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# HOUSE OF COMMONS OFFICIAL REPORT

# PARLIAMENTARY DEBATES

(HANSARD)

Thursday 17 March 2016

# House of Commons

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The House met at half-past Nine o'clock

## **PRAYERS**

[Mr Speaker in the Chair]

# **BUSINESS BEFORE QUESTIONS**

MACUR REVIEW

Resolved.

That an humble Address be presented to Her Majesty, That she will be graciously pleased to give directions that there be laid before this House a Return of parts of a Paper, entitled The Report of the Macur Review: An independent review of the Tribunal of Inquiry into the abuse of children in care in the former county council areas of Gwynedd and Clwyd in North Wales since 1974, dated 17 March 2016.—(Sarah Newton.)

# Oral Answers to Questions

# ENVIRONMENT, FOOD AND RURAL AFFAIRS

The Secretary of State was asked— Fishing and the EU

1. **Mr Philip Hollobone** (Kettering) (Con): What plans she has to repatriate control over British fishing waters and policy in the event of the UK leaving the EU.

The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice): We have made some progress in reforming the common fisheries policy so that there is a commitment to fish sustainably, a ban on the wasteful practice of discarding fish, and new flexibilities to improve the way quotas work. As my hon. Friend knows, the formal Government position is that the UK should remain a member of the European Union. However, should there be a decision to leave in the forthcoming referendum, there are well-established international conventions that govern territorial scope and the way nation states manage fisheries.

Mr Hollobone: The EU's common fisheries policy has been a disaster for both the British fishing industry and our marine environment. Overfishing by heavily subsidised Spanish trawlers has seen North sea cod stocks fall by 80% and the number of fishermen halved, and Britain is constantly outvoted on matters affecting our traditional British fishing grounds by EU member states that have no coastlines themselves. Will the Minister draw up plans to repatriate our fishing grounds as soon as possible?

**George Eustice:** As I said, the formal Government position is that we should remain a member of the EU, but my hon. Friend knows that Ministers have been given the discretion to take an alternative view if they want. We have made progress in reforming the common fisheries policy. This year at the December Council we

saw increases in cod and haddock quotas in the North sea. As a result of the work that we have done with other countries, including Norway, Iceland, the Faroes and other EU countries, we have seen a recovery of stocks, in the North sea in particular.

Angela Smith (Penistone and Stocksbridge) (Lab): Does the Minister acknowledge, however, that one of the difficulties involved in Brexit is that it is not necessarily easy to erase grandfather fishing rights?

George Eustice: With many countries—EU member states and also countries such as the Faroes, Iceland and Norway—we have mutual access agreements, and we have annual discussions about the allocation of fishing opportunities. This is the norm. Whether countries are in the EU or not, there is always a large degree of international debate on these issues.

Richard Benyon (Newbury) (Con): Will my hon. Friend confirm that whatever happens on 23 June, there will still need to be quotas, fishermen will still want to export to EU countries two thirds of the fish and 86% of the shellfish that we land in the United Kingdom, and fishermen will still want to retain rights to fish in EU waters?

George Eustice: My hon. Friend is right. Countries outside the European Union do have quota systems. We have considered alternatives, but a quota system of some sort, with the flexibilities that we are trying to introduce, is the best way to conserve fish stocks, we believe. Just as Norway, the Faroes and Iceland have quotas, we would retain those too. When it comes to the market, whichever side of the EU debate people are on—whether they believe we should stay in or leave—we all agree that free trade is to the benefit of everyone.

Mr Alistair Carmichael (Orkney and Shetland) (LD): I commend the Minister, who is obviously walking a very careful line today. He knows, however, that we had foreign trawlers operating in British waters before we were in the UK—[Interruption.]—sorry, before we joined the European Union, and that would remain the case if we were to leave. How many bilateral arrangements would be necessary if we were to leave the European Union? Can the Minister tell the fishermen in my constituency how the crucially important EU-Norway negotiations, which have a tremendous direct impact on us every year, would be conducted?

George Eustice: The right hon. Gentleman makes an important point. There is a misconception that the December Fisheries Council of the EU decides fishing opportunities in the North sea. As he and others know, fishing opportunities in the North sea are decided at the North-East Atlantic Fisheries Commission through the coastal states meetings and then EU-Norway. The UK currently does not have a seat at those meetings; we are represented by the EU. Obviously, if we were to leave, the UK would regain its seat on NEAFC.

Martin Vickers (Cleethorpes) (Con): There is little doubt that membership of the EU has been damaging to the deep-sea fishing industry, but looking to the

future, does my hon. Friend agree that our relationships with non-EU countries such as Iceland are particularly important to the industry?

George Eustice: Yes, my hon. Friend makes an important point. For Grimsby and his constituents, the close relations and the partnership we enjoy with Iceland in particular is extremely important. There is a tradition in this country that we import much of the fish that we consume, notably from Iceland and to a limited extent from Norway, and that we export much of the fish that we catch to the EU, but also to other third countries, such as China and Nigeria.

# **Recycling Targets**

2. **Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): What steps she is taking to meet the recycling targets in the EU circular economy package. [904151]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart): There are two separate questions here. The EU circular economy package is still under negotiation, but on recycling rates we are doing well, as the hon. Gentleman knows. We have gone from 12.5% recycling in 2001 to nearly 44% recycling. That is one of the real success stories in the United Kingdom.

Mr Sheerman: The hon. Gentleman will know that the aim of the package is to have a sustainable, low-carbon, resource-efficient, competitive economy. Does he accept that had it not been for European Union regulation, we would be nowhere in terms of dealing with waste? If it had not been for the stimulation from the EU and the EU package, we in this country would still be throwing all our waste in holes in the ground.

Rory Stewart: The hon. Gentleman tempts me into a much bigger political conversation, but it is true that the European Union has played a constructive role in this. It has shown real leadership on recycling, and there are certainly things we can learn from other European countries—particularly from Denmark and the success it has had on landfill.

Mrs Caroline Spelman (Meriden) (Con): I was litterpicking over the Clean for the Queen weekend outside a local primary school, and I was dismayed to find that most items were recyclable. What could the Government do to encourage the next generation to recycle and not to miss the opportunity to forge a circular economy?

**Mr Speaker:** I hope other colleagues are as virtuous as the right hon. Lady. She has set a very high and exacting standard.

Rory Stewart: I join you, Mr Speaker, in paying tribute to the virtue of my right hon. Friend. The answer is, of course, that we need to work on educating people—this is the German model—right the way from school upwards on the importance of protecting resources and of recycling. However, we could also do more to harmonise the system so that it is more straightforward, wherever people live in the country, to know exactly what needs to be recycled and where to put recycling.

Mr Speaker: I call Kerry McCarthy. [Interruption.] I had thought the hon. Lady was seeking to come in on Question 2.

1070

Kerry McCarthy (Bristol East) (Lab): No.

Mr Speaker: We have been misadvised. Never mind.

**Tim Loughton** (East Worthing and Shoreham) (Con): We want to come in.

**Mr Speaker:** It is always nice to be wanted.

**Tim Loughton:** Is my hon. Friend aware of the problems that some of these EU quotas cause local authorities such as Adur and Worthing in my constituency? The quotas are based on weight, and if the county council, which is the lead authority, collects more through municipal recycling sites, other local authorities have less to collect, so they cannot meet their targets and are penalised.

Rory Stewart: There certainly are issues there, and I am very happy to look at this specific one. However, we should say that most councils still have some way to go, so I pay tribute to South Oxfordshire, for example, which has hit a 67% recycling rate, when the national average is about 44%.

**Rob Marris** (Wolverhampton South West) (Lab): Could the Government look at the problem of the number of wretched plastic-lined paper takeaway coffee cups, the overwhelming majority of which never get recycled because of the difficulties of ripping out the plastic lining? It is a huge problem.

Rory Stewart: I absolutely agree: it is a huge problem—there are tens of millions of these things being produced and thrown away. As the hon. Gentleman pointed out, many cannot be recycled because of the way they are disposed of or because of their composition. The Government have tackled plastic bags—I hope everybody in the House would agree that the plastic bag tax has been a success—and coffee cups seem to be a very good thing to look at next.

