongly welcome the results of the London conference and the leadership shown by the Secretary of State and others in Government. That is immensely important. She said that Britain is also helping refugees in Europe, but the honest truth is that the help being provided to them is tiny. There are refugees in Greece and the Balkans, and close to home in Dunkirk and Calais, who are in worse humanitarian conditions than those in the region and who are being denied support by Governments, the United Nations and aid agencies because they are in Europe. Children are suffering from scabies, bronchitis and cold. How much of the London conference funding will go towards helping refugees in Europe? If the answer is none, what is the Secretary of State doing to hold a similar pledging conference to help the refugees in Europe?

Justine Greening: The conference was, indeed, about making sure that we are responding, in the region, to Syrian refugees and host communities affected by the crisis.

The right hon. Lady asks about the response in Europe. We are talking about European countries that have the resources to respond to and help refugees who are currently in their own countries, but, as I have said, the UK has played its role in helping refugees who have arrived.

John Redwood (Wokingham) (Con): I strongly support the Government's approach of giving maximum help to refugees near their homeland, as well as the Government's participation in crucial initiatives for political progress and peace. What impact is the intensification of Russian-supported Assad military intervention having on British Government policy?

Justine Greening: The main impact, in the short term, has been the breakdown of any progress in peace talks. In the end, it is a peace settlement that will give people hope for the future and result in their wanting to go back and rebuild their country.

Mr Ben Bradshaw (Exeter) (Lab): I welcome the Secretary of State's comments on the positive role already being played by the RAF in the coalition campaign to drive Daesh back from territory in Syria, following the recent vote in this House. Does she agree that the catastrophe, including the humanitarian and refugee catastrophe, will continue as long as Daesh controls large areas of eastern Syria and as long as President Assad, supported by Putin, slaughters his own people?

Justine Greening: Yes, I agree entirely. As I said in response to the hon. Member for Glasgow North (Patrick Grady), it is critical that we maintain Syria's integrity as a country, and that absolutely means regaining the territory that has been lost to Daesh. There can be no peace settlement in Syria until we have that territory back under control and it can form part of the peace talks.

Wendy Morton (Aldridge-Brownhills) (Con): I am grateful to the Secretary of State for coming to the House today. She has always been accommodating in updating us on the work of the Department for International Development in the region. Will she confirm that DFID will continue to focus its work and aid on the camps and the region, because ultimately this is about tackling the root cause of the problem, and a political solution is the only long-term solution?

Justine Greening: I strongly agree with my hon. Friend. The talks need to get back under way. Of course, UN Security Council resolution 2254, which was adopted at the end of last year, set out a road map for that to happen. It highlighted two key areas. The first was the need for a ceasefire, and the second was the need for free, unfettered access for humanitarian supplies to get through to people, but the lack of progress on them, combined with the intensification of attacks by Assad forces, supported by the Russians, is hindering the peace talks and undermining the process.

Ann Clwyd (Cynon Valley) (Lab): Words cannot convey the impotence and the anger that we, as politicians, feel at the lack of progress in the peace process. I understand the contribution made by the Government, but we are seeing an awful humanitarian crisis develop today at the border with Turkey. Mrs Angela Merkel has made quite clear what she feels about it. She says that the Russians

are primarily responsible for the bombing and are the reason that people are fleeing in their droves from Syria. Has the Foreign Office called in the Russian ambassador today? Has the Prime Minister called in the Russian ambassador? He should be called in every day until the Russians stop barrel bombing the civilians in Syria.

Justine Greening: The right hon. Lady will be pleased to hear that the Foreign Secretary is part of the International Syria Support Group, which will meet in Munich this Thursday, hopefully with the Russians there. That is precisely the sort of message that we will be delivering to the Russians; they have a critical part to play in enabling the peace talks to move forward. At the moment, their actions are taking us further away from a peaceful settlement, because they are bombing the very moderate opposition around which it should be possible to form a transition Government.

Heidi Allen (South Cambridgeshire) (Con): The Secretary of State has every right to be exceptionally proud of what was achieved at the conference, but I fear that we need to do more locally in Europe. She will know, I am sure, that I and my hon. Friends the Members for Bury St Edmunds (Jo Churchill) and for Eastbourne (Caroline Ansell) were in Lesbos last weekend, and I can tell her that the Greeks are not coping. Britain needs to lead in Europe, as we have done on the global stage. There are refugees, including children, in Europe who need our help, and Greece is on its knees. Will the Secretary of State meet us to hear our first-hand emotional and factual account of what we saw?

Justine Greening: I am very happy to meet my hon. Friend, and I have read reports of her visit. I reassure her that we are playing as much of a role as we can in working with Greece. The UK has worked with the UNHCR, which has registered many of the refugees who have arrived in Greece. In the end, we have to accept that Greece has sovereign control, and it will want to organise how it deals with refugees. Yes, it needs resourcing. The European community is discussing how it can effectively do that, and the UK has been part of that. In the meantime, our focus has rightly been on dealing with the root causes of why those people lost any hope that there was a future for them in the region where they lived and had grown up. That surely has to be the main focus.

Mr Pat McFadden (Wolverhampton South East) (Lab): The Prime Minister accepted when the House voted to extend the military campaign against ISIS from Iraq to Syria in December that that would extend not only our involvement but our responsibility. May I ask the Secretary of State more about the political peace process that she has touched on? It would be easy to lose faith in it, given the events of recent days, but does she agree that although the aid efforts she talks about are commendable, the only long-term solution for the people of Syria is not aid but a country in which they can live? Is there anything more that she can say about how to get the political process back on track?

Justine Greening: The right hon. Gentleman knows that a key next step will be taken this Thursday, when the International Syria Support Group meets. That will build towards the resumption of peace talks, which are having what the UN special envoy Staffan de Mistura

[*Justine Greening*]

described as a “pause” until 25 February. There are two elements to this. One, of course, is the peace talks and the political dialogue that is under way. The second, as I said in response to an earlier question, is the military action that is needed to eradicate Daesh from the part of the country that it holds. Making progress on both of those is critical. The final step, the rebuilding of Syria, will be a chance to put into practice much of the planning that is there already but unable to be got on with.

Dr Andrew Murrison (South West Wiltshire) (Con): Tragically, whole generations of children have grown up in refugee camps, such as those in Tindouf in Algeria, with all that that means in terms of education and radicalisation. What can be done to prevent something similar from happening near Syria?

Justine Greening: The sort of step forward that we saw last Thursday—the commitment that no child will be lost to the Syrian crisis, and that all children will be back in school—is absolutely critical. If we want them ever to feel that they are in a position to rebuild their own country, they will need at least to be able to read and write, and to have had some sort of education. Too many children have already lost too many days in school, but after last Thursday we have a much better chance of getting them back into the classroom and back learning. That is precisely what we are hoping to do over the next few weeks and months.

Keith Vaz (Leicester East) (Lab): May I join other Members in commending the Secretary of State for the success of the donor conference but remind her that, as with the Yemen donor conference six years ago, it is not the pledges but the paying of the money that matters? In that case, only 10% has been paid so far. The key local country is Turkey, to which the EU has pledged €3 billion to deal with this crisis. Has that money been paid at least in part, and can she reassure the House that recent developments are not affecting the processing of the 19,000 Syrian refugees whom the Prime Minister has pledged will come to this county before the next election?

Justine Greening: The €3 billion deal was very much reached as part of the Syria conference last Thursday. Like the right hon. Gentleman, I will be very keen to make sure that all the commitments made last Thursday are delivered. That is vital if we are to achieve the results we have set ourselves, including the ambition to make sure that no Syrian refugee child is out of school by the end of the forthcoming academic year. More broadly, he should be reassured that the UK will continue to play a role in ensuring not only that we do a lot in our response to this crisis—we have already done so: we are the second biggest bilateral donor to date—but that we continue to shape the response.

Bob Stewart (Beckenham) (Con): Once people cease to be internally displaced persons and cross an international border, in their minds and in reality they become refugees or economic migrants and it is very difficult—much more difficult—for them to go back to their own country. It would be great if the international community, which has so far failed to stop the war, came to an agreement to set up safe areas close to or on the borders of other countries. We would be able to reach into those safe

areas and look after people there so that when the time comes—and politics works—they can go home to their own country.

Justine Greening: Following last Thursday’s conference, the hope is that we can better help countries on the border with Syria that are safe for refugees to flee to and that are better able to cope with the refugees who are now there. We all hope that, in time, refugees will be able to go back to their countries. The reality, however, is that the typical time somebody spends as a refugee is now 17 years. That is why the work on getting children into school and on jobs is so important.

Tom Brake (Carshalton and Wallington) (LD): What concrete action did the conference agree to take in Aleppo, following the toxic intervention of the Russians and the likelihood that Assad will impose a blockade? Was the subject of either aid convoys or air drops discussed?

Justine Greening: The general point that the right hon. Gentleman raises about access and making sure, alongside generating the resources that UN agencies and NGOs need, that we have the ability to get those resources to people in need was a central part of the conference. That is why I set out in my statement how important it was for the international community to reiterate its support for free and unfettered humanitarian access. We should condemn all those who are daily preventing key supplies from reaching people who are often at death’s door and in need of such supplies.

Jason McCartney (Colne Valley) (Con): The easiest thing in politics is to say, “Do more”, but may I say how proud I am of the Secretary of State, the Prime Minister and the UK for our response to this humanitarian crisis? I agree with my right hon. Friend the Member for Wokingham (John Redwood), the right hon. Member for Cynon Valley (Ann Clwyd) and many other Members that we must now tackle the issue of indiscriminate bombing by Russian air forces. What can be done to get the UN special envoy back around the table with the Russians and to stop the bombing, which is making the crisis so much worse?

Justine Greening: The UK Parliament is playing its own role in highlighting this issue, which has led to the current pause in the peace talks. In Munich on Thursday, it is vital that the Russians take a long, hard look at their role in being able to make or break the peace talks. At the moment, the actions they are taking are preventing progress—it is as simple as that—on two fronts: one is the ceasefire, and the other is their failure to persuade the Assad regime to allow supplies into key areas under its control. Of the many requests that UN agencies have made to the Assad regime to allow access to such areas, just 10% have been agreed, which is a total disgrace. I hope the Russians will raise that with the Assad regime, which they are doing so much to support.

Peter Kyle (Hove) (Lab): I commend the Secretary of State for the resources that have been allocated to educating children and young people from Syria while they are displaced, which I understand are being channelled almost exclusively through UNICEF. Will she confirm that British aid agencies, which have a lot of experience

in this area, are being included in the discussions and that the door to DFID is open so that their expertise can be used and harnessed?

Justine Greening: The No Lost Generation initiative was set up with UNICEF, which has done an amazing job in allowing us to scale up this work. Of course, it is now essentially owned by the Governments in Lebanon and Jordan. I have had the privilege to work alongside their Education Ministers to put together the plans that are enabling us to scale up this work to ensure that all children in those countries can get into school. The best suggestion I can make is that those NGOs get in touch with DFID to understand what role they can play in the plans that the Governments of Jordan and Lebanon have to get children back into school.

Henry Smith (Crawley) (Con): I commend my right hon. Friend and the Government not only for convening the Syria donor conference but for the significant in-region humanitarian support we are providing. In recent times, Saudi Arabia and the United Arab Emirates have contemplated military action in Syria. Will she say what those countries and similar countries in the region are doing with regard to humanitarian aid?

Justine Greening: One big step forward at the conference was the stepping up of the region to provide the resourcing for humanitarian supplies to get through to people. Of course, the last three donor conferences were in the region, in Kuwait. We chose to host the conference this year, but it had substantial and significant support from the region. That is one reason we were able to reach such a record-breaking pledge.

Andrew Gwynne (Denton and Reddish) (Lab): I echo the concerns of my right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper) about the squalid conditions of some of the refugee camps not just in Syria and the region but in Europe. What assessment has the Department made of the health risks, particularly the public health risks, arising from those squalid conditions? What more can be done to alleviate the conditions in which refugees are living?

Justine Greening: As I said earlier, we have provided key support to refugees arriving in Europe. Most recently, we announced a £10 million fund that will enable us to provide very practical support to refugees who are having to cope with the difficult conditions the hon. Gentleman describes.

Mr Philip Hollobone (Kettering) (Con): I commend my right hon. Friend for ensuring that Britain is the second largest western donor of aid to the region. What are the Turks meant to deliver in return for the €3 billion that the EU is giving them, especially with regard to the latest wave of refugees from the crisis in Aleppo?

Justine Greening: My hon. Friend will be aware that there is already a substantial number of refugees in Turkey—

2 million in total. The plan is really about helping Turkey to continue to provide the food, water, shelter, education and, more latterly, jobs programmes that enable refugees to cope with the circumstances they find themselves in.

Diana Johnson (Kingston upon Hull North) (Lab): If Syria is to have a stable and peaceful future, women and girls will have a part to play in it. Will the Secretary of State say why there was no mention of the role of women in the Syrian stabilisation paper that was published last week?

Justine Greening: I fully agree with the hon. Lady that women have a key role to play not only in the rebuilding of Syria in time, but in the peace talks that need to happen in advance. She will know that, alongside all the work we have done to help children affected by this crisis, we have focused on women as well. We know that in humanitarian emergencies, women and girls—adolescent girls, in particular—are often the most vulnerable people, so we have worked very hard to make sure that the risks they face are managed. I would be happy to write to her about some of our plans to make sure that women stay at the centre of our thoughts in the international response to the Syria crisis.

Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): The Secretary of State appropriately highlights the work that is done with people immediately on their arrival into Europe, but the key question remains about what happens after that. What do the Government think should happen with the 1 million people who arrived in 2015, and who should do it?

Justine Greening: The UK is obviously not part of the Schengen area, but it has played its own role in helping Syrian refugees who need to be resettled out of the region—the Prime Minister has pledged to resettle Syrians over the course of this Parliament, and I pay tribute to the work of the Under-Secretary of State for Refugees, who has overseen that process to date. We met our first timeline of resettling 1,000 Syrian refugees prior to Christmas, and I think we should be proud of that.

Hywel Williams (Arfon) (PC): Today, up to 70,000 refugees from Aleppo are caught between the al-Assad regime's advancing forces and Russian airstrikes, and are unable to cross to Turkey. What is being done to offer immediate help to those poor people?

Justine Greening: That flow of people is happening because action by the Syrian regime is driving them out of their homes, and we have seen that persistently over the past few years. We have talked directly with our partners on the ground to ensure that humanitarian support is getting through to those Syrian refugees, and more broadly we understand that the Turkish authorities are putting in place the necessary measures to ensure that people are able to cross the border.

Local Government Finance

5.11 pm

The Secretary of State for Communities and Local Government (Greg Clark): With permission, Mr Speaker, I am pleased to report to the House my response to the consultation on the provisional local government financial settlement for the next financial year. I have considered all 278 responses to the consultation, and my Ministers and I have met local government leaders of all types of authority and from all parts of the country, as well as many colleagues in this House. I have listened carefully to each of them. Colleagues who have worked with me before know that I always take the views of Members of this House seriously, and I always respond when I can to practical and sensible suggestions. I am grateful to everyone who has taken the trouble to make such suggestions.

The provisional settlement contained a number of important innovations. First, although the statutory settlement is for 2016-17, I set out indicative figures to allow councils to apply for a four-year budget extending to the end of the Parliament. Such a change permits councils to plan with greater certainty. That offer was widely appreciated in the consultation, which is not surprising as local government has been requesting it for years. I want to give councils time to consider this offer and to formulate ways to translate that greater certainty into efficiency savings. I will therefore give them until Friday 14 October to respond to the offer, although many have done so positively already.

Secondly, in the provisional settlement I responded to the clear call from all tiers of local government, and many colleagues across the House, to recognise the important priority—and growing costs—of caring for our elderly population. In advance of the spending review, the Local Government Association and the Association of Directors of Adult Social Services wrote to me requesting that an additional £2.9 billion a year be made available by 2019-20. Through a dedicated social care precept of 2% a year—equivalent to £23 per year on an average band D home—and a better care fund of £1.5 billion a year by 2019-20, we will seek to address those pressures on care. The provisional settlement made up to £3.5 billion available by 2019-20.

Thirdly, recognising that council services in rural areas face extra costs, I proposed in the provisional settlement that the rural services delivery grant be increased from £15.5 million this year to £20 million in 2016-17—the year of this settlement—and provisionally to £65 million in 2019-20. Councils and colleagues who represent rural areas welcomed that, but some asked that the gap in central Government funding between rural and urban councils should not widen, especially in the year for which this statutory settlement is intended.

Fourthly, this year's provisional settlement marked the turning point from our over-centralised past. At the start of the 2010 Parliament, almost 80% of local councils' expenditure was financed by central Government grant. By next year, revenue support grant will account for only 16% of spending power, and by 2019-20 only 5%. Ultimately, revenue support grant will disappear altogether as we move to 100% business rates retention. Local finance through council tax and business rates, rather than central Government grant, has been a big

objective of councils for decades. However, many authorities and many hon. Members, especially those from counties such as Dorset, Leicestershire, Hampshire, Worcestershire, Lancashire, and several London boroughs including Kingston and Havering, have argued for transitional help during the first two years when central Government grant declines most sharply. They have argued that other local resources would not have had the time by then to build up fully.

Much in the provisional settlement was welcomed, but specific points were raised about the sharpness of changes in Government grant in the early years of this Parliament and there were concerns about the cost of service delivery in rural areas. Another very important point was made: many colleagues and councils felt that too much time has passed since the last substantial revision of the formula that assesses a council's needs and the cost it can expect in meeting those needs. These responses to the consultation seemed to me to be reasonable and ought to be accommodated if at all possible.

Everyone will appreciate that the need to reduce the budget deficit means that meeting the recommendations is extraordinarily difficult, but I am pleased to be able to meet all of the most significant of them. I can confirm that every council will have, for the financial year ahead, at least the resources allocated by the provisional settlement. I have agreed to the responses to the consultation, which recommended an ease in the pace of reductions during the most difficult first two years of the settlement for councils that experience the sharpest reductions in revenue support grant. I will make additional resources available in the form of a transitional grant, as proposed in the response to the consultation by colleagues in local government. The grant will be worth £150 million a year, paid over the first two years.

On the needs formula itself, it is nearly 10 years since the current formula was looked at thoroughly. There is good reason to believe that the demographic pressures affecting particular areas, such as the growth in the elderly population, have affected different areas in different ways, as has the cost of providing services. I can announce that we will conduct a thorough review of what the needs assessment formula should be in a world in which all local government spending is funded by local resources, not central grant. We will use it to determine the transition to 100% business rates retention.

Pending that review, and having listened to colleagues representing rural parts of the country, including Cornwall, Lincolnshire, Devon, Cumbria and Northumberland—

Mr James Gray (North Wiltshire) (Con): And Wiltshire.

Greg Clark: And indeed Wiltshire. I suspect I may have the opportunity to respond to colleagues. In fact, distinguished local authority leaders are with us today.

I propose to increase more than fivefold the rural services delivery grant from £15.5 million this year to £80.5 million in 2016-17. With an extra £32.7 million available to rural councils through the transitional grant I have described, this £93.2 million of increased funding compared with the provisional settlement is available to rural areas. Very significantly, this proposal ensures there is no deterioration in Government funding for rural areas compared with urban areas for the year of this statutory settlement.

At the request of rural councils, I have also helped the most economical authorities by allowing them to charge a de minimis £5 a year more in council tax without triggering a referendum. I will also consult on allowing well-performing planning departments the possibility to increase their fees in line with inflation at the most, provided that the revenue reduces the cross-subsidy the planning function currently gets from other council tax payers.

A final point from the consultation: although the figures for future years are indicative, a small number of councils were concerned that, as their revenue support grant declined, they would have to make a contribution to other councils in 2017-18 or 2018-19. I can confirm that no council will have to make such payments.

These are important times for local government. The devolution of power and resources from Whitehall is gathering momentum, yet I am aware that there is serious work for councils to do to continue to provide excellent services for residents at the lowest cost possible over the years ahead. I acknowledge the important role of Members in representing to me the recommendation of councils that deliver the services on which all our constituents depend. I am grateful for all their contributions.

My response to the consultation has been positive in respect of very sensible recommendations and as fair as possible, while holding firm to our commitment to free our constituents from the dangers inherent in the national deficit. I commend the statement to the House.

5.20 pm

Jon Trickett (Hemsworth) (Lab): I thank the Secretary of State for his courtesy in providing me with an advance copy of his statement. We welcome some of the announcements made this afternoon. It is clearly a good thing that more money is being provided to rural communities that are particularly hard hit, but will he explain exactly where the additional funding is coming from? It sounded like a sum of just over £200 million, but that obviously represents a massive shortfall in relation to the billions required to meet all the spending pressures. Nevertheless, where is this additional funding coming from? Has he had to cut other areas of local government expenditure to deliver the additional money? Above all, will he confirm that all this is purely transitional? It reminds me of someone speeding along the road into a disaster who then says he will take his foot off the accelerator without changing the destination. Local government is facing a disaster.

The Secretary of State's provisional announcement the other week seems to have added some unusual recruits to Labour's Anti Austerity Alliance. I wonder whether the right hon. Gentleman knows the identity of the anonymous Tory MP who told "ConservativeHome", which is essential reading—[*Interruption.*] It certainly is true. This anonymous MP said:

"Councillors have done the right thing, and done it well, in saving vast amounts of money in the last few years. But now all the fat is gone, all the meat is gone and government wants to gnaw on the bone. I'm not having my local swimming pools and libraries closed down"—

and I say hear, hear to that! Is the Secretary of State really gnawing on the bone of local government, as many people feel—in his party and elsewhere? Does he acknowledge that, according to the Tory-controlled Local Government Association, even if every council in England

increased council tax by the maximum allowed by the Government for the next four years and even if every penny of that increase went only on supporting the elderly, that would still leave a funding gap of over £1 billion on social care alone?

Only last March, the then Minister responsible for social care promised that the Government would end the infamous 15-minute flying visits. Is that still the Secretary of State's policy, and if so, how will it be funded, given the £1 billion shortfall? When does the right hon. Gentleman envisage the Government achieving this target?

On how the Government distribute funding between councils, how does the right hon. Gentleman explain the manifest injustice that the most deprived areas have been cut the most? As things stand, the 10 most deprived areas in England will be 18 times worse off than the 10 least deprived areas. How will he explain to hard-pressed families that their services will be cut at the same time as he is engineering council tax increases—up to about 20%, we estimate, by the end of this Parliament?

It is clear from the Secretary of State's statement that he has studied carefully the representations made by the Rural Services Network, as well as by some anonymous Tory MPs. Perhaps some of them were not anonymous. The Rural Services Network is also Conservative-led, and it said that his provisional statement would "make life for hundreds of thousands of people across all areas of rural England totally insufferable."

That is what the Tory rural network said. Can the right hon. Gentleman guarantee that the relatively small increase in the rural services delivery grant announced today will mean that no county councils will have to cut home helps or children's homes or public transport? Is he really recommending to rural districts that they increase council tax by a precept of at least 2% or by £5—not by whichever is the lower, but by whichever is the higher? Does he acknowledge that more than £20 billion has been cut from local government since 2010? Is not the truth that during the Government's first term, the impact of these cuts was felt primarily in the more urban northern and London boroughs, and is now spreading far and wide throughout the English countryside?

I represent 20 rural villages. There is no doubt that the provisional settlement was devastating for rural England—how could the Secretary of State make such an announcement?—and that the settlement he has announced today is far from adequate. Will he confirm, as it is transitional, that he intends all the cuts that he announced at the time of the provisional settlement to be imposed on rural areas in due course, during the present Parliament? When will he give the House details of any equalisation measures that he intends to introduce in relation to business rates?

Does the Secretary of State accept that all these cuts are, in essence, a political choice rather than an economic necessity? Should the Government not learn lessons from other members of the European Union that are raising hundreds of millions of pounds more than we are in tax from Google and other multinationals—money that could be used to support public services? Is it not time that the Chancellor showed some guts and stood up to the multinationals, rather than attacking the purses, and the services, of the poorest?

Greg Clark: I am delighted to hear about the hon. Gentleman's reading material and to learn that it is through "ConservativeHome" that he seeks to educate

[Greg Clark]

himself these days. That makes a change from the red book that is the preferred choice of the shadow Chancellor. I encourage him to continue. He will know from looking at that very good website that there is constant praise for the efficiency of Conservative councils, which have a record of economy and good service for their residents.

As for increases in council tax, the hon. Gentleman will know all about that, because the Labour Government doubled council tax. According to projections from the Office for Budget Responsibility, at the end of this Parliament, it will be lower in real terms than it was at the beginning of the last Parliament, so we will take no lessons from the hon. Gentleman about council tax.

I detected a half-hearted welcome for the transitional funding, which is just as well, because some Labour council leaders called for precisely that, and I think they might have been disappointed if the hon. Gentleman had not supported them. He asked where the money would come from. I can confirm that it will not come from the local government financial settlement. We have been able to find resources outside the settlement, and, thanks to the generosity of the Chancellor, we are able to add them to it. I can also confirm that the social care precept was requested by local councils, which recognised, in a cross-party consensus, that as the population grows more elderly, there are more elderly people to be looked after in each council area. That is not a reflection on the efficiency or otherwise of councils; it is a demographic fact of life. It is right for us to provide for our elderly people in their retirement.

The hon. Gentleman mentions anonymous people and important figures in Conservative local government. My experience of my colleagues in every part of the House is that they are not anonymous, and they are not shrinking. They know that they can come and talk to me any time and that I will listen and respond when they make a good case. As for our leaders in local government, including the head of the Local Government Association, I could not help noticing the presence in the Chamber today of the gentleman concerned, and he seemed to have a happy smile on his face. I do not know whether that says anything to the hon. Gentleman.

Several hon. Members *rose*—

Mr Speaker: Order. I remind the House that Members who came into the Chamber after the statement began cannot expect to be called. Our convention on that matter is very clear and people need to abide by it.

Robert Neill (Bromley and Chislehurst) (Con): The Secretary of State is to be congratulated on having negotiated a difficult minefield with considerable skill. I particularly thank him for his thoughtful approach and for the time that he gave to me, my fellow MPs and my council leader from Bromley when we came to see him. I welcome the fact that he has picked up on the importance of transitional relief in so far as it affects the London boroughs, given the risk that outer London's particular circumstances can sometimes be lost in the equation. Can he give me details of the timeframe for the operation of the transitional relief? Can he also tell me more about the review of the needs element, which many of us welcome? I regret that we were unable to do that in coalition, but there were many other pressing matters at

that time. It is important that the comparatively low unit costs incurred by historically efficient local authorities should be picked up when setting the baseline for retained business rates.

Greg Clark: I am grateful to my hon. Friend. I recall spending a very pleasant evening with the Cabinet of his council in Bromley and having a more recent meeting there. It is right to think of the demographic pressures in the outer London boroughs. Those boroughs, and many other places across the country, have made the case that the population has aged and more people tend to retire to those places than to others. They also contend that the formula, which has not changed for 10 years, has not kept up with that. I can confirm that the transitional funding will be available immediately, from the next financial year, so that my hon. Friend's council and others will be able to apply those extra funds straight away.

Alison Thewliss (Glasgow Central) (SNP): I thank the Secretary of State for giving me slightly advance notice of his statement. It comes against a background of cuts to local government in England; I understand that the figures are 27% over the past years and 8% for the years ahead. I am glad that he has at least given local councils a bit of time to think about this, and I hope that they will get back to him with their views on the settlement. I note what has been said about the pressures on rural service delivery, but the breakdown of the core spending power appears to show that areas that are already very wealthy are going to get more. He also mentioned that the percentage of council expenditure financed by central Government grant was going down from 80% to 5%, but I wonder how much of that is just cuts rather than changes to the expenditure.