# Flood Resilience

3. **Diana Johnson** (Kingston upon Hull North) (Lab): What recent progress she has made on the national flood resilience review and updating her Department's flood defence plans. [904153]

The Secretary of State for Environment, Food and Rural Affairs (Elizabeth Truss): We are making good progress on the national flood resilience review. The call for evidence closed on 4 March. Yesterday, at the Budget, the Chancellor announced that, as well as the £2.3 billion already committed, an additional £700 million will be made available for flood defences.

**Diana Johnson:** Has the Secretary of State any qualms about the fact that under the Help to Buy scheme her Government are subsiding first-time buyers to purchase homes in flood risk areas? At the same time, those people are not included in the Flood Re scheme the Government set up to provide flood insurance.

Elizabeth Truss: The reason the Flood Re scheme applies only to homes built before 2009 is that we are very clear that after that period there should be no building in these flood zones. That is a clear part of the national planning policy framework, and it should be adhered to by local authorities.

Craig Whittaker (Calder Valley) (Con): May I thank the Secretary of State; the floods Minister, the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Penrith and The Border (Rory Stewart); the floods envoy, my hon. Friend the Member for Scarborough and Whitby (Mr Goodwill); the Secretary of State for the Department for Communities and Local Government; the Prime Minister and indeed the Chancellor for all their hard work to ensure that Calderdale got the much needed flood defence money in yesterday's Budget? Now that funding is not being inhibited for flood defences, will she assure the good people of Calder Valley that the Environment Agency and other agencies will be held to account over timescales to physically get spades in the ground?

Elizabeth Truss: I pay tribute to my hon. Friend for the work he has put in to make the case for Calderdale to receive this funding. I saw for myself the devastation that had been caused by the extreme weather over the Christmas period. We are investing an additional £35 million. At the end of May, there will be a report on the Mytholmroyd defences. Then, in October, we will produce a full plan for Calder Valley outlining the timescales and exactly which schemes are part of this.

Alex Cunningham (Stockton North) (Lab): The Government finally gave in to pressure from Labour Members and will apply to the EU solidarity fund. As the Secretary of State said, yesterday the Government announced additional funding that goes some way towards compensating for huge cuts in flood defence spending in previous years. However, will any of this money be used to replace the 50% cut in DEFRA's funding of crucial research on flood forecasts, warnings and defences, demonstrating that the Secretary of State understands the importance of up-to-date evidence in developing our flood defence plans?

Elizabeth Truss: Let us be absolutely clear about flood defence spending. Between 2005 and 2010, £1.5 billion was invested. In the previous Parliament the figure was £1.7 billion. In this six-year programme it is £2.3 billion, and we are adding an extra £700 million because of the extreme weather we are seeing. Under the previous Labour Government, nothing like that amount was invested in our flood defences.

Mr David Nuttall (Bury North) (Con): While considering future plans, will my right hon. Friend consider the aftermath of last December's floods? Farmers in Ramsbottom in my constituency are being denied access to the farming recovery fund because people do not accept that Ramsbottom is in Lancashire, which it clearly is. When it rains and there is flooding, it does not stop at an artificial border, so will she ask the Rural Payments Agency to look at this and apply some common sense?

Elizabeth Truss: I very much believe in common sense, and I am happy to look at the case for my hon. Friend's farmers. I am pleased to say that we have already allocated £1 million from the farm recovery fund to help them to get their farms back in order.

1072

# Farming and the EU

- 4. **Chris Law** (Dundee West) (SNP): What assessment she has made of the potential effect on farmers of the UK leaving the EU. [904154]
- 9. **Gavin Newlands** (Paisley and Renfrewshire North) (SNP): What assessment she has made of the potential effect on farmers of the UK leaving the EU. [904161]

The Secretary of State for Environment, Food and Rural Affairs (Elizabeth Truss): I believe that farmers are better off remaining in a reformed EU. The vast majority of our exports are to the EU—for example, 97% of lamb exports and 92% of beef exports. As part of the single market, we do not face the tariffs and barriers that we face in trying to export to other countries. That is vital for the health of our farming industry.

Chris Law: This week, European Commissioner Hogan announced a new package of measures to support the UK farming sector. Following that, UK farming union presidents have called on DEFRA, devolved Governments and the European Commission to work together on this new support package. Can the Secretary of State assure me that these trilateral talks will go ahead without any impact from the EU referendum campaign?

Elizabeth Truss: Absolutely. I was at the European Council on Monday, making the case for UK farmers. I want to see investment from the European Investment Bank helping our farmers to increase productivity, particularly in areas such as dairy in producing more products like cheese and butter to be able to add value to our industry.

Gavin Newlands: Does the Secretary of State agree that the EU is an invaluable support, both financially and socially, to rural communities across the UK, and that we absolutely need a resounding in vote in the referendum? If so, will she urge her farming Minister, the Minister of State, to listen to her, to the Prime Minister and to farmers themselves to ensure that our farmers do not bear the cost of internal Tory party feuds on 23 June?

Elizabeth Truss: The hon. Gentleman is absolutely right to say that rural communities depend on food and farming, which face much more export barriers than other sectors. For example, we have been trying for 20 years to get UK beef into the US, and we are still trying to get poultry exported to China. We have on our doorstep access to a single market of 500 million people for our fantastic UK products. I think we need to build on that, rather than leave the European Union. No single country has full access for agricultural products without being a full member of the EU.

Neil Parish (Tiverton and Honiton) (Con): The Secretary of State is quite right in saying that, after BSE in 1996, British beef went back into France and across Europe

in 1999 because of single market rules. Twenty years on, we still cannot get it into America or China, so where are all the great markets going to be if we shut ourselves off from the EU market?

Elizabeth Truss: I completely agree with my hon. Friend. If we look at the UK lamb industry, we will see that 40% of all the lamb produced by British farmers goes to the EU. That supports not just the farmers but our rural landscape and countryside. The fact is that no single country that is not a full member of the EU has tariff-free, hassle-free access to that market. Norway has to pay tariffs and pay into the EU, and Switzerland has to pay tariffs. Canada has quotas and tariffs on agricultural products. We should not take that relationship for granted.

**Rishi Sunak** (Richmond (Yorks) (Con): One EU regulation that my sheep farmers complain to me about is the need for carcase splitting, which adds time and hassle, especially as farmers search for incisors poking through gums. Will my right hon. Friend update the House on the Government's efforts to simplify that cumbersome regulation?

Elizabeth Truss: We are making progress. My hon. Friend the Minister of State, who has responsibility for farming, has recently had a meeting on the issue. We need common standards across Europe to make sure that we can freely trade with those other countries. As I have just said, that is particularly important for the sheep sector, 40% of whose products are exported to the FII

**Calum Kerr** (Berwickshire, Roxburgh and Selkirk) (SNP): Even with the EU common agricultural policy payments, farmers are currently struggling because of supply chain issues and low commodity prices, and yesterday's Budget offered them little help. As the National Farmers Union has pointed out, the

"continued focus on reducing corporation tax does nothing to help the 90% of UK farm businesses who are unincorporated".

Will the Secretary of State meet the Chancellor to highlight those issues and the need for a fairer tax regime that treats incorporated and unincorporated businesses equally?

Elizabeth Truss: This April, farmers will be able to average their tax over five years, enabling them to deal with the volatile prices they currently face. We have also improved the capital allowances regime for farmers and farm businesses. We are not complacent: we continue to work in areas such as public procurement, with our Great British Food campaign, to make sure that we sell more British food here and overseas.

Kerry McCarthy (Bristol East) (Lab): I share the Secretary of State's views on the benefits of remaining in the EU for our farmers, the environment and the wider public good. However, why do we so often hear reports of the UK playing a negative role behind the scenes in EU negotiations, including opposing action on neonics and waste targets, and watering down important laws? If we vote to remain—and I hope we do—can we look forward to the UK playing a more positive role in Europe, starting with showing some real leadership on the environment and CAP reform?

**Elizabeth Truss:** I agree with the hon. Lady that we need to remain in a reformed EU, but I do not agree that the UK has played a negative role. My hon. Friend the Under-Secretary has recently led on the international wildlife trade, getting agreement across the EU to help to combat terrible trade in those endangered species. The former Environment Minister, my hon. Friend the Member for Newbury (Richard Benyon), showed leadership on the common fisheries policy by stopping the throwing of perfectly healthy fish back into the sea. We are leading on CAP reform: only this Monday I presented to the European Council a paper streamlining audit requirements, on which we were supported by 17 other member states. We are constantly making progress. We are working to simplify the CAP, and changes have been made to it. Thirty or 40 years ago, there were wine lakes and butter mountains, but they no longer exist.

# **Tree Planting**

5. **Mr Robin Walker** (Worcester) (Con): How many schools are taking part in the Government's new tree planting scheme. [904155]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart): So far, 800 primary schools have participated in the scheme. The hope is that in the next stage we will give 1 million individual schoolchildren the opportunity to select, plant and care for their own tree.

Mr Walker: I congratulate the Minister on this fantastic scheme. I know that schools in Worcester, which are great fans of the forest schools initiative, will want to play their full part. Trees are a fantastic investment in cleaner air, in the quality of life in our cities and in flood defence. Will the Minister come to Worcester and see the tree renaissance that is taking place in our city, where our mayor, Roger Knight, is leading the planting of thousands of new trees?

Rory Stewart: I should be delighted to take up that offer. Worcester is showing real leadership, but we would like many more towns and cities in the United Kingdom to engage in planting more trees. As my hon. Friend has pointed out, it is fantastic for tackling air pollution, fantastic for biodiversity and great for our leisure and health. In particular, I pay tribute to the work in Worcester at Laugherne Brook and Perdiswell.

Andrew Stephenson (Pendle) (Con): In addition to the development of new woodland, the maintenance of existing woodland is equally important. What steps have the Government taken to promote and maintain our existing woodlands?

Rory Stewart: We have a series of schemes on this. The countryside stewardship scheme gives grants to improve woodland. We also have new projects worth millions of pounds working on under-managed woodland to make sure it is managed better, and we have a £1 million scheme to help people to plan and develop new woodland across the north of England in particular.

# **Food Waste**

6. **Patricia Gibson** (North Ayrshire and Arran) (SNP): What steps she is taking to reduce food waste. [904157]

1076

The Parliamentary Under-Secretary of State for **Environment, Food and Rural Affairs (Rory Stewart):** The work on food waste has a number of components. It starts at the farm gate, by making sure that food is not wasted there; it continues to the supermarket shelves, by making sure that products last longer on those shelves; and it ends up in households, by making sure that people understand how to buy sensible portions and that they do not throw away food unnecessarily. The Courtauld 2025 agreement, led by the Waste and Resources Action Programme, has the target of reducing food waste by a further 20% between now and 2025.

Patricia Gibson: The Minister will know that the Scottish Government have pledged to cut food waste by a third and save £500 million by 2025. Scotland is the first part of Europe to set such a food waste reduction target. Will the Minister follow that example and pledge a UK Government target to save money and cut food waste?

**Rory Stewart:** I pay tribute to Scotland for the work it is doing, but I politely point out that recycling rates in Scotland are, unfortunately, lower than they are in England or Wales. However, we very much endorse the desire of the Government of Scotland to improve that recycling rate, particularly in relation to food waste.

Mark Pawsey (Rugby) (Con): Where food waste occurs, it is important to treat it as a resource and put it to good use rather than send it to landfill. One of the best uses for it is in anaerobic digesters to produce electricity. As household food waste is collected by local authorities, what discussions has the Minister had with colleagues in the Department for Communities and Local Government to encourage councils to raise the proportion of the food waste that they collect and send to anaerobic digestion?

**Rory Stewart:** There are two elements to that. The first is working with councils in Britain to make sure that they all move towards separate food waste collections. That is absolutely central. The second is making sure that we minimise that food waste, but that when it occurs, it is used either for composting or for the generation of energy. That also involves a long-term plan for infrastructure.

**Jim Shannon** (Strangford) (DUP): May I wish you, Mr Speaker, and other right hon. and hon. Members a very happy St Patrick's day? They say that if the sun shines on St Patrick's day, it will be a very good summer. Only time will tell whether that will be the case.

I welcome the news that Tesco has said that all its unsold food will be given to charities, and that will undoubtedly have a huge impact on the reduction of food waste. What discussions has the Minister had with other large food chains to ensure that they do similar work?

Rory Stewart: I join the hon. Gentleman in celebrating St Patrick's day.

Tesco is taking a serious lead on this, but many other retailers have also taken a lead, particularly Morrisons and the Co-op on the procurement of food and making it last. All the major retailers have now signed up to the Courtauld 2025 agreement. Currently, the waste coming from those retailers' shelves is only about 0.2 million tonnes a year, which is lower than in other sectors. However, those supermarkets can contribute much more to everything down the chain, both at the farm gate and in the household, and we will continue to work with them closely on that.

Mr Dennis Skinner (Bolsover) (Lab): If the Minister wants any further advice on anaerobic digester plants, he should go to see David Easom, a farmer based in the villages of Wessington and Brackenfield in the Bolsover constituency. Several years ago, I mentioned the fact that he was going to have an anaerobic digester in this House. It is now up and running. Everybody is going to visit him, and Ministers from the Department should go to see how it works. Everything is in running order, just like everything else in Bolsover.

Mr Speaker: We very much hope that the plant is in Derbyshire, rather than in this House.

**Rory Stewart:** I feel that that is a great compliment. It is a historic opportunity for me to spend time with the hon. Member for Bolsover (Mr Skinner), whom I have long admired. I very much look forward to visiting the plant with him.

Mr Speaker: I am sure we will get a report in due course.

#### **Marine Environment**

7. Margaret Greenwood (Wirral West) (Lab): What steps the Government are taking to reduce marine litter and plastics pollution.

The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice): Part 3 of the UK marine strategy, published last December, sets out the actions we are taking to improve the marine environment. It includes measures that contribute to reducing sources of marine litter, including plastics. In England, we have now introduced a 5p charge on single-use plastic bags, following the success of this policy in other parts of the UK. Given the trans-boundary nature of marine litter, we are working with other countries in the Oslo and Paris convention for the protection of the marine environment.

Margaret Greenwood: Marine litter and plastic waste are damaging our wonderful coastlines and marine life, not least, in my constituency, in the Dee estuary, which is internationally important for its bird life, the beaches of West Kirby, Thurstaston and Hoylake, and the Red Rocks site of special scientific interest, which is an important breeding ground for frogs and natterjack toads. Will the Government follow President Obama's lead and ban microbeads in cosmetics?

George Eustice: This issue was discussed at OSPAR—the Oslo and Paris—convention in 2014. The UK pushed very hard to get a voluntary agreement to which the cosmetics industry would sign up. At the end of last year, Cosmetics Europe, the industry body representing all cosmetic manufacturers in Europe, gave an undertaking

1078

to phase out the use of microbeads in particular. We rule out nothing when it comes to considering regulation in the future.

Michael Fabricant (Lichfield) (Con): The hon. Member for Wirral West (Margaret Greenwood) is absolutely right to raise this issue. Nothing is more heartbreaking than walking along a coast—or even in Lichfield, right in the middle of the nation, where we have the lakes of Minster Pool and Stowe Pool—and seeing swans and other animals suffering because of bags and other material that have been left there.

George Eustice: My hon. Friend makes a very important point. That is why we took the decision to introduce the 5p charge on single-use plastic bags. The big problem we have with plastics is that they remain in the environment for a very long time, which compounds the problem, and we add to it each year. Once these plastics are in the marine environment, it is incredibly difficult for them to be removed, so it is essential that we do all we can to stop plastics getting into the marine environment.

**Kerry McCarthy** (Bristol East) (Lab): At the last Environment, Food and Rural Affairs questions, the Environment Secretary assured me that the Government were serious about tackling plastics pollution and marine litter. Yet, on the circular economy all we hear is vague talk of encouraging voluntary action and mumblings about overarching concerns. On the marine side, 10 EU countries have invested in joint EU research into microplastics in the sea, the joint programming initiative on oceans. We have world-class marine research facilities in the UK, so why are we not part of that?

**George Eustice:** I think the hon. Lady will find that we are doing quite a lot of research on marine plastics. Plymouth University has done some work for us on that. I am very clear: we do want action across Europe. That is why we have worked with partners in the OSPAR convention, and why we have pressed to get a voluntary undertaking by the industry to get rid of microbeads. As I said in my initial answer, we have also been very clear that we do not rule out regulatory steps, if necessary.