There does not seem to be enough time for councils to respond to the proposals. The Secretary of State has talked about giving them two years to respond, but that does not acknowledge the difficulties that some councils will have in raising funds from business rates and council tax. Some will be starting from a relatively low base in that regard, and I am not convinced that two years will be enough transition time for them. Also, the statement does not seem to mention any recognition of needs. It talks about demographic pressures, but age is not the only such pressure that communities face. There needs to be greater acknowledgement of that fact in these plans. Other demographic pressures exist, and areas of multiple deprivation will require additional support and transitional relief. I would like to see greater recognition of that in the proposals.

Greg Clark: I am grateful to the hon. Lady for her contribution. She will know from her colleagues in Scotland that setting the local government financial framework is a delicate matter. It involves a lot of decisions that affect people in different ways, and I hope she will acknowledge that I have done this in a fair way. She talks about the transitional relief lasting for two years. This will happen because the shape of the settlement will see resources increasing towards the end of the period, as the social care precept and the better care fund take effect. However, colleagues across the House felt that the first two years would be the most severe time, and I therefore felt it right to focus the transitional relief on that period. The hon. Lady mentioned an assessment of needs, and I completely agree with her.

The review to which I have committed will look at all the needs, and it will consider not only the demographic pressures but the cost of delivering services, because that is a fair way to proceed.

John Redwood (Wokingham) (Con): Will the Secretary of State give me any more detail on how the welcome transitional relief will abate the severe cuts in his original plans for both Wokingham and West Berkshire?

Greg Clark: I will indeed. I was grateful to my right hon. Friend for his meeting with me and the representations he made. Again, both of his local authorities felt that the early years were the most pressing, so I can confirm that there will be transitional funding for West Berkshire of £1.4 million and for Wokingham of £2.1 million in the year ahead. I think that will be welcomed by his authority, following my having carefully studied its representations to me.

Mr David Winnick (Walsall North) (Lab): May I again tell the Secretary of State about the ongoing cuts in my borough because of the lack of funding? Would he be willing to meet the Tory leader of the council to discuss what is happening on the ground and the adverse impact on my constituents and others in the borough of the continuing cuts? Will he come to the borough to see for himself what is happening and to see that I am in no way exaggerating the position?

Greg Clark: I regularly meet that local leader. The west midlands is a very important area where we are negotiating a very important devolution deal at the moment. The hon. Gentleman will know that his local authority has benefited from the settlement, so that over the four years its spending power will increase by 1.5%, which I know will be welcomed locally.

Sir Nicholas Soames (Mid Sussex) (Con): I thank my right hon. Friend for the careful and diligent way in which he has approached this matter. Does he agree that what seems to be so difficult for local government, particularly in rural areas, is that some counties and authorities, such as my local Mid Sussex District Council, run their affairs in an exemplary and very orderly fashion, but the more efficient and effective they are, the less money they get? That seems to be a completely idiotic way of proceeding.

Greg Clark: Indeed it is, which is exactly why we are making the transition to business rate retention, where it is not the representations that councils make to central Government for grants, but their ability to attract businesses and to grow those businesses that will be the determinant of the resources they have available. Councils and Conservatives have long wanted that, and I am confident that both my right hon. Friend's county council in West Sussex and his excellent district council, the membership of which I know very well, will respond with great alacrity to the opportunities available to them.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): The crisis in social care in Liverpool will not be resolved by either the new precepts suggested or the Minister's statement today, as it is the result of the 58% cumulative cut in funds by central Government on the poorest area in the country. Will he take another look at this very critical situation?

Greg Clark: The introduction of the precept and of the better care fund will be very important for Liverpool; by the end of the period it will deliver about £30 million a year to spend, quite appropriately, on the care of elderly people in Liverpool. I would have thought the hon. Lady would welcome that. Conservative county council leaders proposed that there should be a social care precept, but it would benefit her city as much as it does them.

Jo Churchill (Bury St Edmunds) (Con): I thank the Secretary of State for the meeting he held with me and other Suffolk Members to discuss local funding. I know he has worked hard on our behalf, and I cautiously welcome his announcements today, particularly those on additional funding to ease the pace of reduction during those first two years. However, will he inform the House as to when final figures will be given to councils?

Greg Clark: I will indeed. I was grateful for the meeting I had with my hon. Friend, and I am looking forward to the discussions of further devolution to Suffolk for the East Anglian powerhouse or motor—we will coin an apt description for that very high-performing part of the country. The funds will be available right from the beginning of the next financial year and, in the usual way, they will be confirmed to councils following this statement.

Derek Twigg (Halton) (Lab): I can see the Parliamentary Private Secretaries working hard to get the figures to the Secretary of State.

To put the announcement in context, Halton has had a cut of more than 50%—£52 million—since 2010, while 68% of properties there are in bands A or B. The precept will not raise anywhere near enough to fund the shortfall in social care. Will the Secretary of State reconsider this and meet me urgently to talk about the problems in Halton?

Greg Clark: I am always happy to meet the hon. Gentleman. He will know that the funding allocation took into account the different resources of different areas—and Halton was a beneficiary of that—but I am happy to meet him to take him through the figures so that he can better understand.

Sir Edward Garnier (Harborough) (Con): Like others, I thank my right hon. Friend for the meetings he has had, particularly with my right hon. and hon. Friends from Leicestershire. As he will know, our county historically has been one of the worst funded from central Government, and we are hopeful that the new deal will benefit not only central Government but Leicestershire. Will he tell the House when we are likely to get the numbers, which the county council can deal with, and what they will be?

Greg Clark: I certainly will. I am grateful to my right hon. and learned Friend for his advice on this matter. I think Leicestershire will make a particularly strong case for a review of the match between needs and resources. Rather than keeping him hanging on, I can tell him that the transitional funding for Leicestershire will be £3.3 million.

Mr Kevan Jones (North Durham) (Lab): For the benefit of the PPSs, my local authority is County Durham. It is a bit off, Mr Speaker, that the Secretary of State has all the figures, but they have not been released to councils, which means we have no way of scrutinising his answers.

[Mr Kevan Jones]

I wish to raise the point also raised by my hon. Friend the Member for Halton (Derek Twigg) about the better care fund. I agree with the Secretary of State that this issue affects all councils, but County Durham has a low council tax base, as most of its properties are in bands A or B. He just said this will be taken care of in the formula. Will he meet me and north-east MPs whose councils are disadvantaged by not being able to raise the cash that larger authorities, such as Westminster, can raise?

Mr Speaker: Usually the complaint is that others are told first. In this case, I fear some people are complaining that the House is being told first. I cannot see what is wrong with that. It seems a highly desirable state of affairs. I might have misunderstood, but I think I have understood.

Greg Clark: I am grateful, Mr Speaker.

I had conversations with the hon. Gentleman's local authority, and it made some very positive comments and suggestions for the settlement, but I am always pleased to meet him to discuss the important devolution taking place in the north-east of England, of which we are very proud.

Jesse Norman (Hereford and South Herefordshire) (Con): I warmly congratulate the Secretary of State on his announcement. As he will be aware from our representations, Herefordshire was looking at a 34% reduction in the rural services grant next year, against a uniform reduction of 25%. Any support will be much appreciated. Is there not a danger that low-economic-activity areas—I am afraid that my own county has historically been such an area—might be penalised by the transition to council tax being supplemented by rural rates, unless there is a transitional fund to stimulate economic growth alongside it?

Greg Clark: My hon. Friend makes a good point. I think that Herefordshire has great potential in terms of attracting and growing businesses. For example, he has been a doughty campaigner for a university in Hereford. He is right that the transition to a world in which local resources fund councils has to take account of the needs of each area and its potential to raise revenue. That is why I announced the review today. Several colleagues from across the Chamber have contributed to, and have great expertise in, this matter, and I hope, in the spirit of this statement, that they will contribute personally to that review.

Ann Coffey (Stockport) (Lab): I, too, am concerned about the future stability of funding for local services. While council tax provides a solid base of revenue, moving to more reliance on business rates means more unpredictability in the level of revenue available to local councils. What consideration has the Secretary of State given to future mitigation of the impact on local services of a fall in revenue from business rates—for example from a downturn in the economy, which is beyond the control of any local council?

Greg Clark: The great advantages of the devolution deals that we are striking, including with Greater Manchester—[*Interruption.*] The hon. Lady raises her

eyes, but the elected leaders of Greater Manchester have proposed a means of taking on the 100% retention of business rates and making sure that they can manage the ups and downs of that across the years. This is a proposal that they have made, so that, in attracting more businesses to Greater Manchester, the whole of that great city will benefit.

Sir Alan Haselhurst (Saffron Walden) (Con): Can my right hon. Friend assure me that his final settlement reflects the accurate level of reserves that are truly available to Essex County Council?

Greg Clark: I have made no assumption of reserves. In advance of the spending review, several commentators suggested that we should take account of councils' known reserves. I resisted those calls, and it seems that it is reasonable for councils to have reserves, just as, as a nation, we are looking to create a surplus as a buffer against the ups and downs of the economy in the years ahead, which is something that the Labour party failed to do. The great advantage of a four-year settlement is that it gives that certainty to councils, so that part of the reserves that they keep against the uncertainty of year-to-year settlements is available to them, but I have made no assumptions that they will use them.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): At my surgery on Friday, I met a woman who cared, on her own, for her severely disabled daughter 24 hours a day, seven days a week. She is not able even to get a decent night's sleep. She used to receive six nights of respite care a month, but now she has been told that she will get nothing. That is the reality of the Conservative party's treatment of local government since 2010. In Tameside, there are no more back-office functions to merge and no more staff to be made redundant. There is nothing left to cut, except the services for the people who need them most, and for them the outlook is bleak. No amount of devolution to Greater Manchester, as good as that is, can compensate for a lack of basic provision.

Greg Clark: May I suggest to the hon. Gentleman that he goes next door and has a cup of tea with the leader of Trafford council, which runs its services extremely efficiently? I dare say that it would be sensible of Tameside to take up any advice that the council leader is able to give.

Mr Laurence Robertson (Tewkesbury) (Con): May I thank the Minister for revisiting this issue? Does he accept that what all Members who represent rural areas want to see is fairness in the funding system? Although Gloucestershire may seem to be a leafy, wealthy county, there are areas of deprivation. We have flooding problems and a higher percentage of older people who, regardless of where they live, still need social care. May I ask him to ensure that the final settlement reflects the problems in rural areas as well as in other areas?

Greg Clark: I completely agree with my hon. Friend. I was grateful to my colleagues from Gloucestershire for the representations that they made. He will be pleased to hear that the pressure on them will ease for the first two years—it will be to the tune of about £2.5 million

next year—which, knowing the pressures on the council for exactly the reasons that he said, will be welcomed locally.

Jack Dromey (Birmingham, Erdington) (Lab): At £0.75 billion, no council has ever suffered the same level of cuts in local government history as Birmingham. No city has ever been treated so unfairly. Does the Secretary of State begin to understand the dismay that there will be over today's announcements, which will put at risk school crossing patrols, deepen the growing crisis of health and social care in the city and threaten dozens of community groups supporting the most vulnerable in Birmingham? There will be utter dismay in Britain's second city.

Greg Clark: The figures that I have published today include an extra £800,000 from the new homes bonus for Birmingham that was not included in the provisional settlement. I should have thought that that was a cause of some pleasure in Birmingham, rather than the opposite.

Dr Andrew Murrison (South West Wiltshire) (Con): Really well done to the Secretary of State on the statement, the uplift in the rural services delivery grant and the review that he has announced. However, what assumptions has he made about the uplift in parish and town council precepts, given the assertion he made a few moments ago about the proportion of local government spend that would be consumed by the revenue support grant by the end of the decade? He will know that those precepts have gone up as the RSG has gone down, as in many places the council tax has been frozen.

Greg Clark: My hon. Friend makes an important point. There have been representations in the past to include parish and town councils in the referendum principles. We have not done that, but we keep it under review so that there is economy in those councils, which is important, because their residents are also council tax payers who pay council tax to his county council.

Diana Johnson (Kingston upon Hull North) (Lab): Hull is the 10th most deprived area in the country, and over the next year it faces spending cuts on average nearly 50% greater than those faced by county councils, so will the Secretary of State explain to my constituents why county councils are getting additional moneys, but not areas such as Hull?

Greg Clark: County councils and other authorities in the first two years experienced sharper reductions in the revenue support grant, and representations across local government, including Labour authorities, suggested that we should ease the transition. I would say to the hon. Lady's constituents in Hull that much attention has been paid to that important city through the growth deal that we established, which invested substantially in the area. The prospect of further devolution offers more important opportunities for that city.

Rishi Sunak (Richmond (Yorks)) (Con): I thank my right hon. Friend for meeting colleagues and me, and for listening to rural communities. I warmly welcome the statement. An ageing population is a key driver of cost, so will my right hon. Friend ensure that future funding formulae, instead of using out-of-date figures, will keep up with the changing demographics in areas such as North Yorkshire?

Greg Clark: Indeed. That is one of the points that my hon. Friend and other colleagues have made, which is why I have responded by saying that we should look again at that funding formula. It was also a point made by Carl Les who, as my hon. Friend knows, is the excellent leader of North Yorkshire County Council, and I am pleased that we have been able to meet his request.

Steve McCabe (Birmingham, Selly Oak) (Lab): Did the Secretary of State consider including the Chancellor's social care tax in the calculation of overall council tax income for the core funding settlement, which would make the changes fairer and mitigate the late introduction of the better care fund for low council-tax base authorities such as Birmingham?

Greg Clark: The social care precept is recognised across all parties and different types of authorities, even those, including district councils, that do not receive it. Their residents are residents of counties and of metropolitan boroughs, and it is important that funding is there. The combination of the precept and the better care fund provides up to £3.5 billion. I repeat what I have said: the representations that I received before the spending review from the Local Government Association and directors of social services was that they needed £2.9 billion. We have provided £3.5 billion.

Simon Hoare (North Dorset) (Con): May I thank my right hon. Friend for his patience and courtesy, and ministerial colleagues and indeed officials at the Department for Communities and Local Government for theirs in their dealings with colleagues from Dorset, including the leader of the county council and me? It is appreciated, and I welcome wholeheartedly today's announcement from my right hon. Friend. If it was parliamentary, I am sure that rural local government would plant a big, wet kiss on the cheek of the Secretary of State—but I am not entirely sure that that is parliamentary.

Will my right hon. Friend give further details of the transitional funding for Dorset that he has announced? The devil is in the detail, as always, so will he set out further information on the timing of the welcome review of the assessment of needs? The sooner we can get that sorted out, the better for rural local government.

Mr Speaker: Before the Secretary of State provides a comprehensive and, I am sure, scintillating reply to his hon. Friend, I take this opportunity to say what a delight it is to see our new Serjeant at Arms in the chair.

Greg Clark: May I add my welcome to the new Serjeant at Arms?

Given what my hon. Friend the Member for North Dorset (Simon Hoare) said, I am grateful that he is sitting far away from the Dispatch Box. I am grateful, however, for his good wishes. Dorset is a well-run county council, and it has important costs as a result of being a beautiful rural county. The extra funding that it will receive from April this year will be £4.1 million which I know, having spoken to the leader of the council, will make a big difference in managing the transition that was a great concern for the authority.

Fiona Mactaggart (Slough) (Lab): Slough is the smallest unitary authority in the country. In response to questions, the Secretary of State announced that fellow Berkshire

[*Fiona Mactaggart*]

unitary authorities, West Berkshire and Wokingham, will receive £1.4 million transitional funding. Slough faces particular pressures, as it is on the border of London and has a changing, high-needs population. What are we going to get?

Greg Clark: It sounds as though the right hon. Lady wants to participate in the review of needs and of the cost of delivering those needs, so I am surprised that she has not welcomed the announcement that I have just made.

Mrs Anne-Marie Trevelyan (Berwick-upon-Tweed) (Con): I welcome the additional funding that my right hon. Friend has announced to ease the pace of reductions during two the most difficult years, which in Northumberland seemed to be a really frightening challenge. Will he confirm that the revised settlement means that the position in Northumberland, which continues to have one of the highest populations of elderly people, will be secure?

Greg Clark: The benefit for Northumberland is twofold. First, there is additional funding from the rural services delivery grant and the transitional grant that I mentioned, both of which are important and will be welcomed by people in Northumberland. Secondly, the review of the cost of delivering services in rural areas and the increased demands there is something for which my hon. Friend's constituents and councillors called, so it is right that we should get on with that straightaway.

Peter Kyle (Hove) (Lab): The recent report by ResPublica said that 37,000 elderly people who were dependent on statutory funding for residential care were at risk of losing their places and becoming homeless because of the rise in the minimum wage and cuts to local council funding. Areas such as mine which, for the benefit of the Parliamentary Private Secretary to the Secretary of State is Hove in Sussex, will do reasonably out of the precept because of the high tax base, but other areas with a low tax base, such as the north-east, will suffer very badly, and they have the highest rates of dependency on statutory funding for adult social care. Will the Secretary of State look again at the funding formula and make sure that areas that most need funding get it?

Greg Clark: I have just said to the House that I intend to look again at the funding formula to make sure that areas with the highest costs and pressure are funded accordingly.

Richard Benyon (Newbury) (Con): The well-run West Berkshire Council faces a cut in the RSG of 44%, so I am grateful that my right hon. Friend and his ministerial team have listened to the many entreaties from my right hon. Friend the Member for Wokingham (John Redwood) and me.

Will the Secretary of State do two things? First, will he say whether it is possible to envisage a speeding-up of work on the retention of business rates, because that would resolve many problems for local authorities such as West Berkshire? Secondly, would he have a word with his colleagues in the Department of Health and tell them to pull their finger out, as they have agreed a deal to return funding under the Care Act 2014? They promised to do that, and it would make a massive difference to settling this year's budget.

Greg Clark: My hon. Friend is right: he has a well-run council, and representations from him, our colleague and the council led me to make the changes that I have made. On the early retention of business rates, I am glad that he has given me the opportunity to say to all Members that, through the devolution deals, we are keen to get on with the devolution of business rates. I encourage all areas to introduce proposals on that. The Chancellor has made a commitment that that should be in place by 2019-20, but that is "by" rather than "in", and I should have thought that West Berkshire and its neighbours were well placed to put together a good case for that.

Andrew Gwynne (Denton and Reddish) (Lab): I always had the Secretary of State down as a fairly bright chap, but this would be a fair settlement only if it were predicated on every area having an equal council tax base and equal levels of need. Representing as I do a cross-borough constituency—for the PPSs, that is Tameside and Stockport—I know that those two local authorities are very different in their ability to raise income. Tameside, for example, this year has a £16 million deficit in adult social care. The levy on council tax—the 2% precept—will raise £1.4 million only. How does the Secretary of State plan to fill that gap?

Greg Clark: I have given some advice to the hon. Gentleman's neighbour, the hon. Member for Stalybridge and Hyde (Jonathan Reynolds), on this issue. If the hon. Gentleman would like me to arrange for him to meet Sean Anstee, the leader of Trafford council, I think he would find it a very constructive conversation. In a world of devolution, Trafford may be able to provide some advice and assistance to the hon. Gentleman's borough council on running an efficient set of services.

David Tredinnick (Bosworth) (Con): I welcome the £3.3 million transitional relief for Leicestershire which, as my right hon. Friend knows, has been at the bottom of the funding pile. The transitional relief will be widely welcomed in my constituency. Will my right hon. Friend say a word about the discussions he has had on the funding of adult social care, which very much affects our county?

Greg Clark: I will indeed. The provisional settlement, as I said in my statement, made a particular response to the acknowledged pressures on adult social care across the country. All tiers of local government cited this as the important priority. The decision to establish the social care precept and the addition to the better care fund were an extremely important step in recognising what has been building up for many years as particular pressures on authorities, and Leicestershire, well run though it is, feels those pressures particularly acutely.

Heather Wheeler (South Derbyshire) (Con): I congratulate my right hon. Friend on listening, with all his Ministers, to the pleas from Derbyshire and South Derbyshire in particular. We are very grateful for the amelioration of the arrangements, but will my right hon. Friend go a little further and think about the changes to the new homes bonus and to business rates, so that although fast-growing districts will get more money in the future, they are not penalised in the short term?

Greg Clark: Indeed. The consultation on the new homes bonus is open until March and it is important that my hon. Friend and her councillors contribute to that. That will be the opportunity to consider those views. As I have made clear today, the important step of 100% business rate retention by local government needs to be accompanied by a fundamental look at the methodology, and I hope my hon. Friend will bring her considerable expertise to bear on this matter.

Dame Angela Watkinson (Hornchurch and Upminster) (Con): I thank the Secretary of State for his announcement about transitional relief, which I very much hope the London borough of Havering will benefit from, not just because of its ageing population but because of the increasing demand for children's services. My right hon. Friend will already know, I am sure, that the 12 inner-London boroughs have more reserves collectively than the 20 outer-London boroughs. Will he reflect further on whether that might be taken into consideration?

Greg Clark: I am grateful for my hon. Friend's suggestion. Havering is a well-run council and it will benefit from the transitional relief. I think it will want to make a good case for the review of the demographic and other pressures it is facing. My hon. Friend invites me to do what I said I would not do—require councils to dispose of their reserves. If I did that, I would incur the displeasure of some of the colleagues who spoke earlier. I have not done that. It is a matter for local government, but a four-year settlement gives every council the ability to plan ahead and make sure it has the right level of reserves for the circumstances it faces.

Graham Stuart (Beverley and Holderness) (Con): I join colleagues in thanking the Secretary of State for the manner in which he carried out the consultation. Further to the remarks of the Scottish National party representative, the hon. Member for Glasgow Central (Alison Thewliss), who suggested that rural areas were richer than urban areas, the opposite is true: average earnings are higher in urban than in rural areas, and council tax is much higher. If we allow percentage rises to continue on a much higher base for much poorer people, there is a danger that we will reinforce the inequities in our system. So in a world of business rate retention and council tax, what can the Secretary of State do to ensure that our poorer, older, harder-to-service citizens are not unfairly impacted by ever greater council tax, while the lower council tax areas—often richer people—pay less and continue to be subsidised by us?

Greg Clark: My hon. Friend makes an excellent point. I pay tribute to him for conducting a well-reasoned and forensic argument that has been persuasive, and I am grateful for the manner in which he has done that. He is right. It is a false assumption that because an area is rural, it is wealthy and prosperous. Some of the most challenging circumstances are in the most rural areas. That is why, after more than a decade, it is long overdue that we should look at the costs of delivering services in rural areas. We should look at the pressures that they face and set the retention of business rates accordingly, so that they can be recognised in a way that they have not been over recent years.

Dr Sarah Wollaston (Totnes) (Con): I warmly welcome the Secretary of State's statement today and thank him for listening to the concerns of rural areas. He will know,

however, that the demographic pressures in places such as Devon are severe, and that the precept, welcome as it is, will quite meet the cost of the rise in the national living wage. During his review, will he set out whether he will listen to other proposals to create a sustainable long-term settlement for social care, which has been described as unfinished business in the "Five Year Forward View"?

Greg Clark: I certainly will. I am grateful for my hon. Friend's words. One knows that more people choose to retire to places such as Devon than to other parts of the country, and it is important that that is recognised in the funds that are available. As everyone knows, my hon. Friend chairs a very important Committee of this House, and one of the essential tasks of this Government over the years ahead will be to make sure that health and social care come together. They are two sides of the same coin. The same people are being looked after, whether by councils or by the NHS. One of the things I am determined to do is to make sure that we have a much better connection between the NHS and social care, and I would be grateful for her advice and that of her Committee in how we do that.

Mr Philip Hollobone (Kettering) (Con): I declare my interest as a member of Kettering Borough Council. The different councils in Northamptonshire will be affected by the settlement in different ways. Perhaps Northamptonshire County Council, which charges the lowest county council tax in the whole country, will be the most vulnerable. The long-term answer to ensuring proper local service delivery in the county might be a restructuring of local government. Will my right hon. Friend confirm that he is open to innovative solutions that could involve a restructuring to ensure that local public services are delivered more efficiently under a different organisation?

Greg Clark: It is in the interests of us all that councils are effective and efficient. I have always said that I do not believe in a top-down reorganisation of local government. When that has been attempted in the past, it has not ended well, if I may put it that way. But of course the commitment I have to devolution carries with it the idea that if local people want to do things differently, they should be able to do that, so if there are proposals from Northamptonshire that enjoy the support of local people, they should come forward and have those discussions.

John Howell (Henley) (Con): I congratulate my right hon. Friend on his pragmatic approach to these issues. He rightly points out that demographic pressures affect different areas in different ways. When does he expect the needs review to be completed, and what role will the figures obtained from that play in any closer integration of social care with the NHS?

Greg Clark: I am grateful to my hon. Friend, who was of considerable assistance to me when we consulted on the national planning policy framework, and we were able to make sensible responses to that consultation too. I am keen to get the review under way as soon as possible so that it can inform not only business rates retention but other decisions the Government have to take from time to time about rural areas and the different needs of different areas. The sooner it is done, the better, and I will set out in the coming weeks the process involved, so that colleagues across the House can contribute.

Richard Drax (South Dorset) (Con): May I thank my right hon. Friend for the courteous way in which he has dealt with me and Dorset colleagues—it really has been exemplary—and for the £4 million or more for Dorset County Council? Will he confirm—I did not quite hear this, and local leaders are watching the debate—whether the tariff adjustment will stay or go? In 2019-20, Weymouth and Portland Borough Council, for example, will end up paying the Government £500,000 but taking only £123,000 in council tax. I do not think that is fair, and I very much hope that the review will take such things into account.

Greg Clark: Indeed. I am grateful to my hon. Friend for his kind words. Not only Dorset County Council but the districts he represents will find the transitional relief and the rural grant important. I have said that we will remove what has been called the negative grant entirely for 2017, 2018 and 2019. By the time we get to the end year of the settlement, 100% business rate retention will come in anyway, so the figures will be influenced by that. My hon. Friend can therefore look forward with confidence to the review, to which his council and, I dare say, he himself will want to contribute.

Mark Pawsey (Rugby) (Con): The funding of adult social care has been one of the biggest pressures on our local authorities given that we have an increasingly ageing population. I therefore thank the Secretary of State for listening to the concerns of council leaders such as Councillor Izzi Seccombe, of Warwickshire County Council, who has spoken regularly on this matter. I also thank him for making sure that more money is available through the better care fund to attend to the needs of these particularly important residents.

Greg Clark: I am grateful to my hon. Friend. He is absolutely right: Izzi Seccombe does an excellent job not only in leading Warwickshire County Council but in her national responsibilities in the Local Government Association. She has been very persuasive in making the case for extra funding, recognising the costs of social care. She is one of the most influential and respected council leaders in the country, and my hon. Friend is lucky to have her.

Andrew Bridgen (North West Leicestershire) (Con): I thank the Secretary of State for his earlier answers to my right hon. and learned Friend the Member for Harborough (Sir Edward Garnier) and my hon. Friend the Member for Bosworth (David Tredinnick), and indeed for accommodating a meeting with all the Leicestershire and Rutland MPs, at which we had a very frank exchange of views about local funding. Will he go a little further and explain what opportunities exist for North West Leicestershire and Leicestershire under the increases to the rural services delivery grant?

Greg Clark: I am grateful to my hon. Friend for coming back after questions earlier to consider these matters. There are opportunities for Leicestershire; it and North West Leicestershire will gain in transitional funding. One thing we will need to do in the review is look at areas such as North West Leicestershire to see whether their resources and needs are adequately recognised not only in business rates retention but in calculations for things such as the rural services delivery grant.