# Flood Defence Schemes

8. **Rebecca Pow** (Taunton Deane) (Con): How many flood defence schemes are planned to (a) begin and (b) complete construction in 2016. [904159]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart): Some 246 schemes were begun in 2016-17, and 190 are due for completion.

Rebecca Pow: Will the Minister kindly update the House on progress with the legislation that is required to set up the Somerset rivers authority as a separate precepting body, so that we can fund flood protection for the future? Local authority budgets are currently covered by a special caveat, but legislation is required to set up the precept for 2017-18.

Rory Stewart: As my hon. Friend is aware, DEFRA committed £1.7 million to the Somerset rivers authority. That authority has now decided that its preferred solution is a precept, and a shadow precept will come into effect from April this year. We look forward to discussing the long-term financial arrangements directly with the authority.

Rachael Maskell (York Central) (Lab/Co-op): York welcomes the investment in our flood defences, but the Foss barrier will be underfunded by this Government for the improvement that it needs, and the capacity of the pumps will be 40 tonnes per second, not the 50 tonnes per second that is needed. Will the Minister commit to considering that issue, to ensure that we have sufficient funds to improve the barrier?

**Rory Stewart:** We have significant funds for the barrier, and we are committed to considering that issue. I am happy to go and look at the Foss barrier with the hon. Lady. The calculation on the pumps is an engineering calculation, and we would be happy to look at the flood maps with the hon. Lady. We will provide the correct funds for the correct solution for the Foss barrier.

#### Several hon. Members rose—

Mr Speaker: Order. We are short of time, so singlesentence, short supplementaries are needed.

13. [904165] Chris Heaton-Harris (Daventry) (Con): A small but important role in flood defence is played by farmers who clear ditches and drainage channels. What progress is being made to remove the bureaucracy that sometimes stops them from doing that?

Rory Stewart: Two weeks ago, we took through the House new legislation that will significantly simplify what happens. We will focus the efforts of the Environment Agency on the highest-risk cases, we have reduced red tape by 50%, and we are allowing farmers in non-specialist environmental zones to clear 1,500 metres of drainage ditch without having to get a bespoke permit.

Valerie Vaz (Walsall South) (Lab): Will the money allocated for flood defences in vesterday's Budget stay with the Treasury or be transferred directly to the Department? How much of it will be allocated for maintenance of flood defences?

Rory Stewart: We are currently discussing the details of that, but the Treasury was clear that at least £40 million in the first year will go into maintenance, and £200 million of the initial allocation will go to capital spending on flood defences.

16. [904168] **Victoria Atkins** (Louth and Horncastle) (Con): The Lincolnshire wolds are beautiful but suffer from flooding. How many homes will be protected in the market towns of Horncastle and Louth as a result of the flood alleviation schemes that are funded in part by this Government, Lincolnshire County Council, and East Lindsey Council?

Rory Stewart: Some 13,989 properties are due to be protected, including more than 300 in the areas mentioned by my hon. Friend.

#### **Air Pollution**

- 10. **Ruth Cadbury** (Brentford and Isleworth) (Lab): What steps she is taking to improve monitoring of levels of air pollution. [904162]
- 11. **Naz Shah** (Bradford West) (Lab): What steps she is taking to improve monitoring of levels of air pollution. [904163]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart): The Department continues to improve its monitoring of levels of air pollution in line with the EU ambient air quality directive, and the computer programme to calculate emissions from road transport, or Copert. We have increased the number of nitrogen dioxide monitoring stations by more than 30% over the past three years.

**Ruth Cadbury:** Air pollution will cost many more thousands of lives if air quality is not improved significantly. How will the Government achieve legally binding targets for air pollution if the third runway at Heathrow is permitted?

Rory Stewart: The current objective is to focus on nitrogen dioxide thresholds and ensure that we reduce ambient air quality rates below 40 micrograms per cubic metre. Heathrow is a totally separate question that must be assessed independently by the Environment Agency and our air quality monitors, to see whether ambient air quality targets are met.

**Naz Shah:** Air pollution kills 50,000 people a year, yet the Government are concerned with only five cities. Will the Minister explain why?

Rory Stewart: That is a very good question. In those five cities, the ambient air quality level of 40 micrograms per cubic metre is due to be exceeded. Therefore, our objective is to ensure that by 2020, in Birmingham, Leeds, Nottingham, Derby and Southampton, we drop that level below 40 micrograms per cubic metre.

14. [904166] **Vicky Foxcroft** (Lewisham, Deptford) (Lab): In Deptford, air pollution levels are more than double the European legal limit. London as a whole breached annual air pollution limits just days into 2016. Does the Minister think his Department is doing enough?

Rory Stewart: We have reduced nitrogen dioxide dramatically in Britain—by 44%—but there are still significant problems in London. That is partly to do with the population and design of London, which is why an ultra-low emission zone is being introduced in London to ensure that we exclude the vehicles that are responsible for the majority of that air pollution.

# **Topical Questions**

T1. [904180] **Michael Fabricant** (Lichfield) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for Environment, Food and Rural Affairs (Elizabeth Truss): The Government are committed to ensuring that our country is resilient in the face of more extreme weather. That is why we announced in yesterday's Budget an additional £700 million

for flood defences on top of the £2.3 billion capital budget we already have in place. That means £150 million for new schemes in those areas affected by the winter floods, and further funding to support the outcomes of the national resilience review.

Michael Fabricant: On a different matter—[Laughter.] Well, it is a different matter! Staffordshire farmers are particularly strong in dairy farming. Like dairy farmers all over the United Kingdom, they are suffering from volatile prices and low milk prices. What can my right hon. Friend do to try to get milk consumed more—I am a great lover of it, which is why I have good teeth—and to get Government Departments buying milk?

Elizabeth Truss: I compliment my hon. Friend on his teeth. We have been working hard on Government procurement. One hundred per cent. of the milk that Government Departments buy is British, as well as 98% of the butter and 86% of the cheese. I am pleased to inform the House that, from April this year, all 30 million cartons of milk supplied to Her Majesty's Prison Service will be British.

**Nick Smith** (Blaenau Gwent) (Lab): Derbyshire authorities found that 60% of takeaway ham and cheese pizzas contained neither ham nor cheese. To protect public health and give confidence in the food we eat, when will the much trumpeted but little seen food crime unit be given the teeth it deserves?

**Elizabeth Truss:** The food crime unit has been established as per our commitment and is operational. I am sure it will be looking into cases such as that one.

T3. [904182] **Mrs Flick Drummond** (Portsmouth South) (Con): The shellfish industry is worth £500,000 to the local economy in Portsmouth and has been affected by pollution in the past. What progress are the Government making to create blue belts that balance the legitimate interests of the fishing industry with marine conservation?

The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice): My hon. Friend makes a good point. As she knows, we recently designated an additional 23 marine conservation zones, taking the total to 50 around the country. In addition, we have a network of sites of special scientific interest, special areas of conservation and special protected areas. She makes an important point that, in those designations, we have to balance the needs of fishing with the needs of the environment. That is what we intend to do.

T2. [904181] **Imran Hussain** (Bradford East) (Lab): The Secretary of State has rightly acknowledged the need for better management of land upstream and water catchment areas in preventing floods. What concerns does she have about the burning of heather to improve grouse moors in upstream areas, where it reduces the ability to retain water?

Elizabeth Truss: We want management of entire catchments to reduce the flow going into our towns and cities, and to ensure that more farmland is protected. That is part of our 25-year environment plan that we are currently developing. The important thing to

acknowledge is that the schemes we announced yesterday in the Budget will be looked at on a catchment basis. We are looking not just at Leeds, but at the entire Aire catchment

T4. [904184] **Michael Tomlinson** (Mid Dorset and North Poole) (Con): A number of farmers in my constituency have suffered from delays in the basic payment scheme, with all the worry and financial anxiety that that has caused. What guarantee can the Minister give that this will not happen again?