Chris White (Warwick and Leamington) (Con): Both local authorities operating in my constituency have expressed serious concerns about the draft settlement. What assurances can the Secretary of State give regarding his consideration of those concerns?

Greg Clark: As I said earlier, we have listened carefully. The leaders of my hon. Friend's authorities have made representations, which we have listened to very seriously. I think they will be pleased with the response we have made through the settlement.

Mark Spencer (Sherwood) (Con): The Secretary of State will be aware of the challenge faced by Nottinghamshire, which has been particularly compounded by the issues faced by former coalfield communities. Will he outline the improvements to the funding Nottinghamshire may receive? Will he also meet me to discuss plans for an enterprise zone at Thoresby colliery to enable the county council to find its own way in generating business rates in the future?

Greg Clark: My hon. Friend makes an excellent point. Attracting businesses to locate in an area is a sure-fire way of making sure that the resources available to councils continue to grow. I am grateful to him for his question, and I can confirm that Nottinghamshire will receive transitional grant funding of around £2 million next year, which I think will be welcomed across the county.

Bob Stewart (Beckenham) (Con): It was not me who had a cosy little chat with "ConservativeHome" this morning—if, indeed, it was a Conservative MP who did so. However, the idea of some councils having to gnaw on the bone is absolutely accurate, and I refer, of course, to my own council of Bromley, which has been gnawing on the bone, because of its efficiency and competence in providing services. Therefore, I am grateful to the wonderful Secretary of State for visiting Bromley and for agreeing to transitional arrangements for it. Could I ask what they are, sir?

Greg Clark: It is always a pleasure to come to Bromley, and I hope I will be able to do so again with my hon. Friend in the future. We will make sure that Bromley benefits from around £2 million in transitional grants for each of the next two years. I know from looking at the representations that have been made by London boroughs that that will be a big help in helping them to manage the more difficult first two years of the settlement.

Matt Warman (Boston and Skegness) (Con): May I thank the Secretary of State for listening to the vocal representations from across Lincolnshire, including from my neighbour, my hon. Friend the Member for Louth and Horncastle (Victoria Atkins)? At those meetings, he heard that it is not just rurality but sparsity of population that is important. Will he confirm that the new, revised settlement takes those conditions into account and tell us what it means for Lincolnshire?

Greg Clark: I will indeed. Lincolnshire is in a particularly ambitious phase of its history, and it is looking to negotiate a substantial devolution deal. As a rural and sparsely populated county, as he said, it faces particular pressures, so the additional funding it will receive is in the order of £5 million during the year ahead, and that will be widely welcomed across the county.

Peter Heaton-Jones (North Devon) (Con): As it apparently falls to me to do the finale, I say well done and thank you to my right hon. Friend the Secretary of State. I and many colleagues from across the south-west and from rural constituencies lobbied pretty hard, and we thank him very much for listening. We await the final figures. He might well be able to provide the figure for North Devon shortly—if I speak slowly enough. *[Interruption.]* Marvellous. However, does he agree that it is important that we never again find ourselves in a position where rural areas face discrepancies and unfairness compared with urban areas?

Greg Clark: I am very grateful to my hon. Friend. He may be last, but Devon is certainly not least—it is a very important part of the country. His patience is rewarded: the funding that Devon will receive from the Government next year is £8.4 million, which will make a big difference to his area. North Devon will receive around £250,000 for its district council services. The opportunity to take a long, hard look at the resources that areas have, the costs they incur and the demands they have on their services is long overdue. I know that my hon. Friend's county and his district will play a full part in that review, and I dare say he will too.

Social Security

6.18 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Mr Shailesh Vara): I beg to move,

That the draft Social Security Benefits Up-rating Order 2016, which was laid before this House on 25 January, be approved.

Madam Deputy Speaker (Natascha Engel): With this we shall take the following motion:

That the draft State Pension (Amendment) Regulations 2016, which were laid before this House on 18 January, be approved.

Mr Vara: The order and regulations before us have been laid previously in the House. It is my understanding that there is general agreement on both sides of the House on their contents. I do not, therefore, propose to detain the House any longer than is necessary.

6.19 pm

Angela Rayner (Ashton-under-Lyne) (Lab): This is the first time I have debated with the Minister at the Dispatch Box, so I welcome him to his place and thank him for his—very brief—explanation of the draft proposals.

I want to use this opportunity to debate, clarify and scrutinise aspects of these important measures. As the Minister has outlined previously, the coalition Government legislated in the Pensions Act 2014 to introduce a new single-tier state pension for persons reaching state pension age on or after 6 April 2016.

A central principle of this legislation has been to maintain the earnings link, which was restored in the Pensions Act 2007, passed by a Labour Government. The coalition Government committed to increasing the basic state pension through the triple guarantee of earnings, prices or 2.5%, whichever is highest, from April 2011. The triple lock is a policy approach that Labour Members support—a position that was confirmed in our manifesto at last year's general election.

Today, we are considering statutory instruments to implement and update key features of that settlement. For existing pensioners on the current state pension age scheme, the proposed 2.9% increase, which matches earnings as the highest rise of the three measures for this year, is a step in the right direction. A full basic state pension will therefore rise to £119.30 a week—an increase of £3.35.

Andrew Gwynne (Denton and Reddish) (Lab): I welcome my hon. Friend to her Front-Bench position. The triple lock is all fine and well if one is in receipt of the state pension, but she will know that there is a group of women who have been deprived of their state pension, the WASPI—Women Against State Pension Inequality—women who were born in the 1950s. Does she agree that a triple lock on nothing is still nothing and that we need from this Government fair transitional arrangements for those women?

Angela Rayner: I thank my hon. Friend; I hope to touch on that later. I commend him and my hon. Friend the Member for Worsley and Eccles South (Barbara Keeley) for their campaigning on this issue for those women who feel that they have been let down by this Government.

[Angela Rayner]

The increased starting rate of £155.65 for the new flat-rate pension, to be introduced in April this year, is also broadly welcomed by Labour Members, although it is of course an increase of only 5p on the previous minimum guarantee of £155.60. Less welcome are the lack of communication, escalated timescales, poor management and utter confusion caused by what the former Pensions Minister, Steve Webb, said was meant to be “a simplified system”. Several aspects of the new legislation will have significant implications for current and future pensioners.

Under the new single-tier state pension, the Government intend that individuals qualifying for the new state pension will receive it on the basis of their own contributory record. The qualifying period to receive the full flat-rate pension goes up from the former 30 years of national insurance contributions to 35 years. There is therefore some concern about reports over the weekend suggesting that up to 4 million people retiring under the new scheme from April could receive an incorrect amount because their incomes are being calculated using data riddled with errors.

The Government are quick to jump on individuals or families who make errors in relation to tax credit or benefit claims, so it is, equally, incumbent on them to ensure that their own calculations are correct. The Minister has been prepared to set debt collectors on families who have received extra tax credit income because of the Department's errors, so there will be understandable fear of the consequences where pensioners are overpaid due to any errors. Of course, if they are underpaid, the injustice will be obvious. It would therefore be helpful if the Minister gave us his assessment of the scale of these problems and said whether he believes that the press reports over the weekend are accurate. If the Government are encountering such problems, how does he plan to deal with them? What reassurances can he give to the millions of taxpayers potentially affected that they will get the correct amount that they were promised and are entitled to?

On a matter of equal importance, unlike the current state pension, under the new single-tier state pension an individual will no longer derive entitlement based on the national insurance record of their former spouse or civil partner. Though some transitional protection has been provided, the details are not at all clear. I am sure that Members in all parts of the House have constituents in rather desperate circumstances, trying to knit through the fog. A constituent recently contacted me. Her husband is terminally ill and on his deathbed, and he has expressed fears about what would happen to her under these transitional arrangements when he dies. They have no children, and his wife had stayed at home for many years while her husband provided for them both. She called the pensions helpline, but it was unable to offer any clarity or reassurance.

I have asked this question before, but I have yet to receive a satisfactory answer: can the Minister confirm that, in an extreme scenario, a woman with no entitlement in her own right who is widowed could end up with no state pension at all, as compared with the expected £119.95 she would have received under the current system? What are the Government doing to ensure that pensioners do not unfairly lose out and that people are given the correct information, so that they know the position they will be in? When asked how the Department was planning to communicate with those affected, the

Minister for Welfare Reform, who of course sits in the other place and so is not here today, said, “You can't foresee who is going to become widowed in future.” I think it is fair to say that that was not exactly a helpful reply. So perhaps the Minister who is with us today could provide some clarity on what action the Government are taking to communicate these changes, particularly to those with gaps in their record who are likely to be directly impacted.

Andrew Gwynne: My hon. Friend is making an important point about the need to communicate any changes to social security and particularly to the state pension rules. She will know that one of the complaints of the WASPI women is that they have not been adequately notified or given proper transitional arrangements. Does she think that the Government ought to be doing a lot more to communicate the changes to the new state pension arrangements because some people will not benefit from this scheme?

Angela Rayner: My hon. Friend is absolutely right: the Government do need to get their act together on communicating these changes. The general population out there expect nothing less than honesty and the frank information that the Government should be providing for them, so that they can make informed decisions about their future.

Will the Minister give a more specific estimate of who will be covered by transitional protection and how many people will lose out from these changes in future years? Once again, the Government's track record on communicating pension changes falls well short of the standard that the public would hope and expect. When I met members of the National Pensioners Convention last week, they pointed out that many pensioners are now waking up to the fact that only a minority of those who reach the state pension age under the new system will receive the full flat rate of £155.65 proposed today, as confirmed by recent analysis published by the Minister's Department. It estimates that only 37% of people reaching state pension age in 2016-17 will receive the full amount of the new state pension directly from the state. Millions of people will receive a significantly lower state pension in future, and some of them will be more than £500 a year worse off. The gloss from spinning the top-line full flat rate without the detail is rapidly starting to fade. Indeed, the Minister for Pensions herself has now admitted that the new state pension has been “oversold”.

It is clear that the Government should be doing far more to inform those affected, especially those who are nearing retirement and therefore have the least notice or time to consider the impact. In its interim report on the new state pension published in January, the Work and Pensions Committee reported:

“We heard evidence of a widespread lack of awareness among individuals about what they will receive and when. We were concerned to be told that the statements intended to rectify this were confusing and lacked necessary information.”

Age UK, among others, has called on the Government to do far more to contact people who are likely to be affected. It says:

“There are DWP materials highlighting credits and ways to increase the State Pension, but people need to know they may be affected. We believe the DWP should contact people with gaps in their record individually to highlight the changes and explain options.”

What are the Government doing to properly communicate the impact of the changes?

Andrew Gwynne: My hon. Friend is being generous in giving way. We also need to have confidence that the information being communicated by the DWP is correct. She will remember from last week's Westminster Hall debate that, as recently as last week—I have not checked whether this has been changed yet—the DWP was still communicating that the state pension age for women is 60.

Angela Rayner: I thank my hon. Friend for making that point, which is central to what the WASPI campaigners have been arguing for some time and with which I have sympathy. The Government are failing to give adequate information and it is not readily available when people require it.

The DWP has produced analysis showing that the majority of people will be better off over the next 15 years, but what about after that? A close look at the figures reveals that, for those aged under 43 now—like me and many others in the House—the probability is that they will receive thousands of pounds less in state pension by the time they retire.

We do not hear much about the impact of the new state pension on the retirement income of future generations, and it is becoming increasingly clear why the Government are keen to keep quiet about it. Analysis that the shadow Secretary of State for Work and Pensions, my hon. Friend the Member for Pontypridd (Owen Smith), has commissioned from the Library shows that those in their 40s now are likely to be £13,000 worse off over their retirement. Men in their 30s now are likely to be nearly £17,000 worse off, while women will lose more than £18,000. For the generation in their 20s now, the loss is likely to be more than £19,000 for men and £20,500 for women. Future generations will clearly be worse off.

By 2060, when today's 20-year-olds are nearing retirement, the Government will be spending £28 billion a year less on state pension provision. That is a huge cut, and one that has not been given proper acknowledgement by the Government or, consequently, been properly scrutinised and debated in the House or more widely.

Kevin Foster (Torbay) (Con): It is interesting to hear the hon. Lady's comments. She mentions the reduced state pension for those who are currently in their 20s, but how much of that reduction is based on the fact that the Pensions Act 2007 increased the retirement age for those who are my age and younger to 68?

Angela Rayner: I remind the hon. Gentleman of the coalition Government's provisions. We had a proposal that worked for pensioners—we had a long-term plan—but the coalition Government speeded it up without any regard for the people affected by it, so I will not take any lessons from Conservative Members.

As I was saying, the £28 billion a year less that will be spent on state pension provision is a huge cut that has not been given proper acknowledgement by the Government. I hope we will debate it further in the House. Will the Minister confirm that the Government's so-called long-term economic plan involves cutting £28 billion from pensions? What assurances can he give to today's younger generations—who face higher housing costs, the largest fall in real wages and greater insecurity in the workplace—that they will have sufficient income in retirement?

Labour will continue to ask the Government to be far more transparent about the long-term winners and losers from the new state pension. Withholding that information may be politically advantageous in the short term, but in the long term it serves only to undermine public trust in saving for retirement, which Members on both sides of the House agree is the right course for all our population and is in the national interest.

Members on both sides of the House showed enormous interest in a related debate in Westminster Hall last week, which was triggered by more than 140,000 signatures on the petition by WASPI. There was standing room only, not, I suspect, because it was my first outing on the Front Bench, but because of the significance and importance of the issue to many Members and 2.5 million of our female constituents. Indeed, the Minister might wish to note that they include more than 4,000 women in his own constituency. I therefore hope that he will expand on the Government's consideration of transitional protections for those women, too many of whom were not given proper notification of the acceleration in their state pension age.

The Government have failed to respond to a number of proposals, including specific solutions for the 1951 to '53 cohort of women, who will not have access to the new state pension that we are agreeing today; for those born between 6 October 1953 and 5 April 1955, who face a delay of more than a year; and for the women born later in 1953, who have had a double whammy of changes in 1995 and 2011. What assessment have the Government carried out of those options?

Alternatively, it was suggested during the passage of the Pensions Act 2011 that maintaining the qualifying age for pension credit according to the 1995 timetable would protect some of the most vulnerable people. Have the Government reconsidered the issue since then?

Turning to another element of the regulations, I note the proposal to freeze the saving credit element of pension credit, as announced in the autumn statement. For the 438,000 pension credit recipients who receive only the saving credit element of the pension credit, their losses will not be offset by the rise in guaranteed credit. Their pension credit reward will, therefore, be reduced.

Unfortunately, the Government have so far refused to come clean about the impact on some of Britain's poorest pensioners. According to analysis by the Institute for Fiscal Studies, 1.2 million recipients of pension credit will lose an average of £112 a year from the next financial year. That figure will be significantly higher for many people, including those in the poorest fifth of pensioner households. Will the Minister confirm that some of Britain's poorest pensioners will be worse off as a result of the measure, and will he commit to publishing a more detailed impact assessment than that produced to date? Will he tell us exactly how many people will be worse off and by how much?

Knowledge is power, and people need to be empowered by knowledge when it comes to their retirement. I hope the Minister can provide some answers today, because that is the least that this and future generations of pensioners deserve.

6.38 pm

Dr Eilidh Whiteford (Banff and Buchan) (SNP): May I start by welcoming the hon. Member for Ashton-under-Lyne (Angela Rayner) to the Front Bench? I was surprised

[*Dr Eilidh Whiteford*]

that the Minister chose to move the regulations formally and that there is so little interest in debating them, not because there are deep-seated, fundamental disagreements about them, but because, given the significant changes that are about to take effect with the introduction and implementation of a brand new pension system in just a few weeks' time, I would have thought there would be an appetite in the House to debate the issues and, indeed, to raise awareness among the public, who are still very much in the dark about the changes and their significance to their lives.

I will confine my remarks to a few of the key issues, some of which have already been touched on. I will start by addressing the State Pension (Amending) Regulations 2016. Although the new state pension will be set at £155.65 a week, very few people will actually get that amount. Indeed, even though the single-tier pension will be higher than the basic state pension, the net amount that some people will receive may be less than they would have got under the old system, because of the loss of means-tested benefits. Only 22% of women and 50% of men who reach state pension age in 2016-17 will get the new state pension in full. According to the National Pensioners Convention, almost six out of 10 new women pensioners and nearly half of new male pensioners—around 1 million people—will get less than the full amount.

Andrew Gwynne: The hon. Lady is making an important point, which is rather pertinent to some of my earlier interventions. Is it not incumbent on the Government and on Ministers to communicate those changes properly? Do we not run the risk of repeating some of the mistakes that have impacted on the WASPI women, because those people will be bitterly disappointed when they realise that they are not entitled to what they expected?

Dr Whiteford: The hon. Gentleman makes an important point. It is worth saying that successive Governments have failed to communicate adequately with pensioners about a system that is, undoubtedly, very complex. The hon. Gentleman alluded to the WASPI women, and they are the best example of the problem at the moment. They have seen the goalposts shifted several times. Many of them are still not entirely sure what they are going to get and when, and they have had contradictory information, even in very recent times, from the Government.

I come back to the new state pension. We are calling it a single-tier pension and making much of that flat rate, but, in reality, there will be many different rates depending on an individual's personal circumstances. In other words, it is not going to be so simple. Inevitably, the introduction of the new system means that two systems will operate concurrently for several decades. The danger is that the state pension could be seen as a two-tier system, because some existing pensioners would be better off if they were included in the new state pension. I am fairly confident that all MPs will be inundated with approaches from constituents after April once those people work out that they have been short-changed in comparison with their friends, relatives and spouses who are on the new state pension.

We all understand that there will, inevitably, be a cliff-edge with the introduction of a new system, and that it is impossible to predict accurately whether someone will lose or gain from the new pension without a crystal ball to tell us how long they will live in retirement.

Given all the inevitable anomalies, which will cause a huge sense of injustice, it is incumbent on the Government to introduce some flexibility in the system by letting people take a bit more responsibility for whether they are in the old or new system, so that at least it is their choice to take that gamble with their own life expectancy.

We need to acknowledge that, over time, the new system will be less generous for most people. Those born from 1970 onwards will mostly be worse off under the new arrangements. Those who have contributed to the system for longer—for example, those who moved into work at an early age and worked continuously—will also lose out significantly. On the other hand, there will be benefits for the self-employed and for those who, under universal credit, start to receive credits to the state pension for the first time. There will be winners and losers, but there will be more losers over time.

The new state pension is being introduced on a cost-neutral basis, but the reforms are eventually expected to reduce expenditure compared with cost projections for the existing system. We must also note that the different indexation arrangements for the two systems have the potential to lead to accusations that the Government are building inequality into the system. After April 2016, the new state pension will be uprated annually at least in line with earnings, as per the triple lock, and we all support that. However, my understanding is that an existing pensioner will have a triple lock on only the first £119.30 of their basic state pension, with a consumer prices index link on any state second pension above that level. If CPI inflation is lower than earnings growth, as it is now, the value of the state second pension will fall in real terms. That gap is likely to widen.

Around 7 million pensioners get some kind of state second pension payment, and the average payment is around £28 a week. Applying the same indexation arrangements to old and new state pensions to the same level would cost a modest sum relative to pension spending, but it would mean that both the basic and state second pension were linked to the triple lock. That would help the Government to avoid some of the disparities that are likely to develop in the coming years, and it would help to create a system that is more likely to be perceived to be fair.

I want to express disappointment about the fact that the Government are not uprating savings credit. Instead, it will fall in April from £14.82 to £13.07 for a single person, and from £17.43 to £14.75 for a couple, and it will no longer be available to new pensioners. The Government announced in November last year that savings credit would be further reduced for current recipients, but that reduction is not included in the order. I would be interested to hear whether Ministers have decided not to reduce the amount of savings credit, or when they intend to introduce regulations for that measure.

Savings credit supports pensioners on low incomes who have managed to save a small amount towards their retirement. The vast majority—around 80%—of those who receive it are women, many of whom will have spent their working lives in very low-paid jobs. They have had limited opportunity to save, but they have done so nevertheless. It seems to me that reducing savings credit, and abolishing it for new pensioners, sends exactly the wrong signal to people in low-paid jobs who feel as though they should be trying to save but who have little incentive to do so.

Before I conclude, I want to devote some attention to the part of the statutory instruments relating to the uprating—or rather, the non-uprating—of state pensions paid to those living overseas; this is the issue of so-called frozen pensions. Such state pensions are paid to people who have spent their working lives in the UK paying contributions towards the state pension, but who, for whatever reason, spend their retirement domiciled in countries that do not have a reciprocal arrangement with the UK for the uprating of state pensions. Those UK pensioners find that every year, while UK-domiciled pensioners and those living in other parts of the EU or countries with reciprocal arrangements receive an uprating, their pension remains frozen in cash terms at the amount it was when they retired. The value of their pension therefore falls every year in real terms, causing real hardship to those affected.

According to the explanatory memorandum attached to the order, more than 500,000 people are in that position. Most—more than 90%—live in Commonwealth countries such as Australia, Canada, New Zealand and South Africa, and also in India, Pakistan, parts of the Caribbean and Africa. In other words, they live in countries that have deep cultural and familial ties to the UK. Some have dual citizenship and others are UK citizens who have retired overseas to be close to family, but they all paid their contributions in good faith. The International Consortium of British Pensioners points out that a pensioner aged 90 who has lived in, say, Canada or Australia throughout their retirement will get a basic state pension of just £43.60 a week. If they had stayed in the UK, they would be receiving £115.95, which is due to go up as per this uprating. I just do not think that that is right. We are doing very badly by those people.

Those who are affected by frozen pensions had no choice about whether to pay national insurance contributions—doing so was mandatory. We must remember that many of them lived and worked in a rapidly changing and globalising world in the post-war era, when few would have paid much attention to the small-print of their state pension arrangements. It seems to me wholly unfair that a pensioner who retires to the USA will get their full uprated pension, whereas a pensioner in Canada will continue to receive their pension at its original level. Clearly, there would be a cost attached to uprating, but the Government must offset that against the costs that would have been incurred if those individuals had chosen to remain in the UK. The Government estimate that every pensioner who lives abroad saves the public purse on average around £3,800 each year in health and social care costs alone.

It is hard to measure the deterrent effect of frozen pensions. Pensioners who would like to retire close to their children and grandchildren in other parts of the Commonwealth are prevented from doing so by the knowledge that a key component of their retirement income would not keep pace with the cost of living. A partial uprating such as that advocated by the all-party parliamentary group on frozen British pensions would cost around £30 million and represent a tiny 0.03% of pension spending, but it would signal that those pensioners were not forgotten.

We all want fair and sustainable pensions that provide enough support for our elderly population to enjoy a dignified and comfortable old age, but the arrangements must be fair, and must be seen to be fair, if we are to

maintain confidence in the system for future generations. I hope that the Minister will consider and respond fully to the points that I have raised.

6.49 pm

Mr Vara: May I take this opportunity to welcome the hon. Member for Ashton-under-Lyne (Angela Rayner) to her new position? I look forward to discussing and debating various issues with her over the coming months. I thank her and the hon. Member for Banff and Buchan (Dr Whiteford) for their contributions. In the short time that we have, I will try to address as many of their questions as possible. I also thank the hon. Member for Denton and Reddish (Andrew Gwynne) for his one or two interventions. I am grateful to the hon. Member for Ashton-under-Lyne for welcoming the triple lock and to her party for its support for that initiative.

The issue of communication has come up repeatedly. I just want to say that there is an awareness campaign, which is particularly targeted at those aged 55 and above. They will receive a letter—their addresses will be obtained from payroll and benefits data—providing details of their own state pension. The first phase of our communications campaign aims to build awareness among those in that age group, who will be the first to reach pension age after April 2016, and we are encouraging them to get a personalised statement. Between September 2014 and October 2015, we issued nearly 500,000 personal statements. We have factsheets, infographics, videos, calculators, YouTube videos, toolkits for stakeholders and weekly stakeholder bulletins. We will continue to do whatever is necessary and whatever we can to ensure that people are made aware of what is coming. I urge all colleagues on both sides of the House to do their bit, as Members of Parliament with access to media and to local communities, to make sure that people are aware of this very important change.

It is our intention, and it will be the case, that the new state pension will be a lot simpler and clearer for people than the previous situation, when there were opt-outs in relation to the state earnings-related pension scheme and additional pensions, as well as private pensions, occupational pensions and so on. The hon. Member for Ashton-under-Lyne said that not everyone will qualify for the new rate of £155.65, and she is absolutely right, because the new state pension is based on people's national insurance contributions. In recent years, some people have not paid full national insurance contributions to the state because they have opted out or contracted out. Some of those people contracted out into a second, additional pension, and that has to be factored in. Alternatively, the national insurance contributions that they had contracted out of were used for an occupational pension or a private pension. If the two pensions are added together, the total will in many cases be more than £155.65.

I hope that the hon. Lady and her colleagues appreciate that if we have a system in which people's pensions are based on national insurance contributions, they cannot, if they have not paid such contributions, be expected to get the full payment due notwithstanding the fact that some of their national insurance contributions have gone to another pension. I hope she will reflect on that point.

Angela Rayner: I gave the Minister a specific example of someone who had not contracted out because of a second pension. Will he address that point and the fact

[Angela Rayner]

that some people have not been given adequate notice of the changes? I appreciate the point he makes about contracted-out contributions, but some people have not been given such information. I am asking for people to be given that information so that they can make alternative provision.

Mr Vara: The hon. Lady will appreciate that I cannot give advice on individual cases at the Dispatch Box. As for communication, I have read out a whole list of measures we are putting in place to make sure that people are communicated with. If we were not doing our job properly, we would not have issued nearly 500,000 personal statements between September 2014 and October 2015. We continue to make sure that people are aware of the change. As I have said, she has a role to play, as do others. I am sorry that she expresses such disappointment, given that in the forthcoming year the Government will spend an additional £2.1 billion more than we are spending at present. There is also the pension credit standard minimum guarantee, which will ensure that the minimum threshold must be met. The state is there to assist people.

The hon. Member for Banff and Buchan mentioned frozen pensions. It has been the policy of successive Governments for the past 70 or so years not to uprate pensions for everyone. The issue is complex, but she will be aware that uprates are made in some countries where there is a legal obligation to do so. It should be remembered, however, that the pensions people get in some countries are based on a means test: if we gave everyone from Britain who is now resident in another country an

uprate, our contribution to that uprated pension would be taken into account by their new home country and they would therefore be given less by the new home country.

Neil Gray (Airdrie and Shotts) (SNP) *indicated dissent.*

Mr Vara: The hon. Gentleman is shaking his head, but I assure him that some countries make pension payments on the basis of means.

This Government take the rights of pensioners very seriously, and we are doing all we can to protect them. From April, the rate of the basic state pension for a single person will go up by the biggest real terms increase since 2001. We will continue to protect the poorest pensioners. The means-tested threshold below which pensioner income need not fall—the pension credit standard minimum guarantee—will also have the biggest real terms increase since its introduction. The full basic state pension will be more than £1,100 per year higher in 2016-17 than at the start of the last Parliament. Our triple lock, our protections for the poorest pensioners and our new state pension reforms mean that we can provide pensioners with the dignity and security that they deserve in retirement. I commend the order and the regulations to the House.

Question put and agreed to.

SOCIAL SECURITY

Resolved,

That the draft State Pension (Amendment) Regulations 2016, which were laid before this House on 18 January, be approved.—
(*Mr Vara.*)

Backbench Business

Great Western Railway Routes

6.56 pm

Kevin Foster (Torbay) (Con): I beg to move,

That this House believes that the routes of the Great Western railway are not just a transport system, but the heart of the regions they serve; and calls on the Government to ensure that plans for further electrification and improved resilience of the Great Western railway routes are progressed urgently.

I thank hon. Members from both sides of the House who supported the application for this debate at the Backbench Business Committee. I also thank my colleagues on the Committee for agreeing to allocate the debate to this slot in the Chamber, rather than Westminster Hall, where it would have ended up. We have three hours for this debate, and it is encouraging that we are starting almost bang on time, given that we are discussing trains and railways.

It must be said that this is an apt day for such a debate, as Storm Imogen has hit Devon and Cornwall. One hon. Member, who I hope will join us later, texted me earlier to say he was hoping to get to Westminster but that there was a tree on the line at Bodmin, which sums up the issue of resilience.

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): Is my hon. Friend aware that three trees have come down on the line?

Kevin Foster: I thank my hon. Friend for sharing with the House his superb knowledge of the vegetation on the Great Western main line in Devon and Cornwall. His point absolutely rams home the message that a tree falling over, a cow breaking out of a field, or a small amount of earth moving at a critical point can close huge parts of the network. That is why it is so important to hold this debate about resilience. In addition, the cross-country services have been cancelled at Dawlish again today. I must say that that is not due to the line but to a fault with the trains, but that again brings home to us the vulnerability of some key routes and networks on which many people depend.

I hope that this debate will not be about being negative and having a moan. We could all spend the next few hours whingeing and sharing our stories about various poor train journeys. One that sticks in my mind was when I and my hon. Friend the Member for Taunton Deane (Rebecca Pow) got on a train that had what was charmingly described as a “toilet spill”, which was particularly interesting. Being negative will not achieve anything: it may make us feel a bit better to get a dreadful journey off our chests, but it will not actually make a difference.

Mr James Gray (North Wiltshire) (Con): I am sorry to bring a disagreeable note into what has, so far, been an extremely agreeable debate. Of course we all love to moan and groan about our rail journeys, but I have travelled with First Great Western twice a week for 20 years and I find it extraordinarily good. We have criticisms of some things—the catering, the toilets and one or two other matters need to be sorted out—but overall, the punctuality and the service are extremely good.

Kevin Foster: My hon. Friend is right that there are many positive stories to be told. Let us be blunt that a key one is the amazing legacy of innovative engineering we have been left by the Victorians. The Royal Albert bridge was built using innovative techniques and was a feat of engineering at the time. It created the link between Plymouth and Cornwall that exists to this day and carries trains far heavier than it was ever designed for. Box tunnel is now one of the most well-used tunnels. It was so innovative when it was built that there had to be a station at both ends, because some Victorian travellers were rather frightened of going through a tunnel, so there was the option of getting off the train, taking a horse and carriage ride around it and getting back on a train at the other end.

Mr Gray rose—

Johnny Mercer (Plymouth, Moor View) (Con): I think my hon. Friend was there.

Kevin Foster: That is very ungentlemanly of my hon. Friend the Member for Plymouth, Moor View (Johnny Mercer). I give way to my hon. Friend the Member for North Wiltshire (Mr Gray) again.

Mr Gray: My hon. Friend is being very generous. Box tunnel is, of course, in my constituency. He will know that the only time one can see from one end of the tunnel to the other is once a year on Brunel’s birthday. [*Interruption.*] The Minister says that it is not true, but we believe it is true—I have seen it myself. More importantly, we think that we are close to reopening an important station at Corsham, which is at one end of Box tunnel. I hope my hon. Friend will agree that opening such stations along the route is extremely important.

Kevin Foster: Absolutely. I do not want to get involved in a cross-Wiltshire debate about tunnel openings and people’s birthdays, but it is important to think about the communities along the route. One reason why the theme of resilience is so important is that having a station is great, but if a train does not run at certain times, people do not have the service they want.

Let us be candid: this is the positive story of a network that stretches from London to Swansea, that runs through Cheltenham and Bristol, and that goes down to Penzance. It revolutionised a whole region that had been fairly isolated until the trains went through.

Over the past few years, we have seen huge growth in rail travel across our region, with many branch lines, particularly in Cornwall, seeing passenger levels that have not been seen for decades. All that is being delivered with the well-known limitations of the network in the area: the relatively old rolling stock, some of which has seen better days, and issues with the network in terms of resilience, signalling and other things that I will come to in a minute.

The point of this debate is not to share jokes or reminisce about poor train journeys, but to say that there could be an even more positive story in the future that would boost productivity and deliver more jobs and investment.

Scott Mann (North Cornwall) (Con): My hon. Friend’s constituency is very similar to mine in that it is very tourism-based. Does he agree that the more trains and branch lines we have in such areas, the better it will be for the tourism economy of the south-west?

Kevin Foster: Absolutely. As I am sure my hon. Friend is aware, the early figures for the Borders railway that is being built in Scotland show higher than expected levels of usage. In St Ives, good park-and-ride services are crucial to the tourism industry. Having good trains makes for good tourism.

Mrs Sheryll Murray (South East Cornwall) (Con): Will my hon. Friend give way?

Kevin Foster: I will give way once more, but then I must make some progress so that I do not hog the time.

Mrs Murray: Does my hon. Friend agree that we should expand the existing park-and-ride services? In my constituency, there could be another park-and-ride station to the east of Bodmin Parkway to allow people from areas that do not have access to a railway station to commute and travel to places such as the city of Plymouth.

Kevin Foster: My hon. Friend is absolutely right that park and ride can play a huge part in giving rural communities in particular access to rail services via parkway-style stations. Looking at north-west Devon and north Cornwall, it might be an interesting project in years to come to provide parkway stations near the A30 as it comes into Devon, using the spur that heads towards Okehampton. That could provide a service to the area without competing with the Great Western main line in south Devon.

We must ask what investment can deliver. It is estimated that even a relatively modest improvement of 15 minutes in journey times between the south-west peninsula and London would deliver £300 million in increased productivity. However, this debate is not just about economics; it is about communities along the line and their needs for travel and growth.

I will not look to play our region off against another. Just as investment in Crossrail and new rail capacity in other parts of the UK will deliver for those communities over the next 10 to 15 years, delivering on the issues we are discussing can deliver for ours. It is worth bearing in mind the fact that investment in the Great Western railway supports other key projects across the UK. For example, the expansion of Heathrow as the UK's hub will be supported by the western rail access. I hope the Minister sees the urgency of that.

Fiona Mactaggart (Slough) (Lab): Does the hon. Gentleman share my profound disappointment over the delays in the western rail access to Heathrow, which the Hendy review announced would be put back a further two years? This access will bring the biggest inward investment to the UK, as well as helping travellers from all over the west of England—

Huw Irranca-Davies (Ogmore) (Lab): And Wales.

Fiona Mactaggart: Indeed, and Wales. It will help those travellers to get to Heathrow—our premier hub airport. Will the hon. Gentleman press the Minister to ensure that, as a result of this debate, someone in her Department puts their foot on the accelerator of western rail access to Heathrow?

Kevin Foster: I thank the right hon. Lady for her passionate and well-argued intervention. She is absolutely right that the western rail access to Heathrow makes eminent sense for south Wales, my region and the Slough area. It will support not only the economies of our areas but the national economy, by making it easier to expand and develop our key hub airport. I hope that one thing the Minister will look at is the timeline for the western rail access. Given the widespread support across the House for that access, I hope that the timeframe will be greatly shortened so that people can get the shovels in the ground on this project, which makes eminent sense.

I am conscious that I could give a long list of improvements that are needed. I am sure that several contributors are about to highlight those they see as vital for their areas. For me, there are two key issues that affect the whole network: resilience and electrification. The Dawlish collapse brought into stark view how vulnerable parts of the main line are. That is not the only issue, but it has given us the opportunity to debate all these other issues. As my hon. Friend the Member for South West Devon (Mr Streeter) said in his foreword to the “On Track” report by the Peninsula Rail Task Force:

“It took a crisis to get here, but this is our chance”.

It is worth looking at the impact that that crisis had. My hon. Friend the Member for North Cornwall (Scott Mann) reminded us of the impact that the railway has on tourism. Some 7% of Torbay's tourist visitors come by train. After the pictures of the hanging tracks in the media, there was a 20% drop in tourism bookings because of the image it created. That shows that this is not just a transport issue.

Huw Irranca-Davies: I want to support the point the hon. Gentleman is making. The incident he is talking about was the most extreme example of damage to a piece of major rail infrastructure. It is no fault of Great Western Railway, but I travelled up from south Wales by bus for part of my journey today because of flooding on part of the line. Okay, that is an extreme event, but we are having more and more. There is also regular flooding around the Severn tunnel. Does the hon. Gentleman agree that we need to be absolutely sure that we have a resilient railway structure, as well as having electrification?

Kevin Foster: I agree completely. My constituency is not scheduled to benefit from the electrification project, but it is affected by flooding on the Somerset levels. It is vital that we make sure our railway is future-proofed. A few years back, I took a bus in the constituency of the right hon. Member for Exeter (Mr Bradshaw) when there was flooding on the railway line across Cowley bridge that looked like something out of the Bible. It is vital that we tackle the range of resilience issues, not just the very famous issue on the coast. I know that Network Rail is looking at the cliffs near Teignmouth. I am sure that my hon. Friend the Member for Newton Abbot (Anne Marie Morris) will talk a bit more about that in her contribution. That aspect needs to be looked at too, not just the sea wall. Much of the signalling throughout Devon and Cornwall was installed in the 1960s. It is listed for consideration in control period 6, which is between 2019 and 2024, and it is vital that that goes ahead because we must improve journey times and ensure a modern infrastructure.

The issue of resilience has been brought into focus by the imminent publication of the final report from the Peninsula Rail Task Force, which will set out its 20-year plan for railways in Devon, Cornwall and Somerset. Resilience will be at the heart of that, and it is vital to have the funding needed to complete such a commitment. There have been encouraging noises on that issue over the past week or two, and I hope that we might hear a couple more words from the Minister when she responds to the debate. It is clear just how vital it is that we secure that line.

Electrifying the Great Western route into south Wales is probably the single biggest project on that line since the Severn tunnel, and it will electrify the line in communities along that route—I suspect that colleagues may wish to speak a little more about that. It is pleasing that in the south-west it is no longer the case that the only way to get close to a bit of electrified track is to buy a train set! As a member of the Public Accounts Committee I have sat through a discussion on progress so far—not least the estimated cost of that electrification, which has now reached £2.8 billion—and I imagine that the Minister might not be relishing the thought of committing to more such projects. However, it is right that those issues are highlighted, as investment must not just be about creating a corridor for electric trains to speed through to south Wales; it must be the starting point for an integrated network of electrification across the areas served by Great Western Railway.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): I congratulate the hon. Gentleman on securing this debate. One major reason for the escalating cost is compensation payments to train operators—the so-called schedule 4 payments. Does he share my concern that the UK Government will not publish the level of schedule 4 compensation payments made, because we talking about many hundreds of millions of pounds of public money? There must be transparency about those rising costs.

Kevin Foster: I thank the hon. Gentleman for his interesting intervention, and I am sure that the Minister will wish to respond to his detailed point. In the Public Accounts Committee discussion, one of the main issues was the signalling that was installed in the 1960s. When the piling was done, the cables were not mapped. Hopefully, as with the re-signalling in Devon and Cornwall, knowing exactly where the signalling cables are might make those lines more suitable for future electrification.

Dr Andrew Murrison (South West Wiltshire) (Con): I congratulate my hon. Friend on securing this important debate. He is talking about electrification in south Wales, but does he agree that it is also important to electrify at least part of the route from Paddington to Penzance? Does he welcome the proposal to bring forward AT300 Hitachi trains, which are bimodal? Given the speeding-up of the service that that would introduce, does he share my concern that we could be tempted to delete some stops along that route? That would be a pity—perhaps he will come on to this point—since it would mean that some of our constituencies would simply become transit corridors. Does he agree that Westbury station, which is a vital north-south-east-west hub, must not be deleted from any forthcoming plans in the new franchise?

Kevin Foster: Having changed trains at Westbury, I share my hon. Friend's concern about maintaining the ability to interlink with the rest of the region. As we have

said, this must be about viewing the railway not as a transport network in aspic that we stand around like trainspotters, discussing exactly how long it will take and what number train will travel down that line; this is about where people want to get to, linking economies and ensuring that people can use the service. I share my hon. Friend's concerns, and I am sure that colleagues in south Devon and neighbouring constituencies would be concerned if we sped journeys up by driving past passengers. This is about improving the network for everyone, not just making it quicker to get from one end of the network to the other with nothing in between.

I am conscious that time is moving on and that I am stretching your patience, Madam Deputy Speaker, so I will try to press on because other colleagues wish to speak. The introduction of bimodal trains due in 2018, as my hon. Friend the Member for South West Wiltshire (Dr Murrison) mentioned, will make a real difference and open up many opportunities for our region, not least because it will allow the potential for partial electrification on sites that would most enhance the journey time. In the past, for obvious reasons—not least the potential impact of mixing high-voltage cables and sea water at Dawlish—a purely electric train might not have been considered west of Exeter, but bimodal trains will give us real options for future development. Again, that is why the reports are so important.

I could reel off a long list of issues that affect train lines, including prospects for new stations in my patch for the first time in decades. However, there are five issues that I believe it is most important for the Minister to consider as we look ahead to the work in control period 6. The first is whether funding for the two reports that will form part of the work of the Peninsula Rail Task Force will definitely be provided. I know that Network Rail is, in its own words, ready to start work on that immediately once that funding is confirmed. Secondly, is there a clear commitment to the re-signalling work for Devon and Cornwall that is scheduled to take place in control period 6? Thirdly, will the project to secure our main line at Dawlish be committed to, including any work needed to secure the cliffs? Fourthly, will work to secure the line against flooding on the Somerset levels and other key points be progressed? Finally, will the electrification project to south Wales be completed with a view to being part of an electrified network for the Great Western region, rather than just an electric cable running through the middle of our constituencies?

Those are clear questions, but I believe the benefits are also clear. We must ensure that in the 21st century the vision for the Great Western line is as great as it was when Victorian engineers rode the route on horseback, imagining what could be in the future. They could not have imagined the type of trains that they would have, or the uses to which people would put the railway, but they could see that in building a railway they would build a region. I believe that we can do the same now and show similar vision, and I commend the motion to the House.

7.16 pm

Mr Ben Bradshaw (Exeter) (Lab): I apologise to you, Madam Deputy Speaker, and to the hon. Member for Torbay (Kevin Foster) for arriving a few seconds after he rose to his feet. The previous business finished rather earlier than a lot of us expected or had been forewarned about, but I congratulate him on being the driving force behind this timely debate.

[Mr Ben Bradshaw]

At the end of the week, when I get into carriage A at Paddington with my bike in the bike space just in front of it—carriage A is the quiet carriage—I sit down, and I usually have the best two hours of my week. Every time I am on that journey, I give thanks to Isambard Kingdom Brunel and the brilliance of the line that he created back in the Victorian age, from which we are still benefiting. I still think it incredible, given that very little has happened since, that on a good day someone can get from London to Exeter—quite a long way, as I am sure hon. Members who know their geography realise—in under two hours, and that is very much thanks to Brunel.

I completely agree with the hon. Member for North Wiltshire (Mr Gray), because for all its frailties, Great Western is my favourite railway line. I travel across the UK quite a lot, and it is certainly better than the new franchise owners on the east coast main line, and the poky little carriages on Virgin and the west coast main line. Great Western is comfortable and bright. The loos do not work, and when they do they flush straight on to the tracks. That is completely intolerable and unacceptable in the modern age and must change as a matter of urgency. The ventilation is idiosyncratic, and one can often find a carriage that is far too hot or far too cold, but the staff are always delightful and friendly, and the service is excellent.

I have one plea to all railway companies, which is that they should do much more to publicise a passenger's right to a full refund if they are delayed by more than an hour. I really think that they are getting away with too much, and far too many people do not realise that they are entitled to a refund. I was an hour and a half late coming back at the weekend because of some of the problems that the hon. Member for Torbay referred to, and, in terms of good customer service, such compensation should be announced on the trains as a matter of course.

Dr Sarah Wollaston (Totnes) (Con): In highlighting the beauty of the line to Exeter, may I encourage the right hon. Gentleman to stay on the train and see how even more beautiful the line gets once it passes along the coast? It is about not just the beauty of the line, which I hope everyone will experience, but the economic importance of the line via Dawlish to the economies of south Devon. Will he join me in saying that whatever we do we must protect the line through Dawlish and protect the economies of south Devon?

Mr Bradshaw: I know the line through Dawlish very well. I spent childhood holidays in Salcombe. In fact, my parents used to get a train all the way to Kingsbridge in the good old days before Beeching took his axe to our rural rail network. It is beautiful, but vulnerable. I will come on to say something about it in a second.

Having said all those positive things, we still have rolling stock that was introduced, I think, in the early 1970s. As I have said, travel speeds have not actually increased very much for decades, if not for a century. I mentioned the loos and the heating, and the hon. Member for Torbay mentioned electrification. It is puzzling that Spain and Italy have full comprehensive networks of high-speed electric trains, but in this country we still do not have a network of high-speed trains. We are getting one slowly, but in the south-west we are set to be probably

the only major region with big cities left in western Europe that does not have either high-speed trains or electrification. There is absolutely no reason why we should not already have electrification down to Exeter. There have been technical challenges, but having been on electric trains in the Alps that go up steep gradients I have never quite understood what the barrier is to electrification where there are gradients. As the hon. Member for Torbay says, we will very soon have the technology to overcome that.

Kevin Foster: I thank the right hon. Gentleman, who, given the speech he is making today, I will call my right hon. Friend even if that is not strictly correct. Does he agree that the question arises of how long it takes us to deliver infrastructure projects in the UK? We touched on this in relation to western rail access to Heathrow and electrification. We just take too long to make decisions and to deliver on them.

Mr Bradshaw: I entirely agree. The Labour Government set up an independent infrastructure body—I cannot remember its name—and the hon. Gentleman's Government have gone on to do something similar. We need to be much more radical in how we manage big infrastructure improvements. Network Rail is currently pleading, in today's *Financial Times*, with the Government not to privatise it, but instead to hand over such decisions to an independent rail commission. That is a very sensible and sound idea, and I hope the Government will listen to it. The fragmentation and privatisation of Network Rail would be an absolute disaster. It is worth reading the piece in today's *Financial Times*.

Oliver Colvile: If we want business to use railways, we also need to ensure a good level of broadband so that people can actually work on them.

Mr Bradshaw: I forgot to mention that broadband is terrible in standard class. It never works. I just use 3G, or 4G, if I have it, on the train. I raised this issue with First Great Western a number of times, but it still has not been resolved. I am told that it is fine in first class, but who travels first class? MPs certainly do not; not in my experience, anyway. I never have and since the new expenses system came in we are quite rightly not allowed to.

As hon. Members will remember, two years ago last week we had the catastrophic severing of the line at Dawlish. As the hon. Member for Torbay said, it had a huge impact on the region's wider economy. Flooding then cut the line on the Somerset levels and this weekend there was flooding between Taunton and Castle Cary. My train was diverted from Exeter because of flooding. There are a lot of resilience problems throughout the network. As we all know, with the growing threat from climate change there will be increasing occurrences of extreme weather events. There has been meaningful and substantial investment in the railways, including in the south-west—although not as much as in other parts of the UK. Following the Hatfield disaster, hon. Members will remember that under the Labour Government there was a major programme of work to make signalling and track safer. That work is ongoing. Improvements at Reading have already made a significant positive difference to the reliability of the service. There used to be regular delays, in particular when coming into Reading on the return journey.

There have been improvements, but we in the far south-west, as opposed to the Bristol-south Wales corridor, where major electrification is planned, still feel the poor relation when it comes to investment. There were a lot of generous—I will use that term rather than grandiose, because we took them at their word—promises made by the Prime Minister, the Chancellor and the Transport Secretary after Dawlish and particularly in the run-up to the general election. I lost count of the number of times the Chancellor and the Prime Minister appeared in Devon and Cornwall wearing a hard hat and a fluorescent jacket and promising us more than £7 billion of rail and other infrastructure investment. They will be held to those promises. A whole swathe of Conservative MPs were elected in Devon and Cornwall on those promises. [HON. MEMBERS: “Hear, hear.”] They are laughing, smiling and “hear-hearing” now, but if those promises are not delivered the smiles will be on the other side of their faces come the next general election. It is up to them to get their Government to deliver.

I feel sorry for my Conservative colleagues. We are friends—we have regional solidarity—and I feel sorry for them. In the past two weeks, we have had an absolute public relations fiasco over a tiny sum of money. The Peninsula Rail Task Force in the south-west is a group that got together after Dawlish. It is run by a Conservative councillor. All the councils have taken part and most of them are Conservative. It came up with a fantastic document, on which the hon. Member for Torbay based most of his speech, about what needs to happen in the south-west. Its very small initial ask is for £250,000 for the necessary feasibility studies into electrification and resilience, which the hon. Gentleman mentioned. We were promised that this would happen. There was going to be a press release. It was going to be announced last week on the second anniversary of Dawlish. I hope the Minister will use the opportunity this evening, when she responds to the debate—it is not a very good time to put out such a fantastic news story that our media in the south-west would absolutely love—to come up with this small amount of money. It is £250,000 for two feasibility studies. Nothing has been said about when the work will happen.

Johnny Mercer: Will the right hon. Gentleman concede that Network Rail committed to paying for the studies? The Government have not given money to a project and then taken it away. The money has fallen through as a result of what Network Rail has done. We have asked the Government to step up and deliver in its place.

Mr Bradshaw: The hon. Gentleman is absolutely right that the Government have never come up with the money. I am suggesting that they should. Network Rail is not able to come up with the money because of the massive cost overruns and delays on the whole of the rest of its infrastructure investment projects; not just the huge cost and time overrun on the Great Western line into south Wales but on its overall investment all over the country. Incidentally, the Government knew about that before the general election when they were making all those great and grandiose promises about what they were going to deliver to us in the south-west. Those are the conversations the hon. Gentleman needs to have with his Front-Bench colleagues. I will leave that to him and wish him the very best of luck.

It is completely obvious to me why the money has not been made available. Network Rail has not got it because it has massively overspent and overrun on all its other

projects. I hope that when the Minister responds we can hear a little bit more detail on exactly what we can expect in the far south-west and when. If she cannot tell us about the feasibility study money this evening, perhaps she can tell us: when we might be able to hear about it; when we might have some hope about the prospect of electrification beyond Bristol into our part of the region along the lines that have been suggested; and when we might have some idea about the timetable for an additional alternative line to Dawlish.

I completely agree with the point made by the hon. Member for Totnes (Dr Wollaston). We do not want to lose the line at Dawlish. It is beautiful and the people of Dawlish do not want to lose it. However, the fact is that if we talk to any engineer or climate change scientist about the long-term viability of the route, they do not just talk about storms and sea level rises but the fragility of the cliff. The biggest problem with the block last year was that the cliff kept falling down. It is a multiple problem and the line is between the sea and quite a soft cliff. As hon. Members will know, there was a plan back in 1939 to build a sensible, slightly inland alternative from Powderham Castle to Newton Abbot. That did not go ahead because the second world war broke out. There are other options. I can understand that people in north Devon and north Cornwall like the idea of the Okehampton line being reopened. Let us have a look at that and have some idea about what is going to happen and when. As the Prime Minister himself said, we cannot afford to have the south-west cut off like that again. Our economy cannot afford it. I was on the right side of that block, so it did not affect me, but the Plymouth, Cornwall, South Devon and Torbay economies were seriously affected by it.

James Heappey (Wells) (Con): May I add to the right hon. Gentleman's shopping list? The Minister might like to reassure us about where the south-west and south Wales sit in the Government's wider priorities. It would appear that we have neither resilience in our network, nor had significant investment in the speeds of our journeys since the '70s—certainly beyond Bristol, there is no evidence of that coming soon. Other regions, therefore, will zoom ahead with much faster high-speed rail within a decade or two. It would be useful if the right hon. Gentleman added to his list this question about where we stand in the Government's priorities.

Mr Bradshaw: I entirely agree, and we look forward to hearing the Minister respond at the end of this debate. I intend to finish with what I hope will be an attractive suggestion to all those Conservative Members who were swept to power—

The Parliamentary Under-Secretary of State for Transport (Claire Perry): I simply hope that at some point the right hon. Gentleman will welcome the fact that there will be a new station opening in his constituency next year.

Mr Bradshaw: Yes, and we have already had a new station opened just outside my constituency—and the investment programme for it was put in place by the Labour Government, so I am very grateful that the Minister did not cut it. [*Interruption.*] Of course I am grateful for that.

Claire Perry *rose*—

Mr Bradshaw: I am sorry, but I am not giving way again.

Several hon. Members *rose*—

Madam Deputy Speaker (Natascha Engel): Order. The right hon. Member is not giving way.

Mr Bradshaw: I have said I am grateful for that station and that I am grateful for the investment programme that the Labour Government initiated. I say to the Minister simply that she has cut that investment programme over the last six years at a time when every sensible economist in the world thinks we should be investing in our infrastructure for the long term. We have record low long-term interest rates in this country and a faltering economy, so now is the time when we should be investing in infrastructure, and particularly in rail. I repeat that I am very grateful that the Minister did not cut the money for that station and that we are going to get another station—but, incidentally, the Labour Government initiated the plans for that, too.

I am going to end with the following suggestion to the Conservative MPs in Devon and Cornwall who were swept to victory last May on great and grandiose promises of a rail revolution and renaissance in the south-west. I got into a great deal of trouble with my Whips in the last Parliament for refusing to vote for the money for High Speed 2 up to the north. To give credit where it is due, one Conservative Member, the hon. Member for South West Devon (Mr Streeter)—sadly, he is not in his place tonight—did the same. We withheld our support for that money. The Government now have a majority of only 12—

Mrs Sheryll Murray: Will the right hon. Gentleman give way?

Mr Bradshaw: No, I will not. I am finishing and the hon. Lady can speak in the debate.

More than 12 Conservative Members with constituencies in Devon and Cornwall could stop the Government putting that money through if they do not get what this Government promised over the next five years. I challenge them to do that—to stick up for their constituents, stick up for the south-west and stop taking no for an answer.

7.32 pm

Anne Marie Morris (Newton Abbot) (Con): I think that all Conservative Members will be sticking up not just for their own constituents but for the country as a whole. What we want to see is growth and productivity improved. We have to repair the damage done by the previous Labour Government that resulted in our having to make the cuts that we are now making. It is undoubtedly this Government, and the previous coalition Government, who have focused on the need to do something about the whole infrastructure mess.

I congratulate my hon. Friend the Member for Torbay (Kevin Foster), my constituency neighbour, on securing tonight's debate. It is undoubtedly true that the Great Western route is critical. It is fair to say—here the right hon. Member for Exeter (Mr Bradshaw) and I might agree—that we need to give some priority to the infrastructure

in the south-west. Where we would disagree is that I believe that we have already seen action taken and seen more than just warm words. Frankly, as the Member representing Dawlish among other places, I have seen it in spades. We all want to see this commitment. I believe it is fair, but we need it on the record.

Mrs Sheryll Murray: The very fact that the trains running between Penzance and Paddington were first introduced in 1976 just goes to show the lack of investment initiated by the Labour Government about which the right hon. Member for Exeter (Mr Bradshaw) talks. They did nothing for the south-west when they were in government for 12 years.

Anne Marie Morris: My hon. Friend makes a very fair point. It is this Government, and the former coalition Government, who have begun to look at the south-west and to recognise that we have a motorway, the M5, which ends at Exeter, and that the road infrastructure therefore needs sorting. They recognised, too, that broadband needed sorting, which is not something that the Labour Government did much about. They have also recognised that, frankly, our railway needs resolution.

The gross value added of the south-west is 72% of the national average, and if we could just deal with infrastructure issues, we would open up the opportunity and really deliver on the potential by raising the productivity of our area as a whole.