George Eustice: We have worked very hard with 1,000 people on this project to pay farmers as soon as possible. We have done considerably better than other parts of the UK, such as Scotland. We have now paid about 83% of farmers. By the end of this month, almost all of them will have been paid. We believe that from next year—we have done a lot of work on the computer system—it will be much easier for farmers to complete their application, because the data will already be there.

T5. [904185] Vicky Foxcroft (Lewisham, Deptford) (Lab): Violent crime is rising in my urban constituency. It has been proven that access to open spaces and the natural environment can reduce stress and have a calming effect. Will the Minister consider discussing with me the trial of a programme to enable those at risk of serious youth violence to experience the calming effects of the natural environment?

Elizabeth Truss: I completely agree with the hon. Lady about the importance of the natural environment, and about making sure that our children and young people have access to it. Earlier this week I was with Zac Goldsmith looking at his plans to open up urban farms and urban pocket parks to help to get people that access.

Mr Speaker: The right hon. Lady was talking about the hon. Member for Richmond Park (Zac Goldsmith).

T8. [904188] Marcus Fysh (Yeovil) (Con): People who love bees, and farmers and consumers of products relying on them, are deeply concerned that there is an attempt by large US and EU chemical companies to downgrade environmental protections from pesticides in backroom lobbying over the proposed Transatlantic Trade and Investment Partnership deal in Brussels. Is this not an example of how elites run the EU and cause grave concern that their influence is unaccountable?

George Eustice: The authorisations to use all pesticides are decided by both the European Chemicals Agency and the European Food Safety Authority in the European Union. The chemicals regulation directorate in the Health and Safety Executive contributes regularly to them.

T6. [904186] **Holly Lynch** (Halifax) (Lab): I echo the sentiments of my constituency neighbour the hon. Member for Calder Valley (Craig Whittaker) in welcoming the announcement yesterday on flood defences. May I probe for a little bit more detail and ask how much of the £150 million pot the Secretary of State anticipates will be available for Calderdale? Given that it is being raised in a tax in this way, when does she anticipate it becoming available?

Elizabeth Truss: I thank the hon. Lady for her thanks. I can tell her that £35 million has been allocated to Calderdale, which is in addition to the £17 million already scheduled to be invested over this Parliament. We will be producing a specific plan for Mytholmroyd, but there will be a plan for the entire Calder valley by October. We are making sure that local representatives of the local community are fully involved in putting together that plan, so that it has broad support.

1082

T9. [904189] **Edward Argar** (Charnwood) (Con): Last week, I was delighted to join the Secretary of State on a visit to the thriving Roots farm shop in Barkby Thorpe in my constituency, which has both diversified and expanded in recent years. What steps is she taking to break down the barriers that stand in the way of other farm shops that want to expand?

Elizabeth Truss: I was delighted to meet my hon. Friend at the farm shop, and to experience some of the fantastic local produce available and see how the farmer was adding value to products. We want to enable more farmers to do that. Part of our rural productivity plan, which we have launched with the Department for Communities and Local Government, is a review of rural planning to try to remove the red tape for organisations such as farms shops that want to expand. People can contribute to that review at the moment.

T7. [904187] **Martyn Day** (Linlithgow and East Falkirk) (SNP): Given that the position of the farming Minister is for the UK to leave the EU, what measures does he believe should be in place and how will he ensure financial assistance for Scottish farmers should there be a Brexit?

George Eustice: As I explained earlier and as the hon. Gentleman knows, the formal Government position is to remain in the European Union, but the Prime Minister himself made it clear this week that were the country to decide to leave the Government would of course continue to support British agriculture.

**Sir David Amess** (Southend West) (Con): Would my hon. Friend broaden the list of special areas of conservation to include the Thames estuary, which has important marine habitat, including marine marshes and marine sands in the area I happen to represent?

George Eustice: My hon. Friend makes an important point. Both Leigh marsh and Leigh sands are wonderfully important habitats for wildlife. They already benefit from the protection of being a site of special scientific interest and are also part of a special protected area under the birds directive, so there is already a lot of protection for these wonderful sites.

Ian Lavery (Wansbeck) (Lab): In Morpeth in my constituency, we have a Rolls-Royce flood defence system, but we also have a problem with insurance companies still quoting exceedingly high premiums. They blame the Environment Agency for not updating the data. What can the Minister do to resolve this unacceptable situation?

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Rory Stewart): There are two issues here which we will be meeting shortly to discuss. First, the introduction of Flood Re

will ensure affordable flood insurance underwritten by a national scheme, meaning that lower-rate taxpayers' premiums and excesses will be £250. Secondly, on businesses, we had a meeting yesterday with the British Insurance Brokers Association, which has now prepared a new package, with more specialised and precise mapping, to ensure that affordable flood insurance is available not just to households but to businesses.

#### **CHURCH COMMISSIONERS**

The right hon. Member for Meriden, representing the Church Commissioners, was asked—

# **Community Engagement**

- 1. **Fiona Bruce** (Congleton) (Con): What plans the Church of England has to engage with communities that are most in need; and if she will make a statement.

  [904170]
- 5. **Tom Elliott** (Fermanagh and South Tyrone) (UUP): What plans the Church of England has to engage with communities that are most in need; and if she will make a statement. [904174]
- 7. **Jeremy Quin** (Horsham) (Con): What plans the Church of England has to engage with communities that are most in need; and if she will make a statement.

The Second Church Estates Commissioner (Mrs Caroline Spelman): Under the Church's major renewal and reform programme, the whole basis on which the commissioners will disburse funding to dioceses will be weighted significantly towards resourcing the Church's mission in the most deprived areas.

**Fiona Bruce:** As a former Warrington councillor, I am aware that the boiler room learning hub at Sir Thomas Boteler School, supported by Warrington Youth for Christ, provided a supportive place for after-school study for many students over several years. Does my right hon. Friend agree that such partnership working between local churches and community groups is one of the best ways of raising the life chances of children in the communities most in need?

Mrs Spelman: Yes, I could not agree more. This school, in the Chester diocese, near my hon. Friend's constituency, is an example of best practice. I was struck by its introduction of a leadership programme for 14 to 16-year-olds. It takes them to Lancaster University for four days and helps them to fulfil their potential and play an active role in their community and wider society.

**Tom Elliott:** Will the right hon. Member tell us whether the Church has any specific programmes dealing with the homeless or those with long-term addictions, such as alcohol or drug abuse?

Mrs Spelman: I cannot speak for the Church of Ireland. Obviously, I am speaking from the experience of the Church of England, whose social action does indeed cover the most vulnerable people in our society. Right here, in the diocese of London, it is possible for Members of Parliament to see the work the Church of England does among the homeless. That is replicated in

all the dioceses within the Church of England, and I imagine that the same happens in the hon. Gentleman's own nation.

Jeremy Quin: May I draw my right hon. Friend's attention to the work done by Horsham Matters in my constituency? Those local churches are working together to provide a winter homeless shelter and other help for the homeless, a food bank and furniture and white goods for those in crisis. They even provide places for apprenticeships—[Interruption.] I understand, Mr Speaker. They do a lot of good work. Is that not a fine example to share with the House?

Mrs Spelman: That is one of many examples of where the Church's social action really makes a difference to the most vulnerable. In respect of the earlier question about the role of the local council, it is significant that Horsham council ran a social inclusion working group bringing together churches, charities, the citizens advice bureau and debt advice organisations to support and advise the most vulnerable.

#### **See Potential Initiative**

2. **Andrew Stephenson** (Pendle) (Con): What discussions the Church Commissioners have had with the Church of England on supporting the Government's See Potential initiative. [904171]

**Mrs Spelman:** The Church of England is fully supportive of the See Potential initiative and all efforts to help employers recognise the potential within people regardless of their background.

Andrew Stephenson: The See Potential initiative focuses in part on helping people with criminal convictions to get an opportunity in the jobs market. Churches are a vital presence within the prison system and are often key to people's rehabilitation. Does my right hon. Friend agree that the Church can play an important role in spreading the message to other employers that there is a benefit to them in exercising the Christian value of forgiveness?

Mrs Spelman: I could not agree more with that example, as it is incumbent on Christians to visit people in prisons. I have been very struck by an initiative from my own parish church, whereby volunteers mentor ex-offenders before they come back into society to help them prepare to go straight and to live a life in which they can sustain themselves. These are excellent examples that can be replicated in all constituencies.