Given that so many colleagues have mentioned Dawlish, let me say a few words about it. This was an extraordinary event. It is, I suppose, a truism that after some of the most disastrous events, we sometimes see some of the best things emerge. It is undoubtedly true that what happened in Dawlish on that fateful day shined a light on the challenge. Rather than running away from it, the Government said, "This is something that matters; we are going to spend the money."

I remember that storm in February 2014. The Government put in £35 million at the time, and I recall constituents telling me, "This can't be fixed," while the engineers were saying, "It can't be done," yet Network Rail and the Government told me, "It can; it will be; and it will be soon." In the end, I think it took about six weeks. It was absolutely phenomenal. Having fixed it, they continued to spend another £6 million sorting out some further individual problems.

Clearly, there is more to be done, but if we look at what happened, we find that we had 300 engineers—that wonderful orange army—who worked solidly pretty much round the clock for two months, sorting out our railway. They were ingenious. Despite what the engineers said, they came up with the idea of using 19 sea containers to provide a temporary sea wall. That was quite an innovative idea. The only challenge they had, once it was put in place, was how they were going to remove it. That turned out to be more of a challenge than putting it in place. Yet 6,000 tonnes of concrete and 150 tonnes of steel later, along with the 25,000 tonnes of the cliff being removed, we are now in a good, resilient position for the railway at Dawlish. We have repaired 600 metres of wall and Dawlish station, including the platform, and we have 700 metres of new track.

Still more work is ongoing. The point made about signalling is absolutely right. More signalling repair and restoration is going on, along with more repairs to the

sea wall, whose footpath has been repaired. Riviera terrace, which disappeared overnight, has now been rebuilt. As for Dawlish Warren along the coast, the point has been made that there are some natural climate change erosion problems, but work is already going on to deal with them through beach recharge and trying to realign how the natural coastal flow works.

The point of this debate—other than being able to say, “Well done, Government, you sorted out Dawlish; thank you very much”—is to flag up to everyone the need to do more. There is a bigger picture.

As my hon. Friend the Member for Torbay mentioned, the Peninsula Rail Task Force has been one of the key drivers. It was established to look at a 20-year plan, and I think that it has the support of everybody in the area. It is a great credit to the area and it shows how strongly we all feel about getting this right. If we can get this right, if that taskforce is allowed to complete its job and if we get that 20-year plan and the Government to commit to investment in the south-west, we could have a GVA uplift of £520 million by improving journey times.

It is fascinating that the potential for this area is so clear. Passenger numbers are many times that of any other area. I think they have gone up by 126% over the decade compared to a national increase of 61%. The tourism potential is already well demonstrated. In 2014, over £1 billion was spent by visitors to the south-west. Believe it or not, in 2013, Saudi and Russian visitors spent more in the south-west than in London.

If those who enjoy travelling using the “Lonely Planet” guides have a look, they will find that the south-west is situated in the league tables as the third best place to visit—ahead of Italy and Denmark. So the potential is there, and there is a win-win—not only for the south-west, but for the Government, because we will get productivity up, which is what the Chancellor wants to see above everything.

The Government have already committed £400 million, and we have had 11 individual reports since the Dawlish events, looking at resilience and reliability, faster journey times and sufficient capacity, and five more reports are coming. No one could honestly say that that did not represent a serious commitment to understanding the problem and then getting it right.

A number of crucial issues need to be addressed. I think every Member agrees that the Dawlish coastal route must be a priority, because unless it is running as a “forever, forever” resilient line, shoring up the whole peninsular network, everything else will begin to become secondary.

I take issue with the challenge from the right hon. Member for Exeter, who, like King Canute, seemed to fear that at some point we would all be washed away. I suggest that we should take account of British scientists, who have been incredibly resilient over the years—as, indeed, were those intrepid passengers who, when the line broke down all that time ago, simply got out of one carriage, climbed over the rocks, and got into another carriage to continue their journey. We are a resilient nation, and that line will survive. It too will be resilient, and it is there for the long term. I am sure that the Government will ensure that that can happen. Nothing is impossible; all that is needed is a little imagination and some intelligence.

The coastal route is crucial, but it is in all our interests to look at the whole area, and the east of Exeter project for resilience is equally important. Bridgwater and Taunton are also crucial, as are Yeovil and Castle Cary. They must be on the must-do list.

Neil Parish (Tiverton and Honiton) (Con): I agree with my hon. Friend that what was done in Dawlish was absolutely right and that we must keep that railway going. However, we must also consider the line from Bristol to Taunton. We need new stations at Wellington and Cullompton, and we need some metro trains as well. My hon. Friend the Member for Taunton Deane (Rebecca Pow) cannot be here today because of ill health, but I know that she would agree. We need to increase resilience. We need to bring more trains down existing tracks; we need more stations; and we need to use our tracks much more effectively.

Anne Marie Morris: My hon. Friend is absolutely right. At present, we have just one spine going along the south of the peninsula. We need another spine going along the north and opening up the Okehampton line. We also need a network rather like a spider’s web. If we are to take full advantage of what is happening to the economy and if productivity is to increase, we need the smaller stations to which my hon. Friend refers. As was pointed out earlier, stations such as Dawlish should not become secondary branch stations. If that happened it would be a disaster, because our economy is set to grow. We need those two spine routes, but we also need the connectivity—the spider’s web—that will enable all our communities to be successful. For rural communities, travel is mission critical.

Shortening journey times is crucial. I welcome the bimodal rolling stock that we shall have in 2018, but, meanwhile, it would be helpful if the Minister told us a little about any cast-offs that might increase the current number. I agree with what has been said about electrification. I think that bimodal rolling stock is the solution, but, as others have said, we need a plan. We need to know that the Government are committed to dealing with more than just one piece of the south-west. The south-west does not stop at Bristol, although—dare I say?—some people seem to think that it does. We also need to consider the calling patterns, and we must give some thought to capacity and quality. The issue of the additional routes is crucial. I have already mentioned the Okehampton route and the concept of a spider’s web.

Let me now mention some keynote events in the far south-west. A geotechnical study, which is due to begin in April 2016, will look specifically at the Dawlish issue, the Teignmouth cliffs, the sea wall, and whether or not there is a need for a barrage out at sea. I am pleased that the study has gone full steam ahead and has not been subject to any cuts. I hope that the Government will undertake to take its findings seriously and to give us a chance to work and lobby hard to find the right solution. I hope that they will commit themselves to spending the money that we need to sort out our resilience once and for all.

Another key event is the 20-year plan report from the Peninsula Rail Task Force. As has already been said, the plan needs to be properly funded, but we hope that there will be some pre-planning in control period 5. Although control period 6 will not begin until 2016, I think that, once we have the report, the Government should say, “Now that the plan is in place, this is what

[Anne Marie Morris]

we can do,” so that we are ready to go. We need the Government to invest during the planning phase. I would love CP6 to happen sooner, but it is realistic to assume that, by the time the planning has been completed, it will be 2018. But a commitment to investing in that planning and to the resolution of the problem would be brilliant.

If we invest in the south-west, our gross value added will increase, our productivity will increase—the Chancellor will be very pleased—security will be improved, and we will unlock the marine potential of the area, which is already worth £410 million in GVA. We will also be able to build on the nuclear potential. Currently, the UK nuclear market, much of which is in our part of the world, is worth £50 billion. We will also be able to take advantage of the aerospace advanced engineering, which is already worth £16 billion in our part of the world, and of new data analytics, which are based primarily in Exeter. The super-computer there gives us a potential income of £97 million in the area.

I will end my speech now, because the Minister has heard enough about me, the lady from Dawlish—[HON. MEMBERS: “No, no! More!”] Let me finally ask for a commitment to the south-west: a commitment to find the funds that we need, to give us the security that we need and to help us deliver the productivity that the Chancellor wants, that we want and that the country needs.

7.46 pm

Huw Irranca-Davies (Ogmore) (Lab): It is a pleasure to follow the hon. Member for Newton Abbot (Anne Marie Morris), whose stirring speech I thoroughly enjoyed. Let me also commend the hon. Member for Torbay (Kevin Foster) for securing the debate, which I think will prove very useful.

The Great Western Railway is important to me, because, along with my Welsh colleagues, I use it regularly. I have used it for the last 15 years, and, if I am fortunate—I am assuming nothing—I may be using it shortly to travel back in that direction for the final time as I head down to the Welsh Assembly. It all depends on the electorate. However, as others have said, the railway is critically important not just to politicians who travel back and forth to work and to represent their constituents, but to the economies of the areas involved. As we heard from the hon. Member for Newton Abbott, GWR will provide great GVA if we get it right.

I must thank GWR for getting me here almost on time. I apologise to the hon. Member for Torbay for being a couple of minutes late; that is because part of my journey was on a coach. Fair play: the company ensured that the coaches were running, and managed to deal with the traumatic weather. I thank it for sorting that out for me, and for all the other passengers. However, it raises the issue—regardless of electrification—of run-of-the-mill resilience. Too many parts of our existing railway stock have a fluctuating ability to deliver the timetable that we need. All too often there is a shutdown, and even if it lasts for only two or three hours, trains back up in the wrong places, and the timetable has to catch up with where the rolling stock is. No doubt, following today’s debate, GWR, Arriva Trains Wales and the branch lines will be shuttling stock to try to catch up after the delays.

Kevin Foster: I am enjoying the hon. Gentleman’s speech, but does he agree that we must ensure that the rolling stock that we have is correctly specified? Cross-country journeys connect parts of south Devon and, sometimes, south Wales on the route to Birmingham, and some trains have not been not specified to go along a piece of track that a wave might go over.

Huw Irranca-Davies: That is a very good point. I hope that what has been said today will be noted not just by the Minister, but by train operating companies and infrastructure companies. I hope that they will act on the suggestions that have been made by Members, so that their services can work better for commuters and other passengers.

Several Members on both sides of the House have drawn attention to the importance of the spine of the network to all the branches that flow from it. It is not just to do with high-speed links or electrification. I travel here from Maesteg, where I live with my family—it is north of Bridgend, up the Llynfi valley—and I am fortunate that we still have a branch line there. Thank goodness that, at the height of the Beeching cuts, there was local opposition and strong-minded leadership in the Labour authority, and people fought and said that they would be damned if that line would close. They managed to keep it open, and nowadays it is a tremendous success. That route from Maesteg down to Bridgend, and all the way up to Chepstow and beyond, is a very popular route and we need to go further. We talk about travel-to-work areas. The people in my constituency travel down from Maesteg and from all the valleys I represent to work in Swansea, Bridgend and Cardiff, and they need good reliable and affordable transport in order to do that. We are fortunate that we have that in the Llynfi valley and we need to keep it that way.

We are also fortunate that we were able to open a new station on the Great Western main line spine. It is rare to see that happen nowadays. The station at Llanharan, between Cardiff and Swansea, was closed in the ’60s under Beeching, but after a fight lasting more than 40 years, we were able, along with local Assembly Member Janice Gregory and local councillors Geraint Hopkins, Roger Turner and Barry Stephens, to reopen it. It has had great benefits, with more than 2,000 homes being built in the area and possibly another 2,000 on the way. The station has been an economic boon to the area. People want to come and live there because it is not just a place along the Great Western spine route; it now has a station. The point has been well made that we must ensure that we do not bypass communities when we deliver the electrification and the main line spine; we also need to connect the spine to the communities.

Jonathan Edwards: The hon. Gentleman seems to have neglected to mention the role played by Ieuan Wyn Jones, the Transport Minister in the Welsh Government at the time, and a member of my party.

Huw Irranca-Davies: Ieuan Wyn Jones played a good hand in that campaign, and so did Andrew Davies, the Economic Minister at the time. His officials were telling him that the economic case for the station did not quite stack up, but he told them that it would when they saw the 2,000 new homes and the new schools that would come in as a result. My goodness, he was right. When I travel through the new station now, I see scores of people using it at every hour of the day as they commute

to Cardiff for shopping or visiting relatives or to go to work. It has been a tremendous success, and we need to think more about these projects alongside the electrification.

Another critical aspect of using the spine along the Great Western railway is to ensure that it also connects to the south Wales metro. I use that name deliberately; I am not talking about the Cardiff Bay metro. This needs to be a genuine south Wales metro. In my area, linked to the Great Western line, we have the Llynfi line that was protected all those years ago, but we also have three valleys that have no connections to rail links at all. They need to be linked in to the First Great Western line when it is electrified and delivering faster services. That link might take the form of light rail, or perhaps good coaches and buses operating to the right timetable to enable them to make the connections at the right times of the day.

That kind of thinking has to happen, and representatives of Bridgend County Borough Council, under the leadership of Mel Nott, are now sitting down with the Welsh Government to work out how to join those communities that have no rail links to the Great Western spine, so that people in those communities can get to work and go to meet their friends and so that elderly people there can socialise with friends who live further away without having to get an expensive taxi.

Byron Davies (Gower) (Con): You are making some important points. Would you accept that the electrification of the line down to Swansea by the Conservative Government is going to result in greatly increased social mobility for the people of the valleys?

Huw Irranca-Davies: I agree entirely with the hon. Gentleman, but I hope that he will support my point that this project must be delivered on time as originally pledged and, hopefully, on budget as well. The hon. Member for Newton Abbot said earlier that too many people think that the south-west ends at Bristol. Well, too many people up here think that south Wales ends at Cardiff. Cardiff is a brilliant city—please go there and visit. Newport had the NATO conference and Cardiff has the greatest stadium in the land, with the only covered surface. Wales also has the best national opera company. Cardiff was third in the top 10 short break destinations in the whole of Europe recently. However, south Wales does not stop at Cardiff. Just beyond that line, there is Bridgend, and just beyond Bridgend is Swansea. Beyond that is west Wales.

So I fully agree with the hon. Member for Gower (Byron Davies), but I want to say to the Minister today, “Don’t short-change us through these delays.” We have been talking about the economic benefits and we were told that the electrification project would be delivered to Swansea—not to Bristol, not to Cardiff, not to Bridgend, but to Swansea—and we want it to go to Swansea. Let us look at the developments that are happening in Swansea at the moment. There is the SA1 project and the new university campus out at Briton Ferry. These are tremendous jewels in Swansea’s economic crown, and they need to be joined up. South Wales does not stop at Cardiff—brilliant city though that is. It goes way beyond that, and we need this project to be delivered.

I agree with the hon. Member for Gower’s primary point that we need to get the electrification completed, but I hope that he would agree with me that we need to

get it done promptly and on time, without the delays that we have been talking about. We have now been told that it is to be put back into control period 6. For those who do not know what that means, control period 6 is between 2019 and 2024, which would mean that the project would not be completed at the same time as the rest, around 2018. So in effect, Christmas will come late for the hon. Gentleman’s constituents and for mine. We are going to have to wait for our Christmas presents, and that is not good enough. His constituents are not second-class citizens of this nation and neither are mine. Let us have this project on time, at the same time as everybody else. I know that he agrees with me on this.

Jonathan Edwards: The hon. Gentleman is making a very important point. Does he agree that it would be far better if these large infrastructure development projects started in Swansea as opposed to starting in London? If they started in Swansea, you can guarantee they would arrive in London on time and in budget.

Huw Irranca-Davies: I would certainly be reasonably happy with that. I would probably start them from Bridgend and work outwards in both directions, but starting from Swansea would be a good second option.

I was talking about connectivity with the Great Western rail line, and the necessity of delivering the Heathrow link has been mentioned in this regard. Come what may in terms of capacity expansion at Heathrow, that link needs to be made. The journey from South Wales to Heathrow is preposterous at the moment, and that link needs to be delivered. Again, it would provide a major economic boon. It is not only business people who say this—although they do, repeatedly; it is also commuters. It is also myself. I fly from Cardiff and from Bristol, and I also fly from Heathrow. These preposterous patterns of travel need to be remedied, and that needs to be done quickly. These plans have been sat on for years and years.

The hon. Member for Gower has said that the electrification plans are good, but they must be delivered on time. The Welsh Government have made it clear, as have other parties in Wales, that we are holding this Government to their original commitment of delivering it on time and on budget. I would ask the Minister to ensure that, when this is done, full discussions are held with the communities along the routes about the related infrastructure developments that would really benefit those communities. I will give the House an infamous example, from my own constituency. The lovely town of Pencoed still has a traditional level crossing, and it is one of the busiest in the land. It is right in the centre, next to the cenotaph and the shops. When we march there on Remembrance Sunday every year, we have to time our marches to take account of what can be a 15-minute wait while the level crossing is closed. Of course, that happens every day of the week, not just on Remembrance Sunday.

If we have this major investment that will require not only electrical infrastructure but raising the height of bridges and making major structural changes in different communities, I would love to meet the Minister, with Mel Nott from the local authority and the town council, to discuss how we can all work together to get rid of the level crossing and upgrade the bridge which is only half a mile or less up the road, so that we can get two lanes of traffic over it. That would allow us to solve the problem

[*Huw Irranca-Davies*]

the level crossing causes, as well as drive electrification all the way down the line. Perhaps the Minister would invite me to meet her, along with a small delegation, because we think we can bring something to the table—the town council can, as can the county borough—and we can make this work for those communities as we drive electrification through.

My final point on electrification goes back to one made by the hon. Member for Gower, who represents constituents at the end of the main spine of the line. In case Ministers are confused, I should say that it does not finish there; it goes way beyond that, up into west Wales. For the purpose of this project, however, Swansea is regarded as where the Government originally said they would deliver electrification to. We are not talking about hybrid electrification—half diesel, half electric—variations or something that is late, but about electrification on time.

Regardless of that, at the moment we have been told that because of the delay we have no clear costings—to my knowledge, they have not been done—no clear start date, and thus no certainty. My worry is that this will drift, so I want some more clarity from the Minister today. I would love her to say that this is going to start between 2019 and 2024 and to give a date for delivering the full costings, so that we have a little more certainty that even though this is drifting, it is not drifting into the back of beyond. This is a great project. I wish all south-west Members, including the hon. Member for North Devon (Peter Heaton-Jones)—we stare at each other across the Severn estuary or the Bristol channel from our glorious coastlines—well in their aspirations for their areas. My area needs electrification on time and on budget, so that we can link up all the other things we have been talking about in a cohesive infrastructure for south Wales and on to west Wales.

Several hon. Members *rose*—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Before I call the next speaker, may I say that there is something strange going on this evening? Each of the previous three people who have spoken in this Chamber has used the word “you” in reference to other people. It is not just one person—everyone is doing it. I have been reluctant to intervene and I try to not to, but after three times I must point out to the Chamber that when the word “you” is used, it means the Chair. If you are asking the Minister to do something, you ask “the Minister”. I call Oliver Colville.

8.2 pm

Oliver Colville (Plymouth, Sutton and Devonport) (Con): Thank, you for calling me in this debate, Madam Deputy Speaker, and I will try very hard to do that. I hope that if I do make a mistake, you might forgive me. I congratulate my hon. Friend the Member for Torbay (Kevin Foster) on securing this debate. Obviously, he has something more important than I have, because I have tried for five years to get a debate on the future of the railway down to the south-west and have always failed; he obviously has something more alluring and has therefore delivered. Also, let me say that I hope I will not get accused of being a fat controller at the end of my speech. [HON. MEMBERS: “No!”]

Last week, we had the unwelcome second anniversary of the Dawlish line being swept into the sea, as my hon. Friend the Member for Newton Abbot (Anne Marie Morris) has pointed out. That was a huge wake-up call to the Government and to all of us in the south-west region. Interestingly, we have all worked together to make one common cause: to make sure that the Government understand the importance of this issue. If there is one thing we have been successful in doing, it is in ensuring that we have spoken with one voice, as have done this evening. We need only look at what happened today, when trains on the line out of Cornwall were once again delayed, because of the appalling weather and the three trees that fell on to the line at Bodmin, to see how fragile our railway line is. As chair of the all-party group on south west rail, I am fighting, alongside my fellow Devon and Cornwall MPs, for better train and other transport links to the region. I have campaigned for that over the past 15 years, initially as a Conservative candidate and more recently as the Member of Parliament for Plymouth, Sutton and Devonport.

Neil Parish: This is very much about the resilience of infrastructure into the west country, because we have not only the Great Western line but the Waterloo to Exeter line, where we could make big improvements by, for example, using loops around Honiton. We could also open Seaton Junction and bring back the trams to meet the service. This is also about carrying on from Exeter down into Cornwall with a second line, because although it is absolutely right to keep the Totnes and Newton Abbot line, we need that second line so that we have resilience. We seem to be having more and more bad weather, so the first line will get blocked and we have to have a second route into Cornwall.

Oliver Colville: My hon. Friend is 100% right about the need to have that second line. My personal preference is for it to go through Haldon Hill, as that would be ideal, but I understand that it may be too expensive. We therefore need to make sure that we have one that has the potential to go through Okehampton and Tavistock, purely because we have to make sure there is increased capacity and we can put freight on the line, too.

As my hon. Friend the Member for Newton Abbot said, two years ago the line at Dawlish was washed away, and for the following six weeks there were no trains west of Dawlish to the biggest conurbation west of Bristol—Plymouth. Having lost our airport and our trains, the only way anyone from Plymouth could get to London and the midlands was by using the partially dualled A303 and the M4 and M5—we are talking about the only single dual carriageway at the moment. I very much welcome the Government’s commitment to dualling the whole of the A303. I, like my hon. Friend the Member for Tiverton and Honiton (Neil Parish), would like to see it go through the Blackdown hills as well, but I may be being too greedy in that.

In the aftermath of the Dawlish disaster, the Prime Minister visited the Laira depot in my constituency, and I was very reassured to hear today, when I met people from Great Western Railway, that the company is going to be seeking to make full use of Laira and it is not going to be closing. The Prime Minister’s persistence ensured that the orange army worked tirelessly to fix the line before Easter 2014, which of course was the start of the tourist season. This time last year, the Prime Minister

met my hon. Friend the Member for South West Devon (Mr Streeter), the chairman of the local enterprise partnership and the leader of Plymouth City Council, and he warmly supported the setting up of the Peninsula Rail Task Force to undertake research into what needs to happen to deliver a resilient railway line. Although I understand that much progress has been made, I was slightly dismayed to learn two weeks ago that Network Rail did not have the money to deliver on the research into journey times and electrification. I very much hope that the Minister will be able to help me on that this evening and make sure that that work happens.

Last Monday, nearly all my fellow Devon and Cornwall MPs met the Chancellor and set out our concerns. We were all elected on a promise to try to make sure that we could deliver a decent railway line to and from the west country, and to improve other transport links. I am very grateful that he met us at such short notice and that he understands what our peninsula's needs are. On Tuesday, we met the Under-Secretary of State for Transport, my hon. Friend the Member for Devizes (Claire Perry)—we hope she is soon to be our right hon. Friend—who is both responsible for rail and a south-west MP. She told us she would do everything she could to find the £300,000 for this work, and I am delighted that it seems she is going to be able to find that for us.

Let me remind the Minister what we in Plymouth and the far west want. She may be bored with hearing this, but I have been saying it for the past five and a half years and I am going to say it one more time. We want more three-hour train journeys from London to Plymouth and vice versa; and we want trains getting into Plymouth from London before 9 am, so that business people can do a full day's work in Plymouth. We are the largest urban conurbation west of Bristol—bigger even than that in Wales—and it is important that we be an economic motor to deliver the growth that my hon. Friend the Member for Newton Abbot talked about.

Never again must Plymouth and the far west be cut off from the rest of the UK. I was delighted when the Transport Secretary came to Plymouth before the general election and announced we would get the new high-speed Hitachi AT300 trains in 2018. It was very positive news. I am concerned, though, that it could be subject to further delays, given that the electrification to Newbury is delayed and over-budget. If I have got that wrong, perhaps the Minister will correct me.

We need more three-hour train journeys between Plymouth and London and more trains arriving before 9 am; we need to straighten the tracks and improve the signalling between Totnes and Cornwall; and we need an additional line to the one at Dawlish so that never again can the far west be cut off. Plymouth can only play a significant part in growing our economy if we have a decent transport system—and skills base. I am acutely aware, as is my hon. Friend the Member for Plymouth, Moor View (Johnny Mercer), of the low-skills and low-wage base in our city.

In 2020, an important event will take place in Plymouth, when we commemorate the Mayflower's leaving the city in 1620 to found the American colonies. To make that a success, people need to be able to get to Plymouth to see where that great ship sailed from.

Just in case the Opposition think they have got off lightly—as I slightly hold the Minister's feet to the fire—I remind Labour that it does not have a particularly

good record on delivering in the peninsula. It announced in its manifesto that it would cancel the dualling of the A358, which would move the bottleneck from Stonehenge down to South Chard. I am delighted that we are continuing with the dualling.

Without the south-west, the Government would not have an overall majority. We have done our bit to ensure a Conservative Government, whom I am delighted to support, so will they please help us deliver for them?

8.12 pm

Peter Heaton-Jones (North Devon) (Con): I congratulate my hon. Friend the Member for Torbay (Kevin Foster) on securing this important debate.

The hon. Member for Ogmore (Huw Irranca-Davies) said he might be departing for pastures new. As he kindly name-checked me, may I say what a pleasure it has been to serve under his chairmanship of the Environmental Audit Committee? It has been my first experience of a Select Committee, and it has been extremely fruitful. We will miss the hon. Gentleman.

Like many Members on both sides of the House, I am a regular user of the Great Western main line. I travelled up this morning. As others have said, the journey was considerably delayed, but I pay tribute to the GWR train staff, who always kept us well informed and advised. On such days, they operate in extremely difficult conditions. It can only be a challenge to deal with a lot of stropky passengers who want to know why they are an hour late, but they performed in an exemplary fashion this morning and kept us all advised. Although we got into Paddington an hour late, that was fine.

As mentioned, faster broadband would be gratefully received. The train is a valuable opportunity to work—I had an unexpected extra hour this morning—but although the broadband works after a fashion, it is, like the curate's egg, slightly patchy. Like the right hon. Member for Exeter (Mr Bradshaw), I choose to travel in the quiet carriage, but never has anything been so misnamed. It is certainly not always quiet. The train is a vital place of work for people on their journey from the south-west to London and elsewhere.

Mr Bradshaw: This has been suggested to me once or twice before. In my experience, if one politely asks somebody making a noise in the quiet carriage to desist or move, they do so. It is a great example of British self-policing. I recommend that the hon. Gentleman try it, if he has not already done so.

Peter Heaton-Jones: I am a shrinking violet and would never presume to do such a thing, but I take the right hon. Gentleman's point.

The vital nature of this main rail link for the south-west—our major rail artery—has to be stressed again and again, but it is extraordinarily important for another reason. As others have said, not only is it a fragile link, but it complements what is, by any definition, a fragile series of road links to the south-west. On the M5 or the A303, you pay your money and you take your choice. There are times when both are unhelpful to the travelling public. For that reason and many others, it is vital that the south-west line is resilient, as many Members on both sides of the House have said.

Alex Chalk (Cheltenham) (Con): As well as resilience, do we not need to get the network running smarter? For example, a great train robbery takes place every day when my constituents are robbed of 15 minutes of their lives because the train from London leaves the main line and parks in Gloucester, where the driver gets out from one end of the train and walks to the other, before the train rejoins the main line and continues to Cheltenham.

Peter Heaton-Jones: My hon. Friend makes a good point. I am not aware of the particular jiggery-pokery he mentions, but it sounds like an extraordinary bit of choreography.

I have mentioned the difficulty with transport links as a whole. That is why the resilience of the south-west main line is vital. I also want to talk about the spider's web, as others have called it. We need to ensure a good and widespread rail service across the south-west. It needs not just a spine, but ribs coming off it—to stretch the analogy to breaking point.