**Mr Speaker:** I call Mr Alan Mak. Where is the feller? I call Mr Stephen Phillips.

# PUBLIC ACCOUNTS COMMISSION

The hon. Member for Gainsborough, representing the Public Accounts Commission, was asked—

# **National Audit Office**

4. **Stephen Phillips** (Sleaford and North Hykeham) (Con): What assessment the Commission has made of the value for money of the National Audit Office.

**Sir Edward Leigh** (Gainsborough): The Public Accounts Commission, which I have the honour to chair, sets a strategy and budget for the National Audit Office. We assess the NAO's performance against a range of measures. To highlight just three, the NAO's work results in large savings for the taxpayer; in 2014, its work led to externally validated savings of £1.15 billion, which is £18 for every pound it costs to fund the NAO. Secondly, it has done this while at the same time reducing its own costs by 27%. Finally, the NAO is itself subject to annual value-for-money studies by its external auditor.

Stephen Phillips: As my hon. Friend says, for every pound we spend on the NAO, the NAO saves the taxpayer £18. The Comptroller and Auditor General has been very pessimistic in his budget estimation for next year in seeking to reduce his budget. Does my hon. Friend agree that, given that we get £18 back for every pound we spend on it, we should spend more on the NAO, not less?

Sir Edward Leigh: I am grateful to my hon. and learned Friend for that question, but the Comptroller and Auditor General and I are very mindful of the economic situation and of advice given to us by the Treasury, although I should say that as a body the NAO is entirely independent of the Treasury, about financial pressures. Above all, we believe that the NAO should practise what it preaches. I have assured the Comptroller and Auditor General—I say this to my hon. and learned Friend who asks a very serious question—that if extra work comes his way, such as auditing the BBC, I will not stand in his way to getting extra resources to do the job on behalf of this Parliament.

Alan Brown (Kilmarnock and Loudoun) (SNP): Does the Chairman agree that to provide value for Scotland, NAO spending on devolved matters should result in Barnett consequentials arising from the £6 million or £7 million budget?

Sir Edward Leigh: I do not really want to get involved in Scottish politics or what the Comptroller and Auditor General of Scotland does. Let me say, however, that the Comptroller and Auditor Generals from all over the United Kingdom work very closely together. They set best practice, and I believe that our Comptroller and Auditor Generals throughout the nations of the United Kingdom are world leaders in providing value for money.

# **CHURCH COMMISSIONERS**

The right hon. Member for Meriden, representing the Church Commissioners, was asked—

# **Sustainable Power Generation**

6. **Dr Andrew Murrison** (South West Wiltshire) (Con): What steps the Church Commissioners are taking to increase the sustainable generation of power on the Church estate. [904175]

The Second Church Estates Commissioner (Mrs Caroline Spelman): The Church Commissioners are committed to the sustainable generation of power on the Church

estate. As of January 2016, over 400 churches and clergy homes were generating electricity from solar panels on their roofs, and both Winchester cathedral and Gloucester cathedral are planning to install solar panels this year.

1086

**Dr Murrison:** Very conveniently, most of our ancient churches are built east-west, which means that there is a southerly elevation that is convenient for photovoltaic generation. What more encouragement will my right hon. Friend give the Church Commissioners to make sure that this important community resource is used to turn our ancient churches from the chilly places they currently are into something more accommodating?

Mrs Spelman: My hon. Friend's question is timely, because it allows all hon. Members to hear that it is possible to put these renewable energy features on listed buildings. Churches have found all sorts of ways of installing renewable energy generation, and the planning authority within the Church, the Faculty, has become much more flexible when it comes to requests to install these renewable energy features.

Richard Benyon (Newbury) (Con): I hope my right hon. Friend will not mind if I get a bit Trollopian. In order to take these sorts of matters forward, we need leadership in the Church. In the diocese of Oxfordshire, we are lacking a bishop. There has been no Bishop of Oxford for such a long time that we are beginning to wonder whether Sir John Chilcot is involved in his appointment. Will my right hon. Friend convey that what we need is leadership in the Church—locally as well as nationally?

Mrs Spelman: I am not sure that this question has a great deal to do with renewable energy; it may have more to do with Trollope. The vacancy in the Oxford diocese is, of course, a matter of concern, but there has already been one attempt to bring a list of candidates before those who can help to make that decision. I believe that a second attempt to produce such a list will be evident in May.

**Mr Speaker:** I note that the hon. Gentleman acutely exploited the diverse meanings of the word "power" so that he could remain in order.

## **Representation of Women**

8. **Pauline Latham** (Mid Derbyshire) (Con): What support the Church Commissioners are giving to the Church of England to increase the representation of women in leadership positions. [904177]

Mrs Spelman: I am very pleased to say that No. 10 Downing Street has just announced that the Venerable Jan McFarlane, currently Archdeacon of Norwich, will take up the post of Bishop of Repton. She will be the first female bishop in the east midlands.

Pauline Latham: I welcome that announcement—I am delighted to hear that we are to have a woman bishop at Repton—but will my right hon. Friend also join me in welcoming the Lords Spiritual (Women) Act

2015, which will enable the Bishops Bench in the other place to better reflect the gender diversity in the Church and in wider society?

Mrs Spelman: Absolutely—and how hard my predecessor worked on that legislation. There are now two female Lords Spiritual, and for the next nine years the 2015 Act will enable any new female diocesan bishop to be introduced before the next available man.

**Sir Peter Bottomley** (Worthing West) (Con): We are enjoined to do mathematics. Does my right hon. Friend agree that, given that women were held back for so many decades, it should not be a surprise if positions of responsibility and power are over-represented in new appointments, so that the balance of merit reflects the talents of both men and women in the Church of England?

Mrs Spelman: I could not agree more, and that is the justification for the very mild positive discrimination that is being applied in this instance with the aim of introducing more women to the House of Lords. Women now make up 41% of the total number of full-time ordained clergy.

#### **Cathedrals**

9. **Grahame M. Morris** (Easington) (Lab): What support the Church Commissioners provide to cathedrals to contribute to the cultural and economic life of the UK.

Mrs Spelman: Cathedrals play a significant part in the local economy. Attendance is increasing, and their contribution to the economy has increased by 27%. No doubt that was partly responsible for inspiring the Chancellor's generous doubling of the £20 million that was originally provided for the cathedral repair bill as part of the centenary world war one fund.

**Grahame M. Morris:** Durham cathedral, which is in my area, is a particularly fine example. Let me also give a plug for that great working-class gathering, the Durham miners' gala, which will take place on Saturday 9 July. Could any of that £20 million be used to renovate some of the churches and church assets in other mining

communities? St Mary the Virgin church in Seaham, for example, is one of only 20 Viking churches in the country.

Mrs Spelman: I could not agree more with the hon. Gentleman about the magnificence of Durham cathedral. In fact, it is about to launch an Open Treasure project that is designed to produce a sustainable future for the cathedral. However, a sustainable and flourishing cathedral has a knock-on effect on any city and its regional economy. As we have seen in other dioceses, a cathedral can act as a hub, attracting more and more visitors, and also drawing their attention to the magnificent things that can be seen in surrounding churches.

Michael Fabricant (Lichfield) (Con): Tonight Lichfield cathedral will switch on the new lights whose installation was made possible by the last £20 million grant from the Chancellor. However, the chapter roof is now leaking, and it holds the medieval library. May I engage my right hon. Friend in helping us to try to get some more money with which to restore and maintain the library?

Mrs Spelman: I am sure that, following the Chancellor's generosity yesterday in agreeing to provide an additional £20 million to help with the cathedral repair bill, Lichfield will be one of the first contenders to dip into that fund. As is so often the case after a Budget, the Church of England now has an opportunity to say a very big thank you for the additional money.

Jim Shannon (Strangford) (DUP) rose—

Mr Speaker: I will call the hon. Gentleman if it is to be one short sentence.

Jim Shannon: Thank you, Mr Speaker. This is my one short sentence. Is there a case for cathedrals to reach out and host events, whether they are classes or simply community events that help to bring the community together while also encouraging more people to visit cathedrals? I hope that that is short enough, Mr Speaker.