I am bound also to mention the vital rail link in north Devon connecting Exeter with Barnstaple. Over the years, it has survived the Beeching cuts and many other problems, including flooding and underuse, and now it has turned a corner. The number of passengers using it is growing almost exponentially. It used to be used primarily in the summer months. Indeed, at some points, it is still signposted with signs of the brown tourist variety, which rather gives the impression of its being a quaint Puffing Billy line, which it is not. It is a vital artery, and if we can improve it, we will improve the economic vitality of north Devon.

The fantastic work of the Tarka Rail Association in promoting and operating the line has helped to drive its increased use, so I was delighted when, just three weeks ago, I arranged for the chairman and me to meet my hon. Friend the rail Minister. We had an extremely productive hour-long meeting at which we discussed the importance of the north Devon main line, as we are hoping to rechristen it. I hope that my hon. Friend will refer to that in her comments. Having these ribs off the spine are absolutely vital if we are to ensure that we have a rail service that is truly of use to the maximum number of people in the south-west. It is of particular importance to north Devon because of tourism.

Iain Stewart (Milton Keynes South) (Con): I am grateful to my hon. Friend for giving way. I feel like an intruder in this debate, as I do not represent a south-west constituency. However, I was at Exeter university and I regularly visit north Devon. I absolutely concur with his point about the Barnstaple line. A key thing that is needed is enhanced rolling stock. Very often what is in use is a single carriage train, which is woefully inadequate. I hope that when the Great Western franchise comes up in a few years' time, proper consideration will be given to procuring better rolling stock for that line.

Peter Heaton-Jones: My hon. Friend makes a good point. I am delighted to welcome him to beautiful north Devon. The rolling stock is an essential matter, as it has been left to decay to the point that it is only just fit for purpose. I have held a significant number of meetings with the operators, GWR, Network Rail and the Tarka Rail Association and we have discussed at length the importance of acquiring significant new rolling stock. I am delighted to say that we now appear to have reached

a position where there will be a “cascade” of rolling stock. I would rather not use the phrase “cast-off” that was previously used, because I want to strike a more positive note. We will have a cascade of—almost—21st century rolling stock coming towards us for that line.

Huw Irranca-Davies: May I take this opportunity to stress the importance of access for wheelchair users? My friend Simon Green from the Bridgend Coalition for Disabled People stresses that, very often, in railway carriages there is space for only one wheelchair, so two people travelling together have to be split up. It would be great if we looked at the possibility of different variations in the new rolling stock.

Peter Heaton-Jones: The hon. Gentleman makes a good point. I have travelled on the north Devon line between Barnstaple and Exeter, and, quite often, there is no room at all for a single wheelchair user, which is why we need to get this new rolling stock cascaded to us as soon as possible.

Let me turn away from the specifics of the north Devon line to the Great Western main line, which is a vital artery for the south-west. We have talked a lot about the resilience of the line. We absolutely rely on that single rail line to provide us with a transport artery to the south-west. When incidents occur, such as the one in Dawlish, the effects are devastating. Even though people who come to north Devon often jump off the line well before Dawlish—like me, they usually get off at Tiverton Parkway—the fact is that when we have the sort of incident that happened at Dawlish, the whole of the south-west and all the constituencies represented by Members here are affected. We need to ensure that we have the resilience of that line sewn up for the future, which means addressing the difficulties at Dawlish. The right hon. Member for Exeter made the point that the cliffs on one side of the line are just as much a problem as the coast, on the other side of the line. I have seen for myself that that is a problem. We also need to consider this second line—the Okehampton route—that will start to open up a vital northern corridor. I have an interest in such a route, as I represent north Devon.

The flooding issue is also of significance. As I came up on the train this morning, I saw how close the line was to the Somerset levels. Then there is the electrification issue. I absolutely agree with Members from all parts of the House that we need to speed up the process of electrification of the line. I am delighted that it is planned to go through to south Wales, but we need to ensure that we get it down to the south-west.

I add a note of concern here: if we get no significant movement on this until control period 6—in other words starting in 2019—we will be pushed back to the end of the queue. I hope that the Minister can give us some positive news in this regard. In particular, I hope that she can provide us with some reassurance on these two feasibility studies into the resilience and the electrification of the line, which have been mentioned a few times already. Without going into all the do's and don'ts of who said what, of where the money was coming from, and of whether it was cut from point A or from point B, the fact is that we need a relatively small amount of money to undertake those two vital reports, and they really need to be done. I hope that, when the Minister gets to her feet at the end of the debate, she will have some positive news for us. One cannot stress too much how important it is to have those two studies done.

Let me briefly mention the Peninsula Rail Task Force and the excellent work it has done. Its 20-year plan certainly bears reading and taking seriously, because it has a vision for the rail line that we in the south-west deserve.

As has been mentioned, the Prime Minister and the Chancellor came down to the south-west on a number of occasions. They came to my constituency—to Saunton in the case of the Chancellor—and announcements and promises were made and ambitions mentioned. They talked about investment for the south-west rail line. I feel sure that, when the rail Minister gets to her feet, she will be able to reassure us that those promises will be delivered. It is vital for all of us in north Devon and the wider south-west that we have a resilient, fast and efficient rail service.

8.27 pm

Fiona Mactaggart (Slough) (Lab): I am sorry that I had to miss parts of the debate, but I was rehearsing with the Parliament choir. I was trying very hard to be in two places at once and, as usual, failed.

I really welcome this debate. I know, because I have heard reports about the speeches that have already been made, that the focus of the debate has not included the commuter service provided on the Great Western railway. I urge the Minister to respond to the issues relating to the passengers who commute on those routes. If we look at passengers in excess of capacity on a typical autumn week day by operator, we will see that Great Western Railway exceeds all other companies, not because of the long-distance services that we have heard about, but because of the chronically overcrowded commuting services provided on the railway. On an average day, there are something like 1,000 people in excess of capacity in the three most overcrowded trains on the rail line, and 30% of the 10 most overcrowded trains are on the Great Western main line. There is a serious problem. Too often, I have been in one of those trains, with my nose pressed into the armpit of someone whose name I do not know. I find that offensive. We have standards for carrying animals on lorries, but we do not have standards for carrying humans on trains. The Great Western commuter rail service is, on many occasions, quite disgusting for passengers, and we have to do more than adapt a few carriages that were used to feed people—we have given that up—by putting in a few more seats. We need to do more to provide sufficient stock for the commuter service to serve the people who depend on it.

The Thames valley is the most productive region of our country. It makes more profit per worker than any other part of Britain. We need to make sure that those people can get about. My constituency—I often say this in the House, and I am sure Members are bored of hearing it—has more European headquarters of multinational companies than Scotland, Wales and Northern Ireland put together, because Slough is really easy to get to. It is really easy to get from Slough to Heathrow, to London, to the west country, or up the A40 to Birmingham, or along the M3 and around the M25. It is a well-connected town, which is why we are successful in drawing investment into Britain. I am not competing with other towns in England, Wales, Scotland and Northern Ireland particularly; Slough tends to compete with cities in Europe.

When I talk to companies about the issues that impact on their profitability, they say that they want to be confident that Heathrow has a secure future and they want to reach it more easily. The best way to do so is by rail. I persuaded the previous head of the Berkshire local enterprise partnership to do some research, over 10 years ago, on what companies in the Thames valley spent on taxis to Heathrow. The figure was £10 million a year. If that money was spent not on taxis going to Heathrow on the excessively congested M4 but on a train service to Heathrow, those companies would have a more reliable journey that did not depend on what was happening around junction 5, 6 or 7. They would not face overcrowding on the M4. We are going to get smart motorways, but with hard-shoulder running, if there is an accident, it takes longer to get round it. At the moment, they have serious problems using that route properly.

I have a feeling about how the Department for Transport works. It can do only one thing at a time. It looks down a little tunnel, saying, “This is my project.” Its project at the moment on my bit of the railway is creating a train park for the Heathrow express, which I would rather not have. The Minister has been helpful on some of these issues, but the failure to put a foot on the accelerator of western rail access to Heathrow is truly foolish, given the impact not just on this bit of railway but on the national economy. If the project had as much energy behind it as other rail projects it would attract significant inward investment. We are failing to attract that investment and are failing to create the jobs that would inevitably follow better connectivity for Heathrow because no one is pushing this forward.

I was concerned that we would not get the project done by 2018, which was the first chimera of western rail access to Heathrow, but then it was pushed back to 2020. Now it looks as though it might be done by 2023 or 2024. I suspect that the project will probably not be completed until we have the additional runway, but we need it before then.

I urge the Minister to set someone—one of her nice tunnel-vision civil servants—to focus their tunnel vision on Western rail access to Heathrow. I promise that companies in this country are desperate for it and they will back it. Perhaps she needs a bit of private investment. I had a meeting some years ago with officials in her Department and one of them said, “We’re spending blah million”—I cannot remember how many—“per month on the airport.” I looked around at the company representatives who had come with me, whose companies were spending that much per month on their own development.

The time has come to ensure Western rail access to Heathrow. It does not need complicated consultations because most of it is on the existing rail line and the rest of it is in a tunnel, so there is nothing to delay the project. This Minister, whom I admire, would forever be in my glory books if she would make sure that somebody put the accelerator under this project. At present, her Department is failing and letting down the Thames valley and the whole of the south-eastern economy as a consequence.

Several hon. Members *rose*—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. There is no need for a time limit in this debate as we have plenty of time, but when we have plenty of time, speeches and interventions tend to expand, so it would be helpful now if Members would take around 12 or 13 minutes, which is a long, long time.

8.36 pm

Johnny Mercer (Plymouth, Moor View) (Con): You will be delighted, Madam Deputy Speaker, to know that my speech will be very brief indeed.

I thank my hon. Friend the Member for Torbay (Kevin Foster) for securing this debate. I shall not repeat what has already been said. I am going to disappoint my father again—I am no railway engineer. He dragged me round, trying to introduce me to the lost art of trainspotting when I was a young man, but it never caught on.

I want to talk about why the rail connection is important to my city, Plymouth, and why we as a Government need to get it right, to deliver for that part of the world. I echo the comments of my hon. Friend the Member for North Wiltshire (Mr Gray). For much of the time we have a remarkable service, though there are some serious challenges to be faced. We must rise to the challenge of severe weather, without denigrating everything we have already achieved. That would do us a disservice.

Almost two years ago exactly, the Dawlish rail disaster happened. The railway fell into the sea, cutting off my city, as has been mentioned. The idea that the Government have done nothing since then is one of the myths in the literature from the Opposition that is piling up in my office. In the past two years, £70 million has been invested to keep that railway open and to increase resilience generally in the south-west. That is not an insignificant sum. We have that resilience at Dawlish. Admittedly, it sometimes faces challenging weather, but the weather may be a little beyond our control.

I urge the Government not to heed the divisive words of those who seek to further their own personal agenda in this rail debate. Many of us in the south-west feel that we have had investment to a point, but we now need to go to the next level. Let me explain why that is important. As I said, I am no rail engineer, but I am an extremely mediocre politician. That gives me the opportunity to knock on people's doors in Plymouth and hear what is important to them. People often ask me why, despite our history in Plymouth and our astonishing Janner spirit that has seen us conquer the seas and make the largest contribution to this country's defence in matériel and men, and despite reviving ourselves spectacularly after a devastating blitz during the second world war, we still have in our city some of the most deprived communities in the United Kingdom. The reasons are many, and clearly far too varied for this debate, but the answers are part of it. We must address the life chances we give people in Plymouth. If we were to cross a particular bridge in Plymouth tonight, we would see the average life expectancy drop by seven and a half years—that is seven and a half years in my city.

We must aggressively fight our way out of the state dependency that has dominated our city since the heady days of the 1980s, when 35,000 Plymothians worked at the dockyard. As the economy and society have changed, we as a city have changed with them; the central economy based around the dockyard has given way to a bright, positive and emboldened city that has become a hub for small businesses and start-ups, driving an astonishing 48% drop in unemployment in the last Parliament.

We have two world-class universities, but they are further from an airport than any in the UK. Marjon University is ranked first in this country for social mobility, which is

really important in Plymouth. We as a Government must do everything we can to assist its onward development in that respect.

Kevin Foster: My hon. Friend is making some powerful points, which also relate to my constituency, where we, too, are trying to diversify. Does he agree that that is what makes the debate so important, particularly given the comments by the right hon. Member for Slough (Fiona Mactaggart) about the need for western access to Heathrow, which acts as the south-west's key air link?

Johnny Mercer: My hon. Friend is absolutely right. At its heart, this is about developing opportunities and bringing skilled employment to places outside London—to communities that have been deprived for so long.

Plymothians have adapted to the challenge of modern Britain in a way that only they can—with a positivity and a spirit that make some of us proud to call Plymouth our home. However, we as a Government must now play our part in that revival and tackle the single totemic issue that will fuel this onward journey towards a better, more prosperous and more healthy Plymouth. The biggest, most rewarding and highest-pay-off issue the Government could get right in the next five years is this railway. The jobs, the opportunities for our young people and the skilled manufacturing opportunities will come only if we have a transport link that is resilient, fast and befitting of a 21st century Britain. I say again that this is the totemic issue for this Parliament for us in the south-west.

At the last election, Plymothians showed their true colours and, for the first time, elected three Conservative Members of Parliament. Plymothians have aspirations, and they want life chances, and we need to do everything we can as a Government to enable them to achieve those and to provide them with the ladder, so that we can bring my city forward and enable it to achieve the potential it so clearly has. The rail link is the single thing that will do that to the greatest effect.

8.43 pm

Scott Mann (North Cornwall) (Con): It is a pleasure to follow my hon. and gallant Friend the Member for Plymouth, Moor View (Johnny Mercer). I thank my hon. Friend the Member for Torbay (Kevin Foster) for bringing this debate about.

I would like to talk for a few moments about my experience with the Great Western railway and about how beneficial the railway has been. I was not previously a huge user of the railways, having not travelled from north Cornwall to London that much. However, I use them regularly now, because I have to travel up to London and back twice a week. For me, the best part of the week, as the right hon. Member for Exeter (Mr Bradshaw) mentioned earlier, is getting back on the train at Paddington. I use the sleeper train, and I would urge him to use it as well; there is nothing better than leaving London at midnight and waking up in God's country, in the south-west, at six o'clock before going back to work on Friday morning. It is an excellent service.

I represent a constituency that is barren in terms of its railways. North Cornwall has no branch railway links. The south-west saw huge reductions under Beeching's cuts, and North Cornwall lost stations in Bude, Launceston, Padstow and Bodmin, which served the original Great

Western railway. I pay tribute to the Peninsula Rail Task Force, which has worked tirelessly in the south-west to attempt to deliver a plan for the south-west. In recent days, we have seen that plan and presented it to the Chancellor and to the Transport Secretary. I hope that later we will hear some positive announcements regarding the funding for that plan.

We have also seen in recent days how groups of MPs can join together and work for a region. Today we had the example of the securing of the local government funding settlement and the increase for rural areas, which has been hugely beneficial to residents in Cornwall, and I am grateful for that. We have a rather seamless tide of blue in the south-west, and it would be beneficial for us all to work together to try to get the best we can for our region. The Great Western Railway franchise, or First Great Western as it used to be called, has had a significant presence in Cornwall. In the past, other operators such as Virgin, CrossCountry and Wessex have come and gone, but trains operated by FirstGroup have served the Cornish people for many years. I thank my hon. Friend the Minister for her continued support for the train network in the south-west and for recently agreeing to meet us.

We noticed how resilient Cornwall and Devon can be when we saw the events in Dawlish in 2014. Those events cannot be ignored. Dawlish is a fantastic place to pass on the train—it is one of the best advertisements for the south-west. For any Members who have not ridden through Dawlish on the train, on the left-hand side, there is a huge amount of sea and swell. That is exactly what the south-west is about—it is coastal, it is rugged—

Johnny Mercer: Like you.

Scott Mann: Thank you—likewise!

Millions of people from across the world saw the scenes of the railway hanging into the sea at Dawlish. At that time, we were reliant on the one arterial road that comes into Devon and Cornwall, and that was difficult. We saw the orange army out working—they did a huge job for us, and I am very grateful—but I feel that we should explore other opportunities and other branch lines that might well help us out. An Okehampton link on the line from Exeter to Plymouth would be viable, and it would bring benefits to tourism not just in North Cornwall but in the area represented by my hon. Friend the Member for North Devon (Peter Heaton-Jones) and in other parts of the region. I am sure that Great Western Railway would welcome the opportunity to serve more stations and facilitate the return of trains to North Devon. That would help thousands of people right across North Cornwall and North Devon, many of whom have to travel huge distances to access trains.

I might be the only speaker in the Chamber this evening who does not have a branch line running through their constituency, and I would very much like one, so I am going to make another case—for a Bodmin central branch line. There are only two standard-gauge railway stations in North Cornwall, both of which are served by the Bodmin and Wenford steam railway, which runs to Boscarne and is fantastic. However, Bodmin Parkway is located about 5 miles outside the town centre, which means that it is not easily accessible if there are roadworks or problems on the roads. I would therefore like a proper

dedicated main line link to be implemented between Bodmin Parkway and Bodmin General. The steam trains do a great job in the summer, but we need a 365-day-a-year link. I would welcome Great Western Railway considering putting in a link to connect Bodmin town up to Bodmin Parkway.

Kevin Foster: Does my hon. Friend agree that what he is saying about where train services could be developed shows the latent demand in the south-west region, particularly on the peninsula, for the creation of additional services not just on the Great Western Railway route but through the further extension to Okehampton of the old Southern route that still exists between Exeter and Waterloo?

Scott Mann: I do agree. The more branch services we get, the better. Our public transport system in Cornwall and Devon is not great, and we struggle to provide sufficient bus services. As my hon. Friend the Member for Plymouth, Moor View said, if we make these investments, that will drive jobs and drive the economy in our areas.

I thank the Minister for the investment that has already gone into the south-west, including in the points systems in Penzance, the new bimodal Hitachi trains, which will be ready for use by 2018—that is a fantastic investment and we are grateful for it—and the sleeper trains. I talked earlier about being rocked to sleep on the sleeper trains, which are a fantastic service. A gentle relaxation and a rocking to sleep is a lovely feeling, and it takes six and a half hours to get from Paddington to Bodmin Parkway, so I look forward to those sleeper trains coming online.

The bimodal trains will reach Cornwall faster, so we could do with them. It is also imperative that we look at electrification and line speed improvements. I know that is not going to happen overnight, but I would like the Minister to consider it. The sleeper train is an integral part of south-west connectivity. With the region being three to six hours away from London, night sleeping is important because it means you can have a restful night's sleep and then get to work first thing on a Friday morning.

I thank the hon. Members for Ogmire (Huw Irranca-Davies) and for Slough (Fiona Mactaggart), who is no longer in her place, for raising the Heathrow proposals. For me, Heathrow is not a London issue; it is a countrywide issue. Linking up areas such as the south-west means faster journey times to Heathrow and it connects us to onward travel. I am grateful to the hon. Members for pointing that out. In 20 years' time, we could be living in a region that has direct flights from Newquay to Heathrow, and direct trains from the region to Heathrow. People from Cornwall could then fly to Heathrow in an hour, and people in east Cornwall and Devon could hop on an electric GWR service and alight at Heathrow in under three hours.

Johnny Mercer: I am very much enjoying my hon. Friend's stories of rocking the sleeper to sleep, or whatever it is. Does he agree that in order to upskill our part of the world and change the character of the south-west economy, it is fundamental that we attract bigger manufacturing companies to give our young people the skilled opportunities and skilled manufacturing jobs that will keep them in the south-west?

Scott Mann: My hon. Friend is absolutely right. Train connections have raised the wage base in other areas, and over the years the south-west has suffered from a low wage, high house price economy. Many of our young people struggle to get houses and to get on in life. If those rail services come online, businesses will invest in the south-west, which will give our young people every opportunity, which is great.

Huw Irranca-Davies: The hon. Gentleman is making a fine speech. I urge him to look, when he has time, at the development of the south Wales metro concept, because it covers urban and rural areas, and valleys as well as major conurbations. It is a great idea, because it relies not only on rail, but on other modes of transport that work on time and are affordable. It has a way to go, but a south-west metro concept comes to mind.

Scott Mann: I will, of course, have a look at those reports. The hon. Gentleman spoke eloquently about his valleys and the branch lines within his valleys, so I look forward to reading those reports.

In conclusion, the Great Western railway is a valuable asset to the south-west and it could be improved. Without it, the region would crumble, which is why we must make it better, faster and more resilient. Today, many of my colleagues will have been affected by the severe weather in the south-west. In fact, we have heard that four fallen trees have affected the railway service in Bodmin and around the south-west. It is quite fitting that those trains have been delayed on the same day as this debate. I am confident that the GWR franchise will continue to serve our region well, linking it to the capital, and that the Peninsula Rail Task Force and the south-west MPs will all work together for our corner of Britain and make it a better place to live, work and play.

8.54 pm

James Heapey (Wells) (Con): I congratulate my hon. Friend the Member for Torbay (Kevin Foster) on securing this important debate. It is important for two reasons. First, rail infrastructure in the south-west was a central part of the Chancellor's long-term economic plan for our region. As such, it is important that we hold the Government to account in the delivery of that plan. Secondly, the south-west as a region is, unfortunately, defined by its poor infrastructure. We have a poor road network beyond the M5, we have relatively poor broadband, and access to the national airport is difficult. We have some fantastic and growing regional airports, but still nothing on the scale of those in other regions. Our rail network is only one line deep, and that line, not too long ago, was washed into the sea. That shows just how vulnerable we are. Moreover—although the right hon. Member for Exeter (Mr Bradshaw) made the point that broadband could be better integrated into the rail service, I will exclude broadband from what I say next—our roads, our rail and our airports are poorly integrated. Not only are they individually bad, but collectively they do not create a particularly well joined-up network. That adds to our woes as a region.

My remarks come under two headings: the inter-regional and the intra-regional. On the first, my hon. Friend the Member for Torbay was noble in resisting the temptation to compete with other regions, but I believe that the important thing is how the south-west fares against other regions, and therefore where the region should be

in the Government's priorities. It takes one hour and 42 minutes—give or take—to go from London to Bristol Temple Meads. That is 118 miles. On the west coast main line, we can go from London to Crewe in an hour and 34 minutes. That is 183 miles. On the east coast main line, we can go from London to York in an hour and 50 minutes. That is 215 miles. Already, our region is at a huge disadvantage relative to other regions, because of the speed of access into the south-west. The new Hitachi bimodal trains will reduce the journey to Bristol to around an hour and 25 minutes, which is very welcome indeed, but our line will still be slower, mile for mile, than the lines serving the midlands, the north-west, the north and the north-east.

I make three points about that. First, I have just given for comparison the journey to Bristol, which is in the northernmost part of our peninsula where the lines are fastest, so it is, in theory, the quickest to access from London. Secondly, in other regions, huge further improvements are expected to the rail infrastructure that will accelerate journey times into those regions. While we catch up with the bimodal trains that will get us to Bristol in an hour and 25 minutes, the other regions will sprint ahead, so we will remain in the second division. Thirdly, the effect of limited electrification will be marginal. Electrification only to Bristol, or only part way down the west country line, will mean that passengers reach the end of the electric line relatively quickly, but thereafter their journey will be relatively slow. Proceeding beyond Bristol will be rather like jumping off a cliff back into the slow world of diesel trains. I fear that that will accelerate investment into the Thames valley and the M4 corridor, but not necessarily beyond Bristol and into the south-west peninsula at large.

What do we ask, from an inter-regional perspective? Clearly, our connection to London—and London Heathrow, which has been mentioned a few times—is vital. It would be churlish not to say that it is the most important connection, so it is absolutely right that it is the key aim of the Government's rail plans for the south-west of England. It is not the only inter-regional connection that matters to the south-west, however. Our visitor economy will benefit enormously from improvements to the cross-country network, because so many of our visitors—they are very welcome indeed—come down from the midlands, the north-west and the north-east to find some sun in the west country.

Clearly, the Government have only so much cash, so what matters is the way they sequence how the cash is spent. This is rather like the debate about broadband. We talk endlessly about whether our responsibility is to deliver superfast broadband to as many people as possible or to deliver broadband just to those left without it altogether. The debate about rail in the south-west of England is very similar: do we sprint ahead with the development of high-speed rail into the north of England, when the south-west still has bimodal trains, because we can only get electrics so far down the line and thereafter have to revert to a technology not employed elsewhere? From the nodding of the hon. Member for Ogmore (Huw Irranca-Davies), I suspect that very much the same applies in Wales, once people go beyond Cardiff. This is an opportunity for the Government to state very clearly—I shall come back to this point later—where the south-west sits in their priorities. Those priorities are very clearly demonstrated by the way in which the Government sequence the spending of cash on rail infrastructure.

On intra-regional train networks, the Peninsula Rail Task Force has rightly received praise this evening, but there is a danger with PRTF. Its genesis lay in the difficulties we had in accessing Devon and Cornwall after the floods a few years ago, so much of the plan it has come up with addresses those difficulties. There are some benefits for Somerset in that, because the lines affected by flooding need to be made more resilient, but Somerset is an integral part of the Peninsula Rail Task Force, not just a territory to enable quicker travel down into Devon and Cornwall.

I want to plant it in the Minister's mind that the PRTF has responsibility not only to get greater resilience in Devon and Cornwall and to look at commuter capacity in and around Plymouth and in Devon, but to recognise that within Somerset—certainly north of Taunton—the requirement is to generate commuter capacity to Bristol and Bath. When I speak to people in that part of our county, which includes my constituency, about faster rail connections, they may or may not mention London first, but many of them will certainly talk about their inability to commute by train to work in Bristol or Bath. We need to make sure that that is addressed.

I have met the Peninsula Rail Task Force, which assures me that that point is part of its thinking, but one cannot help but notice that there is no specific mention of it in its interim document. I hope that from our meetings so far, from this debate this evening and, I hope, from the Minister feeling suitably animated by this matter, more explicit mention may be made in the future, because this is hugely important to the economic development of our part of the county.

There are a number of challenges when it comes to increasing commuter capacity from Somerset up to Bristol and Bath. The arrival of rolling stock from the Thames Valley will be very welcome. However, plenty of our stations have platforms that are not quite long enough for them, and we need to address that; plenty of them do not have the car parking capacity to meet the growth in demand that I hope will come, so we need to address that; and many of them have no disabled access whatsoever, and we need to address that.

We also need to look at timetabling services better. In my last job in the military, when I was working in the Ministry of Defence, I saw how South West Trains has services coming in from Hampshire and Surrey that stop relatively frequently until Woking or Surbiton and then go straight into London Waterloo, while others stop hardly at all and then stop all the way up from Woking or Surbiton. Given that people are now willing to travel a bit further to work and that the Bristol and Bath economies are growing very fast, I wonder whether there is an opportunity to have services that stop at Taunton, Bridgwater, Highbridge and Burnham in my constituency and perhaps Worle on the outskirts of Weston-super-Mare, but then accelerate through into Bristol to deliver a journey time that encourages people to live a bit further out in Somerset.

That is hugely important for creating jobs that people in Somerset can access through this new public transport link. It is also important because one of our great problems in the south-west is that houses are very expensive—those within the Bristol and Bath commuter belt are cripplingly expensive—but accelerating commuter traffic from Somerset up into Bristol and Bath would allow people in Bristol

and Bath to access cheaper housing in Somerset. That is a win-win, given the Government's priorities in those areas.

Highbridge and Burnham is an interesting case, if I may be slightly parochial for a few minutes. It is the only station in my constituency—a constituency of about 750 square miles. It is on the no-man's-land bit of line between Taunton and Bristol, which may or may not be electrified. Improving that station presents a real opportunity, given the frustrations that so many people in my part of Somerset have in accessing Bristol. More parking could be delivered. There is no disabled access whatsoever on the Taunton-bound platform when coming across from the car park, other than by going out on the road and over a bridge with no traffic lights or anything. There are huge opportunities for improvement, but because the station is in a quiet backwater of Somerset, it is too easily forgotten. The opportunity that sits there just waiting to be harnessed, which would require a relatively small amount of money, is too often overlooked. *[Interruption.]* I have placed it on the record now, Mr Deputy Speaker, so I will move on.

To conclude, the Government have committed a welcome amount of investment to the south-west. We now need to deliver on what has been committed. The Government made some exciting promises on rail in the south-west in their long-term economic plan. We now need to deliver. Although we recognise that the public purse is stretched, the Government need to come good on the things they said in the west country during the election campaign and make it clear that the south-west is a priority for them. We believe that the Government's majority was made in the south-west.

The right hon. Member for Exeter (Mr Bradshaw) has left his seat, so I can say without fear of reply that the south-west benefits enormously from being represented almost entirely—bar one—by Conservative MPs. We speak as one voice on all sorts of issues, from school funding to local government funding, which we talked about here the other night, and rail, which we are talking about tonight. That one voice gives the south-west an opportunity in this place that it has not had before. We need to harness that by making sure that the Government deliver on their promises and on the things that we are so keen to see happen in our constituencies.

Our region has poor infrastructure. The road improvements that the Government have promised are very welcome. The broadband improvements that the Government have promised are very welcome. The rail improvements that the Government have promised are absolutely vital. I hope that the Minister will agree that it should be a priority to deliver them in the south-west, and that if money does not allow for things to be done at the same time, the south-west will get priority over other regions so that we can catch up with everybody else.

9.7 pm

Andy McDonald (Middlesbrough) (Lab): I congratulate the hon. Member for Torbay (Kevin Foster) on securing this debate on an important subject. There has been many an excellent contribution. I agree with the hon. Member for Newton Abbot (Anne Marie Morris) that the Great Western railway is more than just a transport system; it is vital to the areas that it serves, which is why it is so important that the Government deliver on their promises on electrification and improved resilience as a matter of urgency.

[*Andy McDonald*]

As was identified by my hon. Friend the Member for the Crown principality of Ogmere (Huw Irranca-Davies), the recent flooding in much of the country has further highlighted the importance of ensuring that our railways are resilient in extreme weather conditions, which we are witnessing with increased frequency. Commuters on the Great Western railway know that only too well. The breach of the Dawlish sea wall in 2014 forced the closure of the line for two months, creating significant disruption. We saw the rails hanging in the air like a rope bridge. I, too, applaud the heroic efforts of the engineers and workers of Network Rail who brought the repair to a speedy conclusion.

A report published in the *Journal of Transport Geography* on the likely future impact of weather on trains travelling to and from the south-west predicted that up to a third of rail services could be disrupted over the next 100 years. That report, which was described by Network Rail as “key” to long-term developments, underlines the importance of improving resilience in the region.

The Labour party agreed with the Prime Minister when he said that the Government “needed to find answers” because the Dawlish disaster of 2014 “must not happen again”, but his rhetoric has yet to be matched by action. Despite it being said that “money is no object”, the Peninsula Rail Task Force—we have heard a lot about that this evening—has been examining how to improve the south-west’s rail network following the storm damage, but is currently unable to complete its final report because funding is unavailable.

In a letter to the Secretary of State, Tim Jones, chairman of the Devon and Cornwall Business Council, said that the south-west would be at a “severe disadvantage” should no funding be found to complete those studies. If we are to accept what the Prime Minister told the House when he said that “money was no object”, and if we are to believe that the Government are serious about making our railways resilient to extreme weather conditions, they must ensure that funding is available to complete the report. It is of paramount importance that resilience is improved, and the Government should give their backing to the report so that the task force can get on with delivering a railway that is to be relied on come rain or shine.

A number of suggestions have been made for an additional route to Dawlish, including by my right hon. Friend the Member for Exeter (Mr Bradshaw), and by Labour South West, including Tudor Evans, the leader of Plymouth City Council. However, the Prime Minister appeared to prejudice any fair assessment of the options when he backed a new Okehampton railway route as the “most resilient” alternative to the vulnerable Dawlish route, saying that the UK is a “wealthy country” that should be making long-term investments in rail, and that the Okehampton line was worth a “long, hard look”. Will the Minister guarantee that all options for an additional route in the south-west will be assessed on a fair basis? Will she also reassure the House that the funding that the Prime Minister promised will be made available, and that no decision has yet been taken on the route that an avoiding line might take?

So far the Government’s track record on delivering the Great Western main line is poor. Electrification will be delivered late and cost substantially more than initially estimated. Labour committed to electrification of the

Great Western main line in 2009, but the estimated cost of that has escalated dramatically since Network Rail made its first assessment in 2011.

Mrs Sheryll Murray: The hon. Gentleman has criticised this Government’s track record. Will he enlighten the House about the previous Labour Government’s track record on investing in the Great Western railway line?

Andy McDonald: I will happily do so. Let me remind the hon. Lady of the pieces that we had to pick up when coming into government after the disaster of Railtrack and the deaths that were caused as a result of the privatisation of the railways. We do not want to hear any more about that—the investment was significant.

Mrs Murray rose—

Andy McDonald: I have given way. Mark Carne, Network Rail’s chief executive, told Members of Parliament in October that the estimate for the project had been £874 million in January 2013, and £1.5 billion in September 2014. He said that because of “inadequate planning”, the cost of electrification could now reach £2.8 billion.

The upgrades that were expected to have been completed by 2018 are significantly behind schedule. Under the original plan, the Reading to Didcot route should already have been completed, and routes to Oxford and Bristol were on schedule to be completed this year. Didcot is now expected to be two years late, in 2017, and Newbury and Oxford three years late, in 2018 and 2019 respectively. Bristol Temple Meads will not have electric trains until 2020, and the east-west rail link from Oxford to Bletchley is delayed until the early 2020s.

Some of those improvements have been delayed by up to four years, significantly affecting commuters who rely on the Great Western line, as well as on the towns and cities that the line serves. Progress on the Great Western electrification has been hampered by this Government putting electrification on hold after the 2010 election, and not fully confirming the project until July 2012, meaning that essential planning work was delayed. The Office of Rail and Road has said that because a number of major enhancements were added to control period 5 at a relatively late date, several important projects were started in 2014 without being fully assessed. At the start of control period 5, £7 billion of the £12 billion of enhancement spending had not been signed off by the regulator. Calvin Lloyd, Network Rail’s head of long-term planning and funding said:

“There are cost pressures across the whole portfolio of enhancement projects, which should not be a surprise to anyone given that we did not have the level of confidence we might have wished at the start.”

It is the taxpayer, commuters and those who rely on Great Western who will suffer the consequences of poor cost estimation and poor planning. If the Great Western tracks are not electrified according to schedule, the Department will be liable to pay compensation to the private consortium that is delivering the new generation of electric intercity express programme trains. The Department for Transport is considering converting electric IEP trains so they can run on diesel, at an unclear cost to the taxpayer. They may not be able to reach speeds of 125 mph, raising fears that some journeys could actually slow down, compared with today, if electrification is delayed.

The Government's plans for replacing uncomfortable and inaccessible Pacer trains on branch lines in the south-west are dependent on the success of the electrification programme. If the Great Western electrification project is significantly delayed, passengers in the south-west could endure vehicles for years that the Government have, quite rightly, said are unacceptable in the north of England.

Poor planning and the premature announcement of projects have left commuters uncertain of the future of the Great Western, yet the Government were repeatedly warned that rising costs could lead to some projects being delayed or cancelled. Labour first raised problems with the Great Western main line electrification programme in May 2014, just weeks into the start of the investment period, and challenged the Government to explain which electrification projects will be delayed or cancelled as a consequence of rising costs. Those concerns were echoed by the Transport Committee, which warned in January 2015:

"We are concerned that key rail enhancement projects—such as electrification in the North and North West of England—have been announced by Ministers without Network Rail having a clear estimate of what the projects will cost, leading to uncertainty about whether the projects will be delivered on time, or at all."

Worse still, commuters were kept in the dark by the Government throughout this period. The chief executive of Network Rail confirmed:

"In mid-March 2015, Network Rail informed the Department for Transport that decisions may need to be made in the coming months about the deferral of certain schemes."

However, Ministers in the Department are still refusing to say whether they were informed before the election of the plans to defer major schemes. It is now clear that the agreed work could never have been delivered within the agreed budget and timeframe. Yet Network Rail, the Department for Transport and the regulator, the Office of Rail and Road, signed up to the plans anyway, resulting in a great deal of unnecessary uncertainty and confusion. It is passengers and the public who pay the price for such failures, and serious questions must be asked of the Government about how such a shambles was allowed to occur on their watch.

It will be a great relief to passengers reliant on the Great Western that track upgrades will arrive late rather than never. We on the Labour Benches encourage the Government properly to examine their adequacy and the adequacy of Network Rail in budgeting, planning and delivering such programmes in future. It is those issues that should be focused on, so it is an issue of concern that Nicola Shaw, who is heading the Department's review of the future of Network Rail, has said that privatisation of Network Rail is an option that is on the table. The Government should be asking how better to deliver major projects such as rail electrification in the future, not looking to devote time to managing yet further privatisation and fragmentation of our national rail infrastructure.

Mr Bradshaw: Is my hon. Friend aware that, according to the *Financial Times*, Great Western also raised objections to the possibility of privatising Network Rail, saying it would fragment the system and remove the advantage Network Rail has currently in being able to buy in bulk—and therefore cheaply—on behalf of the taxpayer?

Andy McDonald: My right hon. Friend is absolutely right. It is a matter of huge concern that the critical mass of Network Rail is now under threat from this review.

It makes no sense whatever to break up a national network. We all remember the days of the private enterprise adventure into our country's rail infrastructure—and the consequences that flowed therefrom. I would therefore encourage Members strenuously to resist the proposals for the privatisation of Network Rail.

9.20 pm

The Parliamentary Under-Secretary of State for Transport (Claire Perry): I thank my hon. Friend the Member for Torbay (Kevin Foster) for securing this excellent, coherent, thoughtful and wide-ranging debate. He has heard many reports, as have I, of the damage created by Storm Imogen during the day. I am just thankful that everyone is here in one piece. So far, there has been no report of injuries. I am sure we will all be thinking about what our constituents have had to deal with during the course of the day.

Let me deal with a couple of points before answering some of the outstanding questions put to me. A broad set of issues have been raised by Members and I am tempted to respond to many of them.

The right hon. Member for Exeter (Mr Bradshaw) is one of the few Labour Members, I am pleased to say, representing the south-west, but he is an assiduous campaigner on behalf of his rail users—[*Interruption.*] He is probably the only Labour Member representing the south-west. I am pleased to hear that he enjoys his journeys, accompanied by his bicycle, but I am disappointed that he tends to produce a tirade of misinformation and never likes to have the facts put to him.

I was interested to hear that he rebelled against his party Whip on HS2. I wondered whether he rebelled against—or at least had stern words with—shadow Ministers on issues such as the pitiful performance of the Labour Government on electrification. I know that the right hon. Gentleman was one of a revolving door of Ministers whom I had to face, but let me ask him once again—he could not answer one of my hon. Friends earlier—that at a time when we had a go-go economy and a light-touch regulatory system that was pouring money into the Treasury's coffers, how many miles did the Labour Government electrify in 13 years? It was fewer than 10 miles.

Do you know why, Mr Deputy Speaker? In Labour's view, the railway was not something that really mattered. The view of the Labour Government was that they could jack up the fares with the flex and have inflation-busting fares year after year. They did not invest a penny in electrification in the south-west. Here is the thing, though: they could have replaced the Pacers. Do we all remember the Pacers? Do we remember all the heat and fury from Labour about the dreaded Pacers that were carrying thousands of people around the north? Could they have replaced the Pacers in 2003-04? Yes, they could. Did they? Did they heck. Let me tell you why, Mr Deputy Speaker—it is because they do not give a stuff about transport investment. It is not important in Labour's view, and their track record is disgraceful. Frankly, I will take no lessons whatever from the Labour party on the railways.

I hope that the right hon. Member for Exeter will also have stern words with his party about its plans to abandon the upgrade of the A358, as set out in his party's manifesto, and about its lack of a word in support of the dualling of the A303, which is vital to

[*Claire Perry*]

the economy of the south-west. If he did not complain about that, which is a road so close to his constituency, I hope he would complain about his party being monetary fantasists who had no plan at all to generate a strong economy, without which we cannot invest in transport infrastructure and in vital public services. I think the whole House can agree that we will take no lessons whatever from—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I am going to help a little bit. I am not quite sure how the A303 fits in with a rail debate on the Great Western line. I know that the Minister wants to deal with the railways. Her reputation as the rail Minister is what I want to see tonight.

Claire Perry: Far be it for me to criticise you, Mr Deputy Speaker—[*Interruption.*]

Mr Deputy Speaker: We both know that that is not an option.

Claire Perry: But the roads and rail investment is vital to this region.

Mr Deputy Speaker: It looks like I need to be even more helpful. If the Minister looks at the title of the debate, she should realise what it is about, and Members have tried to stick to that subject. I know the Minister has a lot to cover, and I want her to concentrate on what Members have said and on the railways. I know that that is what she wants to do, too.

Claire Perry: I will follow your excellent advice, Mr Deputy Speaker.

My hon. Friend the Member for Newton Abbot (Anne Marie Morris) made possibly one of the most impassioned speeches we have heard in the House, drawing attention to the value of this investment and what it does for the region. As for the hon. Member for Ogmere (Huw Irranca-Davies), who made a powerful speech about the extension of the line to Swansea, I am very sad that he will—potentially—leave us in May. I hope that it has nothing to do with anyone whom he nominated for the Labour party leadership; it would be awful to think that he was disappearing on that basis. He will be much missed by many Members on both sides of the House. I have asked my hon. Friend the Member for Vale of Glamorgan (Alun Cairns), the Under-Secretary of State for Wales, if he will meet the hon. Gentleman, as a matter of urgency, to discuss the important infrastructure issues that he raised.

My hon. Friend the Member for Plymouth, Sutton and Devonport (Oliver Colvile) was, I believe, the only Member who mentioned the vital role of freight on the railways, and he was very clear about his priorities for the constituency. I am delighted that the Laira depot, which I have visited, is being retained, because of the important jobs that it brings, although I was disappointed that he did not mention hedgehogs once. I had hoped to hear a plea for a hedgehog crossing.

My hon. Friend the Member for North Devon (Peter Heaton-Jones)—whom I have enjoyed meeting many times, along with Mr Mike Day—raised the possible

opportunities on the Tarka line, which are fantastic. My door is open, and I am happy to give further consideration to his proposals.

The right hon. Member for Slough (Fiona Mactaggart), who is no longer in the Chamber—I think that she had to leave early—is another passionate campaigner for rail. Her constituency will, of course benefit from the Government's record investment in the railway, and particularly in Crossrail. I take her point about the Heathrow spur. However, she accused my Department of having tunnel vision. Far from it: we are multi-tasking on a daily basis. We are delivering the electrification of the midland main line, the Great Western main line electrification—about which I shall say more shortly—the multi-billion-pound Thameslink programme, and Crossrail. We are delivering £38 billion of investment on the country's railways. That is the biggest investment programme since Victorian times. However, one of the lessons that we have painfully learnt is that if we are committing money, it must be spent wisely. The hon. Lady was right to raise the Heathrow issue, and it will be delivered, but it is a question of appropriate sequencing.

My hon. and gallant Friend the Member for Plymouth, Moor View (Johnny Mercer)—who is not a trainspotter, I gather—made a powerful point about the regional need for transport investment to drive entrepreneurial growth. He made the important point, which was received rather churlishly by Labour Members, that private sector economic growth drives the best improvement in life chances, particularly in a disadvantaged constituency. I was disappointed by Labour Members' reaction to that.

Huw Irranca-Davies: In fact, the private sector has an important role to play in development and growth. However, as the Minister will know, the company that has achieved the highest satisfaction, the highest investment and the lowest bills is a not-for-profit water company called Dwr Cymru, which returns its surpluses to shareholders. Does she agree that the Wales consultation—it was launched on my birthday, 22 January—on a not-for-dividend model for the Wales and Borders franchise is a worthwhile exercise, given that it is considering a different way of delivering more value to rail users?

Claire Perry: When the hon. Gentleman becomes First Minister—which is, I am sure, his aspiration—he will have every opportunity to look at models for that franchise for the Welsh railways, because it is a devolved matter. However, I hope that he will be grateful, as I am, for the Government's commitment of £125 million, over and above the Barnett consequentials, to ensure that electrification of the Welsh valleys is delivered. How the work is sequenced will, of course be within the purview of the Welsh Government.

As always, my hon. and, allegedly, rugged Friend the Member for North Cornwall (Scott Mann) spoke passionately about the potential of his constituency. He also made the important point that branch lines that create local connectivity are vital to the railway. I hope that the Peninsula Rail Task Force, about which I shall say more later—I know that there is bated breath in the Chamber—will capture some of the investment. My hon. Friend also made an important point about the sleeper service, which the Government have supported with a multi-million-pound investment. I am glad that it is rocking him to sleep every Thursday night, but it is

also a vital way of building the tourism and business pathway down to the south-west, and I am very pleased that that work has been done.

My hon. Friend the Member for Wells (James Heapey) pointed out the importance of transport links, including road links. I am sorry that I was ruled out of order by mentioning road links earlier, so I will not mention them again, Mr Deputy Speaker. My hon. Friend made a point about regional investment, and I want to assure him that this is not a zero-sum game. It is not a question of pitching the north against the south-west or the south-east. In this Government's view, transport investment across the local, regional and national economies drives up economic growth, and economic growth delivers greater tax revenues and greater skills. That is a boat that floats the entire country higher, so if we can generate economic growth from transport investment, we will all benefit from that.

My hon. Friend made the fascinating point about regional transport around an area and talked about commuting into Bristol, where house prices can be very high. I hail from that area and I know it very well. In this regard, we would be looking to organisations such as the Peninsula Rail Task Force to help us to understand where every pound of spending can deliver maximum economic growth.

My hon. Friend the Member for Taunton Deane (Rebecca Pow) cannot be here tonight as she is recovering from surgery, but she too has campaigned on the vital issue of regional connectivity and is working hard on proposals to put forward to the new station investment fund, to which this Government have committed another £20 million in the latest spending review. I hope that I have now mentioned everyone who has contributed to the debate.

What is going on with this line? This debate is about the future of the Great Western railway. Some people have called it "God's wonderful railway;" others have called it the "great way round." It is a railway that I know very well. I grew up in Bristol and I remember when the InterCity 125s came to the city. It was as though we were no longer cut off; we were finally connected. However, as many Members have pointed out, those self-same trains are still running today. Some of them have been re-patched; they have been rebranded and refreshed. They still work, and they are a tribute to their engineering, design and maintenance, but they are now old trains. In the past 20 years, passenger numbers have doubled on that line. Indeed, since privatisation, passenger journeys are at a record high, with numbers having doubled across the country.

Too many trains are overcrowded and too many paths are full. Successive Governments of all political colours—I hold my hands up here—have not taken the necessary tough decisions on railway investment. Too many difficult decisions have been ducked and, as I have said, Labour's record on this is really nothing to shout about. However, despite the appalling economic chaos that we inherited, this Government have picked up the pieces and said, "We will invest more than £38 billion on our railways." Moreover—if I may crave your indulgence for a moment, Mr Deputy Speaker—we will put our road investment budget on a sustainable basis, so that all our transport systems can be protected.

This is truly the most ambitious rail upgrade since Victorian times, and it is being directed at the south-west because that region is a priority for this Government.

Good transport reduces the cost of doing business. It helps local companies to reach new markets and to grow, and it helps local people to travel to new opportunities. It helps students to travel to our wonderful universities. However, poor transport acts as a drag on growth and on social aspiration, and this Government understand the importance of rail investment in the south-west.

Powerful cases have been made tonight about the need to transform the Great Western main line. Over the next four years, the 40-year-old InterCity 125s will be replaced by reliable cutting-edge intercity express trains. I have seen them, and they are great. Along with the electrification of the fleet running on the suburban lines around London, they will deliver a 40% increase in the number of seats coming into Paddington. That is an incredible number, and it will start to deal with the overcrowding problems that we have heard about tonight. Also, journey times will be cut by up to 15 minutes, which will help to achieve some of the ambitions that have been described today. Fifty stations and 170 bridges will be improved, along with 200 miles of track and 17 tunnels, including the Box tunnel, which I have been through on a people-mover. All this work is going on.

The hon. Member for Ogden—[HON. MEMBERS: "Ogmore."] The hon. Member for Ogbourne—

Melanie Onn (Great Grimsby) (Lab): Do you know Wales very well?

Claire Perry: I know Bristol much better than Wales. The hon. Member for Ogmore (Huw Irranca-Davies) made an important point about electrification. I want to tell him that the commitment to electrify the line to Cardiff is absolutely baked into the new Hendy plans, and he must consider that as preliminary work towards Swansea—[*Interruption.*] It is difficult to get through the Severn tunnel, as he knows, but the work is going on and the gantries are in place. We have made the commitment that the electrification will continue on to Swansea the next capital period. [*Interruption.*] He says, "What about the new trains?" Of course the hybrid trains that we have purchased will be able to run on those tracks, so his constituents will see the journey time and capacity improvements, and those brand-new, state-of-the-art trains. I hope that he will at least be happy with that—

Huw Irranca-Davies *rose*—

Claire Perry: I can tell that the hon. Gentleman is not and that he is going to ask for another piece of infrastructure.

Huw Irranca-Davies: I winced only because I could feel the whole population west of Cardiff wincing at the same time as we were told that that was an interim measure to get us there. I do understand the point the Minister was making, however. Will the right hon. Lady—

Claire Perry: Hon. Lady.

Huw Irranca-Davies: She would be right hon. in my eyes if she could give the date when we will see the completion to Swansea.

Claire Perry: I am sorry, but I do not have that completion date. As the plans proceed and the work accelerates on the electrification to Cardiff, I will be happy to make sure that the hon. Gentleman is one of

[*Claire Perry*]

the first people to know, in whatever the capacity. I was invited earlier to choose glory, but my job is to serve—that is it.

Let us talk a little about the direct investment, as well as this Great Western line, because some people, including the hon. Gentleman, might legitimately say, “That is fine, but it just goes to Bristol and the south-west is much more than just Bristol.” Indeed, it is much more than just Cardiff, if we are talking about south Wales. What is actually happening for the south-western peninsula? Hon. Members were right to say that the south-west has sat and watched other regions pull ahead and wondered why that was happening. The south-west has vital extractive industries and some brilliant talent, but we are, in effect, cut off. Whether it was what happened at Dawlish or other transport network issues that had to prove that, the events at Dawlish were a wake-up call for so many of us. The work done on restoring that line showed that where there was a will and funding, there was a way to deliver. That is why in this Parliament the Government are investing more than £400 million directly in the rail system for this region. We are providing the class AT300 trains—the bimodal trains—which go through my constituency, too. I put my hands up: this is a great thing for my constituents, too. Those trains will provide fast, reliable journey times down to the south-west.

We have opened a new station at Newcourt, with others to come at Marsh Barton and at Edginswell, in the constituency of my hon. Friend the Member for Torbay in the next 18 months. We are re-signalling the main line from Totnes to Penzance, which is vital. The right hon. Member for Exeter mentioned Reading station, where this Government are making a £700 million investment in untangling freight and passenger lines, so cutting a key source of delay on that line. We have overhauled the Night Riviera sleeper trains, and I am told that the new launch will be before the vital tourist season this year. We are expanding the Long Rock train maintenance site at Penzance to maintain those trains, and of course we spent £35 million at Dawlish at the time of the works, and money has continued to go into that project since, because it is not enough just to stabilise the track for now.

As we have heard over and over again tonight, the challenge will be in future-proofing these lines, which are in some of the most exposed parts of the railway network. That is why £3.5 million has been spent by Network Rail on the geological analysis—on the cliff resilience analysis—to make sure that what is proposed for Dawlish works for the future. An additional £31 million is also being spent at 10 sites across the south-west, including the works at Cowley bridge, and the installation of rainfall and other monitoring. We are trying to make sure that the flooding problems we saw in 2014 do not happen again.

We have a plan for the south-west and we are determined to improve the resilience for the south-west. We also have a plan for Wales, and although the hon. Member for Ogmore may not be entirely happy with it, this Government are delivering for Wales, too. I was pleased to hear an almost universal series of comments about Great Western Railway today, which is delivering its highest ever score for overall passenger satisfaction. As has been said time and again today, it has really delivered

at a time of tough service disruption. It is delivering 3% year-on-year increases in customer scores and it is determined to do more.

There is a No.1 question today. People have said, “Okay Minister, you have told us that this matters and clearly there is a long-term plan, but what about the resilience study?” I am delighted to assure the House that we have indeed negotiated a package that will make sure that those relatively small but important studies do go ahead, to form part of the plan that we are expecting to get from the great Peninsula Rail Task Force. I wanted to keep everyone in suspense until the last possible moment. Therefore, the GRIP 2 study—governance for railway investment projects—into line speed improvements between London and Devon and Cornwall can go ahead to establish what more can be done to bring about track and signalling improvements. That is an important but not the only part of the study. I am really excited that the Peninsula Rail Task Force will report in June with a vision for the next 20 years. That work will include the resilience questions at Dawlish and the journey time improvements we need. That is no easy task, so we should all thank the relevant parties, led ably by the chair of Devon County Council, for putting that work together.

Mr Bradshaw: I think what the Minister just said is welcome, but she used the expression, “We have negotiated a package.” How much are the Government putting on the table compared with the local authorities, which have already put quite a lot on the table?

Claire Perry: We have not been asked to put in a penny. Great Western Railway has funded the study, as part of our negotiations with it. No Government money was ever being put into these studies. We stood by to make sure the studies happened—

Andy McDonald: Stood by!

Claire Perry: No, we were prepared to backstop any shortfall, but Great Western Railway agreed to fund this small part of the overall plan. We are talking about £200,000 to £300,000, as opposed to the £3.5 million Network Rail has already spent. I hope the right hon. Member for Exeter, just for once, is going to crack a smile and welcome something. Go on! Just welcome something the Government have done. No? I think we will move on.

The Government are committed to the region, and these studies will go ahead. This is a vital region of the country for transport investment and economic growth, and I am delighted, as both a south-west MP and the rail Minister, to confirm that those studies will go ahead.

9.42 pm

Kevin Foster (Torbay) (Con): This has been a fascinating couple of hours. We have managed to keep the debate on track and, as I told the Backbench Business Committee we would, to build up a head of steam behind these issues, and hon. Members will be pleased that the debate did not hit the buffers, as some suggested it might.

Leaving aside the puns, I think this has been a good debate. It was encouraging to hear that the studies would go ahead, as a key part of identifying exactly

what needs to be done on our railway to secure it for the future. It is right that we heard the commitment that Dawlish and the Great Western main line would continue to be at the heart of the community in the peninsula. I know that the line into south Wales and Swansea is at the heart of that area and its economy, too, and I hope that people will support the motion without the need for a Division. It reinforces the importance of the network. This is not just about a transport system to get people from A to B; it is about the heart of a region that could deliver so much more with the investment that we hope will come.

Question put and agreed to.

Resolved,

That this House believes that the routes of the Great Western railway are not just a transport system, but the heart of the regions they serve; and calls on the Government to ensure that plans for further electrification and improved resilience of the Great Western railway routes are progressed urgently.