Mrs Spelman: It is clear from the increasing attendance figures that Church of England cathedrals do bring more people together. It is also significant that, in the last decade, there has been a 14% increase in the number of educational visits, which demonstrates that cathedrals appeal to all generations.

1089 17 MARCH 2016 Business of the House 1090

# **Business of the House**

10.34 am

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

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

Monday 21 March—Continuation of the Budget debate.

Tuesday 22 March—Conclusion of the Budget debate.

Wednesday 23 March—Proceedings on the High Speed Rail (London - West Midlands) Bill, followed by consideration of Lords amendments, followed by motion relating to Section 5 of the European Communities (Amendment) Act 1993, followed by motion relating to Short money.

Thursday 24 March—Debate on a motion relating to court closures, followed by matters to be raised before the forthcoming Adjournment. The subjects for these debates were determined by the Backbench Business Committee. I should add that, as you will be told formally, Mr Speaker, owing to the absence of one of the two of us, you will see a duel next week between the Deputy Leader of the House and the shadow Deputy Leader of the House. We look forward to that with interest.

Friday 25 March—The House will not be sitting.

The provisional business for the week commencing 11 April, when we return from the Easter recess, will include:

Monday 11 April—Second Reading of the Finance Bill.

Tuesday 12 April—Debate on a motion on reform of support arrangements for people with contaminated blood. The subject for this debate was determined by the Backbench Business Committee. Following this, the Chairman of Ways and Means is expected to name opposed private business for consideration.

Wednesday 13 April—Opposition day (unallotted day). There will be a debate on an Opposition motion. Subject to be announced.

Thursday 14 April—Business to be nominated by the Backbench Business Committee.

Friday 15 April—The House will not be sitting.

I should also like to inform the House that the business in Westminster Hall for 24 March will be:

Thursday 24 March—General debate on the NHS in London.

Chris Bryant: The Leader of the House means that I am not going to be here next week, so my eminently capable deputy, my hon. Friend the Member for Great Grimsby (Melanie Onn), is going to be taking up the cudgels on our behalf.

What a dreadful two-fingers Budget! Two fingers up to the most vulnerable in the land—people who cannot dress or clean themselves—and two fingers crossed behind the Government's back in the hope that the £56 billion black hole will all come right by the end of this Parliament. And what a turnaround, isn't it? Only weeks ago, the Chancellor told us that the future was

sunny but now he says that storm clouds are on the horizon. That is a quick-change routine that Dame Edna Everage would be proud of. Every single target has been missed—he is no William Tell either, is he? Growth figures—wrong. Productivity—wrong. Trade—wrong.

The deficit was meant to have been abolished by 2015. Now the Chancellor hopes beyond hope to have a surplus of £10 billion in 2020. Does anyone really believe that? Does even the Leader of the House believe it? The Institute for Fiscal Studies certainly does not. Is this not yet another pledge not worth the vellum that it is not printed on? More leaks than Wales. More spin than a whirling dervish in a washing machine. The Chancellor actually boasted yesterday about extra money for school sports when he is the person who cut it in the first place. That is like a burglar going to the police and begging for a reward for turning himself in. And frankly, burglars can't be choosers.

Will the Leader of the House explain the commitment to turn every school into an academy? There are 15,632 schools in England that are not yet academies. The cost of converting a school to academy status is £44,837. That comes to a total of £700 million, but the Chancellor allocated only £140 million to academisation, so where will the shortfall of £560 million come from?

Mind you, Mr Speaker, I have to say that there were some things in the Budget to rejoice about. I am particularly glad that the Severn bridge tolls will be halved, thanks to the campaign by my hon. Friend the Member for Newport East (Jessica Morden) and her colleague sitting next to her, my hon. Friend the Member for Newport West (Paul Flynn). As I am sure you will remember, Mr Speaker, I announced last week that the obesity strategy would be out soon, and now we have it—or at least part of it: the sugar tax. I am delighted that the Chancellor has finally realised the dangers of Coke. [Laughter.] It is just a shame that he could not bring himself to use the word and said "cola" instead. Perhaps the Leader of the House can explain why.

Will the Leader of the House explain how the changes to personal independence payments will be introduced? Should they not be in primary legislation? [Interruption.] I think things have just been explained to the hon. Member for Northampton North (Michael Ellis). Seriously, though, the changes should be brought through primary legislation to enable proper scrutiny in both Houses. Given other recent cuts in disability benefits, will the Government publish a cumulative impact assessment? There is something deeply distasteful about imposing a £3,000 per person cut on the 200,000 most vulnerable people in our country while the richest get a £200 tax handout. I am unsurprised that Graeme Ellis, a lifelong Conservative voter and disability campaigner from Lancaster, has resigned from the Tory party. We will fight the changes. I warned the Leader of the House not to try to pull a fast one on working tax credits by using unamendable secondary legislation and I do so again now.

Incidentally, yesterday saw the Government defeated three times in the House of Lords on the Trade Union Bill and by big majorities, too—nearly two to one in every case. There is more to come. Is it not time for the Government to give up on this vindictive and partisan piece of legislation?

I have been told to be calm about this bit, Mr Speaker. I see that the motion on Short money is tabled for next Wednesday. Our usual channel discussions have been productive, and I thank the Leader of the House for the part that he has played. I hope that the House will be able to welcome the package when it is finally published, but will that be this afternoon or on Monday?

Many Members have had recent difficulties with banks, which have been implementing the laws on money laundering in a disproportionate manner. We all want to tackle money laundering across the EU, but it is crazy that MPs, their family members and even their friends are now being denied bank accounts simply because they are connected to a "politically exposed person". Will the Government ensure that a proper debate on the matter will be held in Government time so that we can get the balance right and tell the banks where to go?

Holy week starts on Sunday, so I wish all Members, their families and staff a happy Easter. It is also Purim next week, when Jews remember the attempt to kill all the Jews in Persia. That was not, of course, the last attempted annihilation of the Jews. Seventy-four years ago today, the first Polish Jews were gassed at Belzec extermination camp. Sadly, anti-Semitism is still alive today, and I am sure that the Leader of the House will join me in saying that we must do everything in our power to stop religious intolerance and racial hatred infecting our politics and our political parties. That means calling out anti-Semitism wherever we find it, even if that is inconvenient to ourselves, and expelling from our political parties those who peddle such vile arguments. I hope that the Leader of the House will agree that all religious prejudice is equally despicable and will disown the Tories campaign against Labour's candidate for Mayor of London, which is the most desperate, divisive and racially charged campaign that London has ever seen. They should be ashamed.

Chris Grayling: I echo the words of the shadow Leader of the House about wishing a happy Easter to all those who work in the House.

I will start by briefly addressing Members' security again. There were a number of incidents at Members' offices following a recent vote, which is and will always be completely unacceptable. I hope that the police will deal with things in the strongest possible way. I remind Members that the new Independent Parliamentary Standards Authority security package is now available both to them and, importantly, to their staff. If any Member experiences teething problems with the new package, I ask them to tell either myself or the Chairman of Ways and Means and we will seek to get things

We have just heard a lot about the Budget. To be frank, we heard more noise from the Opposition Benches today than we heard when the Leader of the Opposition was speaking yesterday. I can always tell when Opposition Members are embarrassed. It is normally easy to catch the shadow Leader of the House's eye-he is always chatting across the Chamber—but when the Leader of the Opposition was speaking yesterday, I could not catch the shadow Leader of the House's eye for one moment, because he knew just how bad it was. Next week, we will see a continuation of the Budget debate. I could not make head nor tail yesterday of what the

Leader of the Opposition was saying he would do, but at least this week we have another insight into Labour's economic policy. It turns out that the shadow Chancellor draws his inspiration from Marx, Trotsky and Lenin, an approach that has clearly influenced his current policy, given that Lenin once said:

"The way to crush the bourgeoisie is to grind them between the millstones of taxation and inflation.

That is precisely what Labour's current policies would do, not just to the middle classes, but to working people up and down this country. On this morning's "Today" programme, the shadow Chancellor could not even say that he supported capitalism—that is where Labour has got to as a party.

The shadow Leader of the House raised a question about the changes to personal independence payments. We will publish details of our plans on that front in due course, and of course all measures are produced with an impact assessment. He mentioned the Trade Union Bill in the Lords. I simply remind the House that what we are seeking to do is give trade union members the choice about whether or not they contribute to the Labour party. Donations to my party come from people who choose to donate to our side of the political spectrum. Labour has to depend on people who are obliged by the current system to donate, and that is what has to change.