Business without Debate

BUSINESS OF THE HOUSE (9 FEBRUARY)

Ordered,

That at the sitting on Tuesday 9 February, paragraph (2) of Standing Order No. 31 (Questions on amendments) shall apply to the Motion in the name of Mr Nigel Dodds and to the Motion in the name of Tim Farron as if the day were an Opposition Day; proceedings on each Motion may continue, though opposed, for three hours and shall then lapse if not previously disposed of; proceedings on each Motion may continue, though opposed, after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.—(*Jackie Doyle-Price.*)

BUSINESS OF THE HOUSE (10 FEBRUARY)

Ordered,

That at the sitting on Wednesday 10 February, Standing Order No. 16 (Proceedings under an Act or on European Union documents) shall not apply to proceedings on the Motion in the name of Secretary Theresa May relating to Police Grant Report or to proceedings on the Motions in the name of Secretary Greg Clark relating to Local Government Finance;

the Speaker shall put the Questions necessary to dispose of proceedings on—

(1) the Motion in the name of Secretary Theresa May relating to Police Grant Report not later than three hours after the commencement of proceedings on that Motion, and

(2) the Motions in the name of Secretary Greg Clark relating to Local Government Finance not later than three hours after the commencement of proceedings on the first such Motion or six hours after the commencement of proceedings relating to Police Grant Report, whichever is the later;

proceedings on those Motions may continue, though opposed, after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.—(*Jackie Doyle-Price.*)

INTERNATIONAL DEVELOPMENT

Ordered,

That Fabian Hamilton be discharged from the International Development Committee and Stephen Doughty be added.—(*Bill Wiggin, on behalf of the Committee of Selection.*)

Flood Insurance for Businesses

Motion made, and Question proposed, That this House do now adjourn.—(*Jackie Doyle-Price.*)

9.43 pm

Craig Whittaker (Calder Valley) (Con): The floods that hit the north of England over the Christmas period brought untold misery and suffering to a record number of people. In the Calder Valley, 2,700 homes and 1,635 businesses were flooded. In addition, four schools were affected, two of which are likely to remain closed for the foreseeable future, several bridges were destroyed and the total repair bill for damaged infrastructure currently stands at £32 million.

The Government's response so far has been most welcome. A £12 million package for households and businesses was made available within days of the flooding to help with the initial incidental costs. Since then, we have seen £5.5 million for the rebuilding of Elland bridge and, most recently, funding to repair and improve flood defences in the village of Mytholmroyd, which was particularly badly affected.

As welcome as the Government response has been to date, there is still far more to do. The communities in my constituency will need a great deal of support over the coming months and years as they get back on their feet.

The Environment Agency is due to complete the long-awaited flood prevention modelling work for the length of the Calder Valley in October. Although improved flood defences and upland management schemes cannot guarantee full protection in the future, there is an urgent need to move ahead with such projects. In addition to flood prevention work and the cost of repairing the damaged infrastructure, there is also the need to work with businesses to ensure that they are able to recover. An essential part of that is ensuring that small businesses are able to access flood insurance.

In response to a recent written question on this issue, the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Penrith and The Border (Rory Stewart) said:

“While we recognise the difficult challenges that some small businesses could face in accessing commercial flood insurance in areas of high flood risk, we are not currently aware of evidence that there is a systemic problem. Therefore, we have committed to work with the Association of British Insurers (ABI) and other interested parties to monitor the insurance market for small businesses. We are keen to work across government, and with a range of business interests, to better understand the nature and extent of any problem that might exist”.

Alex Cunningham (Stockton North) (Lab): I am grateful to my former Education Committee comrade for securing this debate and for giving way. This afternoon, I met Alan Smith, the leader of Allerdale council, to hear of the problems in his area and his worries for small and large businesses. Of concern is the fact that excesses of several tens of thousands of pounds are needed in order to secure insurance. What specific role should the Government have in developing some form of Flood Re type scheme for businesses, perhaps with some of that underwriting money that we have for domestic issues?

Craig Whittaker: I will come on to what I want the Government to do a little later, but I will also explain what is currently taking place. The hon. Gentleman is

[Craig Whittaker]

absolutely right that the excesses for small and medium-sized businesses are phenomenally unaffordable, as are some of the premiums on offer.

In addition to the written question that I mentioned earlier, the Prime Minister recently stated that he was looking very carefully at this issue and that, although some small businesses are highlighting concerns, the insurance companies, via the Association of British Insurers, state that they would not turn down any small business for flood insurance.

Jim Shannon (Strangford) (DUP): Flooding has become worryingly regular across the whole of the United Kingdom of Great Britain and Northern Ireland. Mother Nature cannot be ignored. Does the hon. Gentleman agree that we should consider setting up a formal structure of permanent support for businesses that are affected by flooding, outside of the insurance industry?

Craig Whittaker: I am not sure that that is the sole responsibility of the Government. I think that there needs to be a joint approach between the insurance industry and Government, but, again, I will come on to that during my speech.

Although the ABI said that it would not turn down any small business for flood insurance, I can tell Members that, having spoken to hundreds of businesses in the Calder Valley over the past few weeks, it has become apparent that many small businesses are experiencing difficulties in accessing flood insurance and that this uncertainty, coupled with the crippling costs that now face some businesses as a consequence of the floods, is jeopardising their future. Although I note the Minister's response that the Government are not aware of any evidence of a systemic problem, I question the basis on which that conclusion has been reached.

Last July, the Department for Environment, Food and Rural Affairs published the report "Affordability and Availability of Flood Insurance: Findings from Research with Businesses". A cursory look at the report might lead one to conclude that there is not a problem after all. The research found that uptake of insurance across businesses is high. The survey showed that the vast majority of small businesses arrange commercial insurance cover for their premises and that there is no significant difference between small businesses that are located in high flood-risk areas and those that are not.

However, a more detailed consideration of the report, particularly the basis on which the evidence has been collected, provides a different picture. The headline figures from the report come from a secondary source, a small business survey run by the Department for Business, Innovation and Skills. The DEFRA report acknowledges that the BIS survey data contain only small numbers of businesses located in high flood-risk areas. As such, one may legitimately question how valuable such data are when considering the issue of insurance for businesses in high-risk areas. The main focus of the DEFRA report was a series of in-depth interviews with businesses, and it is that component that forms the main evidence base. Only 25 businesses were interviewed, the majority of which were not in high flood-risk areas. The overwhelming majority were very small businesses, employing fewer than 10 people, and only one manufacturing business was included in the sample. My point is that the evidence

base of the DEFRA report is not particularly credible and, as a consequence, the report is of limited value. If they are to appreciate the extent of this issue the Government and the Association of British Insurers need to speak to businesses in areas of high risk.

John Mc Nally (Falkirk) (SNP): As the recently appointed chair of the all-party parliamentary group on flood prevention, I can tell the hon. Gentleman that we had discussions with the hon. Member for York Central (Rachael Maskell) on this on, I think, 26 January. It became apparent in the debate, which was interrupted several times so that we could vote in the Chamber, that there was a great divide on whether there was evidence to show that businesses had been affected. Does he agree that the APPG should visit the sites so that we can witness the problem and speak to the businesses that have been affected by flooding?

Craig Whittaker: Of course, we would always welcome the APPG in the Calder Valley. In fact, we welcome anyone who would like to come and have a look. Indeed, if it helps us to make progress in this area and others affected by flooding, the whole group is very welcome, and I will help to arrange for businesses to talk to it too.

To appreciate the true extent of the problem, the Government and the ABI need to speak to businesses in areas of high risk, including those located in communities that have experienced a high frequency of flooding in recent times such as the Calder Valley. Calderdale Council says that between 40% and 50% of businesses cannot access flood insurance in five of my six communities, while our local insurance broker in the upper Calder Valley tells me that 20% of his clients cannot access flood insurance—ironically, including himself. True to the spirit of people in the Calder Valley, he has a desk and a mobile phone set up in the middle of all the building works in what was his office, working to ensure that his clients are sorted out. After the floods he, along with other brokers from around the UK in high flood-risk areas, were invited to London to highlight cases to the ABI. The journey turned out to be an absolute farce, as the ABI refused to look at those cases, saying that it was not allowed to do so because of data protection. The ABI says that there is no evidence of businesses not being able to access flood insurance, and cites DEFRA's own report, which I have highlighted, to say that there is no evidence.

Rachael Maskell (York Central) (Lab/Co-op): Today, I received a briefing from the ABI saying that it was not going to look at the issue of small businesses having a Flood Re scheme, and that small businesses could shop around for insurance. I know from my constituency of York Central that that simply does not happen, and is not possible. Businesses in my constituency are putting forward their own resources instead of claiming from their insurance company. Is it not crucial that the Government move forward with a Flood Re scheme for small businesses to make sure that they are protected in future?

Craig Whittaker: I am not quite sure that that is entirely the Government's responsibility. The ABI has a huge responsibility for this too. As I shall highlight with the things that have been done in the Calder Valley—doubtless they have been done in York Central too—it

is the responsibility of business, but it is also everyone's responsibility to make sure that we have viable businesses, otherwise we do not have communities going forward.

Stuart Blair Donaldson (West Aberdeenshire and Kincardine) (SNP): I apologise to the hon. Member for Calder Valley (Craig Whittaker) and to you, Mr Deputy Speaker, for arriving late. The hon. Gentleman has made an important point about the ABI. Does he agree that another way to help businesses and communities affected by flooding is for the Government to apply to the EU solidarity fund to ensure that more support is available for those businesses and communities?

Craig Whittaker: As the hon. Gentleman knows, the Government have given a commitment to look at that funding to see how they can help. I dare say the Minister will give us an update on that.

Of the many businesses across the Calder Valley which are experiencing these difficulties, I will cite just three of the many examples coming in daily to illustrate some of the concerns that I have become aware of. I will not name the companies as we do not want their customers to lose faith any more than they have already. The first is a leading high-end British furniture manufacturer located in Mytholmroyd which is experiencing difficulties similar to those faced by other businesses. It is a very successful manufacturer of sofas, employing some 100 local people. On Boxing day, it was flooded for the second time in just four years. After the last flood it could get insurance only for stock, not for machinery or anything else relating to flooding. It is facing a loss of around £500,000. The business will survive and continue, but of significant concern is the insurance position going forward. Its insurance cover was due for renewal only last week and it has been told that it will not be able to access flood cover again, even for stock.

At the other end of the Calder Valley, located in Brighouse, is a nationally acclaimed climbing centre which opened in 2011 and now has over 30,000 members. Together with its sister business, a bar and a restaurant, it employs 30 local people and occupies a strategic site that is central to the regeneration of the wider area. As the business is located between the river and the canal, it has been unable to access any flood insurance since it was set up. The business incurred losses when it was flooded in 2012 and now, following the latest floods, it faces a very substantial bill and a battle to stay in business. Once again, the business is in limbo.

Last but by no means least, I will mention a large manufacturing firm which has been flooded on four separate occasions over the past decade. The business has been able to access flood insurance in the past, but has been told in no uncertain terms by its insurers that it will not receive flood cover in the future. Its inquiries of other insurers have been unsuccessful on account of the ridiculous terms and conditions that have been quoted. The difficulties in accessing insurance, and the losses incurred by being flooded so regularly, now mean that it is likely that this business will close, with the loss of 40 jobs.

Holly Lynch (Halifax) (Lab): Does the hon. Gentleman agree that bigger and smaller businesses alike may be significant employers for neighbouring constituencies, and the thought of flooding just once is so serious that they may think of moving out of the Calder Valley?

The loss of those jobs, and the loss of the business rates those businesses pay and the support that they provide to communities, is serious. Business insurance is a big part of ensuring that we are an attractive place in which to keep trading.

Craig Whittaker: The hon. Lady is right. As she knows, the Calder Valley is made up of high-sided valleys, so there are few places for those businesses to relocate locally. If they move out of the Calder Valley, we will lose the job skill sets and the local communities will wither and die. I shall return to that.

Although I am encouraged by the words of the Prime Minister and his assurances that he is looking very closely at this issue, my experience leads me to believe that there are potentially hundreds of businesses in my constituency which are unable to access flood insurance. The examples I mentioned are the tip of the iceberg and serve only to illustrate the difficulties that some businesses are experiencing because of the lack of adequate cover. If this situation is replicated nationally in communities susceptible to flooding, which I imagine is the case, this means that thousands of businesses across the UK are experiencing these difficulties.

Every community that is susceptible to flooding has its unique challenges and this is certainly the case in the Calder Valley. Towns in my constituency such as Todmorden, Walsden, Hebden Bridge and Mytholmroyd, Elland and Brighouse are located next to the River Calder at the bottom of steep-sided valleys. They are proud communities and their small businesses and independent traders are the lifeblood and the beating heart of our area. The topography of those areas is very challenging and the transport links are limited. This means that there is limited land for development, as I said to the hon. Member for Halifax (Holly Lynch), so locating to another premises in the area is not a viable option for many businesses. This underlines the serious economic challenge that communities such as the Calder Valley face. If these businesses close down or move away from the area, we are in grave danger of losing the vast employable skills and expertise built up over generations, and our local communities are in grave danger of withering on the vine and dying. The importance of this issue, then, cannot be overstated.

With Flood Re, which is for domestic properties, the Government have shown that it is possible to work with the insurance industry to create a scheme that can fill the gaps in the existing market. They are currently talking with the Association of British Insurers about business insurance. The ABI feels that it is the Government's responsibility to fix this issue, while the Government, I am sure, feel it is for the market to fix it. However, I suspect the solution is somewhere in the middle—

10 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—(Jackie Doyle-Price.)

Craig Whittaker: I suspect the solution is somewhere in the middle, with a joint partnership between both.

Melanie Onn (Great Grimsby) (Lab): Does the hon. Gentleman agree that a strategy to provide upfront support for businesses, protecting their properties from flooding in the first place, would bring down

[Melanie Onn]

insurance premiums, save the Government money on repair funding and save businesses lost revenue in the long run?

Craig Whittaker: The record shows, particularly in the Calder valley, which was flooded in 2012, that the Government invested quite a lot of money in flood prevention schemes, allowing people to invest in their homes. One problem we have, of course, is that although people live beside the rivers, they do not particularly prepare for these things. The evidence does not really show that putting flood prevention in reduces the risk with insurance companies. That is one of the serious issues that needs addressing.

Meanwhile, while the big boys talk some more, the businesses in Hebden Bridge are looking at a scheme called Watermark, which will give customers the choice of paying the normal price or the Watermark price for goods. On top of that, businesses will have the choice to pay into a generic pot as well—almost a savings plan. Although they accept that the pot will not cover all the damage done if and when the floods hit again, it will give them access to a pot that will allow some of their uninsured works to be done. That is something the ABI and some of its members perhaps need to start looking at, thinking out of their box and perhaps accessing some of their moral and social justice conscience.

To be fair, some insurers I have seen have done excellent work with their clients; in fact, they have behaved incredibly well. They include companies such as Aviva, which has pledged that the claims of their current small and medium-sized enterprise customers will continue to get cover and that those with excesses of more than £350 will not see those excesses rise when they next renew. Unfortunately, that is only for existing customers.

The British Insurance Brokers Association is in the process of creating a scheme for SMEs that will specifically include businesses at risk of flooding. BIBA's expectation is that it will enhance the current situation by enabling up to 2,000 BIBA brokers across the UK to place those more difficult risks through the scheme, offering cover to the vast majority of businesses that have struggled in the past. My understanding is that BIBA is in advanced negotiations and that it aims to launch the scheme this year. However, I have spoken with BIBA, and the scheme uses only products that are already on the market. It also seems to be quite a complex system of protection for the carrier and protection for the property that is to be insured, with a further policy to reduce high excesses. How will the scheme assist businesses with the excessive terms and conditions that act as a barrier to insurance already? Will it help to reduce some of the unreasonable levels of excess that make cover unaffordable in many cases?

May I request that, in communities such as the Calder valley, the Government work alongside small businesses to identify the gaps in the market and to understand what prevents some businesses from receiving adequate flood cover? Relying on the DEFRA report is just not good enough; the evidence is not there, and we need to go out there and get it.

It remains to be seen whether BIBA's new scheme is the innovative solution the market requires. However, I do know how desperate businesses are in my constituency

and in those of other hon. Members—those constituencies have probably not suffered quite as badly, but these things are pretty grim for anyone who is in this position. These businesses are relying on a long-term solution being found. I sincerely hope that the Government are able to identify the gaps in the market, to better understand the nature and extent of the problem and to work with the insurance industry to develop a new facility to address these issues.

10.4 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart): I pay tribute to my hon. Friend the Member for Calder Valley (Craig Whittaker) for a very quiet but very forensic speech that showed the deep care that he has for his constituency. I saw that directly myself when I walked through many of the businesses that he described. I saw how, in essence, a tidal wave had moved through a furniture factory, wiping out half a million pounds-worth of stock. I saw how a furniture warehouse was ruined and a community centre had been wiped out. I saw, as many hon. Members on both sides of the House have noted, the incredible impact that this has had on a very precious and beautiful area of our country and a historic community, and how intimately the subject of business insurance is connected to the livelihood and the longevity of these communities.

I will not get into a detailed discussion about the DEFRA survey, although I would point out that it is not quite as bad as it seems on paper. A total of 2,686 businesses were surveyed, but I absolutely agree with my hon. Friend that the 25 on whom an in-depth survey was conducted was not a large enough number to be a decent sample. I strongly encourage the hon. Member for Falkirk (John Mc Nally) and his APPG to get involved in the detailed investigation of what is happening in business insurance in Calder Valley. The hon. Member for Stockton North (Alex Cunningham) raised that issue powerfully.

There are improvements that we can already make without looking at a Flood Re scheme. First, we need to make information far more accurate so that businesses in a flood-vulnerable zone are not being punished when they are not actually flooded. Secondly, as has been pointed out, we need to make sure that businesses are more resilient. We have access to good public information about that. There is a very good example of a business in Cockerthorpe that took the right measures and, as a result, was able to come back from the flooding in two days whereas previously it took four months.

In relation to business, the Government have a part to play in investment and infrastructure. We need to guarantee broadband connections; there was a problem in that regard at Tadcaster bridge. Electricity substations and roads must be left open, because that matters not just for communities but for businesses. We need to acknowledge that the insurance industry cannot be the complete answer. As the hon. Member for West Aberdeenshire and Kincardine (Stuart Blair Donaldson) pointed out, it is important that there is an element of grant coming in. We have put a great deal of grant behind businesses—an average of £2,500 per business, but in some cases considerably more—because we acknowledge that the insurance industry does not produce all the answers. There is also the capital expenditure that we need to put into flood schemes in general.

My hon. Friend the Member for Calder Valley focused, as did the hon. Member for York Central (Rachael Maskell), specifically on whether there should be a Flood Re scheme. I am afraid that time will not allow me to answer this question in detail, but I will give some points to consider in looking at business insurance. First, setting up one of these schemes involves a very considerable cost to the dry. At the moment, within a Flood Re scheme, regardless of where someone is located—they could be on the edge of a river and flood every three years—they would be guaranteed that for a £250 premium, or the basic rate of council tax on a £250 excess, they would be insured. This would mean that businesses in dry areas would have to cover the cost of providing insurance in some of the cases that my hon. Friend raised. For example, if a business has indeed, as he said, flooded twice in four years at a cost of £500,000 to its stock each time, it will be difficult to provide insurance without some measure of cross-subsidy for businesses that are not in flood-affected areas.

The second problem is the complexity of flood insurance for businesses. It is much more straightforward for householders, who basically look to insure their buildings and contents. A business, on the other hand, has to look at how much cash it has in the bank, and how much it therefore wants to lower its premiums and self-insure against a higher excess. It has to look at whether it has high fixed structural assets and whether it wants to insure them. An internet company will not want to invest much in insuring the building that it is in, whereas for a farm, a property business or a restaurant, that fixed structural asset is absolutely essential to the continuity of its business.

The difference can be huge when it comes to business interruption insurance. For example, business interruption would be minimal for a company such as cheapflights.com, provided that its service was not located in the area affected. However, if the McVities biscuit factory in Carlisle were wiped out by a flood, the business interruption consequences would be catastrophic. That is why it is much more difficult to model business insurance than household insurance.

There is also, of course, the issue of moral hazard. We do not want to encourage businesses to locate themselves in flood-vulnerable zones if they have a high fixed structural asset cost. We want to keep those communities vibrant and alive, but we also want to do so in a way that makes sense.

Nevertheless, something must be done. The hon. Member for Halifax (Holly Lynch) has emphasised the

importance of business insurance for retaining the communities for the sake of their history and the social costs involved. We therefore need to answer some questions. First, how much subsidy—because there will have to be an element of subsidy—do we wish to put into an individual valley? Secondly, as the hon. Member for Strangford (Jim Shannon) has asked, what should the balance be between the Government element of the subsidy and that provided by the insurance industry for businesses in non-flood-affected areas?

Thirdly, should we consider a different insurance model? One possibility—we have not done this in flood insurance before—is to consider the approach taken by travel and medical insurance, which have a fixed indemnity. If the Government are to be involved, it might be reassuring for them to know that a property had a fixed indemnity of £20,000 or £50,000 attached to it, rather than what we have at the moment, which is an unlimited flood insurance liability.

That is why I am delighted to say that tomorrow I will host a round table with BIBA, ABI, the Federation of Small Businesses and a dozen other stakeholders, to talk through the concrete, detailed issues involved in providing serious insurance for businesses.

John Mc Nally: I have sent the Minister a letter inviting him to the next meeting of the all-party group on flood prevention, but he has not replied. It would be an opportune time for him to meet us after his other meeting.

Rory Stewart: I would be delighted to do that. I have 45 seconds left. I pay tribute to a wonderful speech by my hon. Friend the Member for Calder Valley. It was a serious forensic analysis that tore the DEFRA report to pieces, for which I am grateful and I will follow up on it. I also thank the other Members who have contributed to the debate, and I pay tribute to the extraordinary community in Calder Valley, including the community activists in Hebden Bridge, individual businesses and, indeed, the military on the streets for the work they did. Finally, I give a commitment to my hon. Friend and to the House that we will, through the round table and over the weeks ahead, look in full, relentlessly and vigorously, at the costs, both economic and social, involved in failing to provide adequate business insurance.

Question put and agreed to.

10.13 pm

House adjourned.

Written Statements

Monday 8 February 2016

BUSINESS, INNOVATION AND SKILLS

Informal Competitiveness Council

The Minister for Universities and Science (Joseph Johnson): My noble Friend the Parliamentary Under-Secretary of State for Business, Innovation and Skills (Baroness Neville-Rolfe) has today made the following statement.

The Informal Competitiveness Council took place in Amsterdam on 27 and 28 January. The UK was represented by Minister of State for Universities and Science (Joseph Johnson) on day one (Research) and myself on day two (Internal Market and Industry)

The research day began with Bill Gates giving a keynote speech on the importance of public research and development in overcoming global societal challenges. He gave examples of work by the Gates Foundation, including the recently announced work with the UK to expand research into malaria that will see £3 billion committed over the next five years. Mr Gates highlighted that clear policies on open access to research could help stimulate innovation.

This was followed by a discussion on the current environment for innovation; there was a debate about the need for a visible return for taxpayers and a focus on funding excellence in research.

The discussion turned to how the current research funding programme (Horizon 2020) could be improved. A number of suggestions were put forward, including: simplification of the programme process, leading to faster decisions; simplification of state aid rules; encouragement of open innovation; better communication; and better skills support for businesses (for example in marketing) to allow successful innovation.

In the afternoon, the debate focused on how legislation can facilitate research and innovation. The digital revolution and ageing populations were noted paradigm shifts that will create both opportunities and threats. To allow opportunities to be grasped the EU must both reduce the amount of regulation and improve the quality of the regulation that remains. Ultimately, EU rules need to be as flexible as, or more flexible than, those of our global competitors.

The Commission confirmed that the number of initiatives in the EU research programme has reduced from 130 in 2014, to 23 this year and that state aid rules have been updated and are more flexible than before. It agreed that efficiency and innovation are the means to create jobs, and that the real challenge for the EU is to develop legislation that can create new opportunities from disruptive technology and innovation.

The Internal Market and Industry Council meeting started with an evening event that brought together Ministers and entrepreneurs who had been invited to the Council by each member state (the UK invited Mr Riccardo Zacconi, the CEO of King, the computer games developer behind games such as Candy Crush Saga). Gunther Oettinger, Commissioner for the Digital Economy and Society opened the discussion with a speech on the digitising of industry and noted that he would shortly be bringing forward a strategy on this issue in April. During the discussion a number of themes were explored including the wide range of different business models that were being disrupted or created by digitisation. A number of entrepreneurs emphasised the need to make it easier for start-ups to access markets in other member states. Many of the entrepreneurs also discussed the importance of a skilled workforce, noting that the diversity of talent within Europe was a significant advantage.

The plenary programme started with short speeches by two business leaders: Herna Verhagen (CEO, PostNL) and Corinne Vigreux (co-founder of TomTom). They highlighted the importance of digitisation in driving innovation and expansion into new business models, which in turn led to new jobs.

Ministers then held two breakout sessions in small groups focused on upcoming Commission proposals related to the single market. In the first, on geoblocking (discrimination based on grounds of country of residence), Ministers agreed that it was important to make clear that discrimination has no place but there should not be extra burdens on businesses, and there was broad agreement that the Commission's proposals should cover business-to-business transactions. Vice-President Andrus Ansip, responsible for the Digital Single Market, made clear that the proposal was not intended to lead to uniform pricing nor to an obligation for businesses to deliver goods throughout the EU.

The second breakout session focused on the proposed services passport. The chairs noted that there was consensus that the passport could be useful in reducing barriers to businesses wanting to trade across borders but that it should not lead to additional burdens. There needed to be analysis of the existing barriers and a suggestion that the passport could then be introduced in stages. While it was appropriate to have national rules in some areas, there was a need to increase transparency about different national requirements and potentially to undertake some further harmonisation in certain areas. The UK noted the importance of tackling regulatory barriers as well as administrative ones via the passport initiative. Others noted the relationship between the passport and the proposed analytical framework for assessing the proportionality of regulations on professionals. Commissioner Elzbieta Bienkowska responsible for Internal Market and Industry noted that she expected to be able to share more detail of the Commission's thinking on the passport soon.

The final agenda item was a plenary discussion on the collaborative economy. The Chair of OuiShare Fest, Francesca Pick, in an invited speech, highlighted the prevalence of cross-border business models in the collaborative economy, but noted that there were challenges of regulatory uncertainty in respect to consumer rights, liability, labour rules, and tax. Many member states noted the consumer benefits from the new and innovative services being offered. The UK agreed that the collaborative economy could deliver significant benefits to consumers and workers, and could play an important role in opening the labour market to those who might otherwise be excluded. It noted that there was still a need to regulate these businesses, but that regulations may need to be updated so as to enable these new business models. It highlighted the best practice work done by the UK body, sharing economy UK and their Trustmark initiative, which Vice-President Katainen asked to explore further.

[HCWS516]

CABINET OFFICE

Government Grant Agreements: Guidance

The Minister for the Cabinet Office and Paymaster General (Matthew Hancock): Today I have announced a new policy to restrict inappropriate use of taxpayers' money for lobbying purposes. From 1 May, or before where feasible, the following standard clause will now be applied to new and renewed grants.

"The following costs are not Eligible Expenditure:- Payments that support activity intended to influence or attempt to influence Parliament, Government or political parties, or attempting to influence the awarding or renewal of contracts and grants, or attempting to influence legislative or regulatory action".

This clause will not prevent organisations from using their own privately-raised funds to campaign as they see fit. This will ensure that freedom of speech is protected, while stopping taxpayers' money being diverted away from good causes.

Departments will engage with organisations most likely to be affected by the clause. Implementation guidelines are available at: www.gov.uk.

[HCWS517]

ORAL ANSWERS

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