On the Short money motion, I am also grateful for the collaborative discussions that have taken place. The motion will be published shortly and in good time for

On the money laundering point, I absolutely agree with what the hon. Gentleman said and this concern should be shared by hon. Members in all parts of the House. We cannot have a situation where not only individual Members, but members of their families are affected by a change that, in my view, would be utterly unacceptable. We have discussed this matter with the Treasury and received its assurances that it believes people should not be affected, but clearly they are being affected. I will therefore treat this as a matter of great importance, as we all should, collectively, across the House.

The hon. Gentleman made the point about anti-Semitism. It has featured recently in a number of political activities and events, and that is wholly unacceptable and should always be so. He makes a comment about the election in London at the moment, but I remind him that anti-Semitism was also present a year ago at the general election in London, and not from our side of the political spectrum. I hope he will take the words he has said today and make sure that they are properly put into action in his party. It is not acceptable in any part of our life for there to be anti-Semitism. It must not occur ever. It has occurred and it should not happen.

Finally, this week we had the revelation that the shadow Leader of the House does not want to be the shadow Leader of the House at all. He wants to be Speaker, so much so that he appears even to be preparing a campaign team. Of course there is not actually a vacancy for your job, Mr Speaker, but I did have an idea for him. This week is apprenticeship week and I wondered whether you might consider taking him on as an apprentice Speaker. But of course there is one small problem: if he wants to be the next Speaker, he really does need to

[Chris Grayling]

remember one thing, which is you do actually need to be popular and respected across the House. I think he has still got some work to do.

Business of the House

Pauline Latham (Mid Derbyshire) (Con): May we have a debate on the TUC's "Dying to Work" campaign, which focuses on strengthening legal protections for terminally ill employees such as my constituent Jacci Woodcock, who has been treated extremely badly by her employer, which tried to force her to resign?

Chris Grayling: My hon. Friend raised this issue yesterday and it is clearly a matter of great concern to her. She is absolutely right to bring forward a case such as this. I would hope that every employer would treat with respect and care anybody in such a terrible situation, whether in the public sector or the private sector. What we expect from our employers in this country is decency.

Pete Wishart (Perth and North Perthshire) (SNP): May I, too, thank the Leader of the House for announcing next week's business? Well, it is the usual day after the Budget's night before and already the wheels are coming off and the old smattering of fiscal fairy dust is wearing thin, revealing the useless and spent out old banger underneath. All of us who listened to this morning's "Today" programme enjoyed greatly the evisceration of the Chancellor of the Exchequer, when he was asked by a gently inquiring John Humphrys:

"What's a bloke got to do in your job to get the sack?"

The Chancellor was defiantly trying to defend his own targets.

We must also commend the Conservative disabled activists who have made their voices heard in the past 24 hours, especially in regard to what happened with the website. Even Conservative Members are recognising the redistribution aspect of this Budget—redistribution from the poorest and the disabled to the wealthiest in our society. That is what characterises this Budget more than anything else.

The Leader of the House often talks about him and I wandering through the same Lobby. Perhaps we will have that opportunity next week when we vote on the tampon tax. I oppose that tax because women are being taxed because of their biology. The Brexiteers oppose it because of what they see as Brussels meddling. I say to the Leader of the House, come on, we can march through that Lobby together to oppose that Chancellor and his EU politicised Budget.

Regulations that deprive overseas pensioners of the uprating adjustment to the state pension have been forced through this House without any debate whatsoever. With 550,000 pensioners being affected by this adjustment—more than half a million—surely we must have some sort of debate, or a statement from the Government, about that intention in this regard. I hope that the Leader of the House will give some satisfaction on this matter.

There was an absolute disgrace in this House last Friday. My constituents got in touch with my office after seeing the spectacle in this place. They were appalled by the behaviour of a small number of politically motivated predominantly Conservative Members filibustering on private Members' Bills just to stop the consideration of Bills that they do not personally like. We saw that behaviour in all its destructive glory when they filibustered against the NHS Reinstatement Bill. Of course they are entitled to do that under the rules of the House, but boy did they take advantage of those rules. Why do these rules apply only to private Members' Bills? The rest of the legislation going through this House is properly timetabled and regulated. This behaviour must end, as our constituents are taking an increasing interest in private Members' Bills. I accept that the Procedure Committee is looking into this matter, but a strongly worded statement from the Leader of the House and this Government to say that such behaviour cannot go on would be really helpful, so that we can change that practice.

Lastly, tucked away in the Budget statement yesterday was a plan to extend to income tax the principle of English votes for English law, but, apparently, legislation is required for that. Will the Leader of the House explain how that will be progressed, what type of legislation will be put in place, and whether it will give us the opportunity properly to scrutinise this dog's breakfast that is EVEL—an opportunity that we did not get when the measure was rushed through in the first place? I would love to hear his remarks on that.

Chris Grayling: For a start, the hon. Gentleman talked about eviscerations in interviews. I presume that he heard the interview with Nicola Sturgeon, Scotland's First Minister, on "Sunday Politics" last week when she could not explain how her sums added up. She could not explain how it was possible for Scotland to carry on spending the same amount of money without tax increases, or how she would deal with a huge budget deficit without spending cuts. If we are talking about people who have no idea at all about how to manage an economy and how to manage finances, we just have to look to Edinburgh.

The hon. Gentleman talked about the Budget more broadly, and about people on low incomes. I simply remind him that our policies, since 2010, have put literally millions of people back into work, and have lifted more than half a million children out of households where no one worked and put them into an environment where people get up in the morning and go to work and bring a sense of responsibility to their lives. By 2019, the top 20% of our population will pay 50% of all taxes. This is a Government who are proud of their record and who have made a difference to this country. All we hear from the parties opposite is carping about what has been real success.

The hon. Gentleman talked about the Bill last Friday. I find it slightly baffling that he is standing up complaining about the handling in this House of an NHS Bill. The last time I looked, the NHS in Scotland was devolved, so why is it that the Scottish National party is so concerned about debates in this House on the national health service when we know that this House has nothing to do with the NHS in Scotland? Surely this is not just another example of SNP opportunism.

The hon. Gentleman mentioned English votes for English laws. We were very clear in the initial debates that that would also apply to those tax measures that do not apply in Scotland. It does not seem to be entirely sensible and fair that, as we devolve to Scotland more tax-raising powers on which the Scottish Parliament

1096

can vote and decide, the SNP should still be able to impose increased taxes on the English if it gangs up with others to do so. That is what we have sought to avoid, and that is what our reforms will make sure cannot happen in the future.

Mr Christopher Chope (Christchurch) (Con): May I follow up on my right hon. Friend's response on money laundering? When are we going to have a debate about money laundering? Will the Government commit themselves to voting against the proposals? Does my right hon. Friend agree that the current proposals show, in effect, that we are being contaminated in our public life by the corruption that is in the rest of the European Union?

Chris Grayling: My hon. Friend makes an important point. I am looking into the matter urgently. It is important that we get it right, not just for Members of this House, but for family members. I can give him an assurance that we will discuss this on a cross-party basis and in the House. We want to sort the matter out to make sure that it cannot affect our family members, our parents, our children, our siblings or ourselves.

Ian Mearns (Gateshead) (Lab): The Leader of the House and I are becoming good pen-friends, writing to each other regularly. Following our recent correspondence, I welcome his commitment to ensuring that sufficient Chamber time will be found for the number of days allocated to the Backbench Business Committee. That is provided for in Standing Order 14. However, I note that our views are not entirely aligned on the number of days that remain to be allocated this Session. Standing Order 14(4) is quite clear that only days where Back-Bench business has precedence over Government business should be counted towards the allocation, and I think there is some dispute about the number of days that remain to us. May I suggest that there might be merit in the office of the Leader of the House contacting the Clerks of our Committee to ensure that there is clarity about the amount of Back-Bench time remaining this Session so that the Government do not find themselves in the unfortunate position of having fallen short of the amount of time they were required to provide on the Floor of the House? Lastly, I did not realise I had so much influence. Last week when I spoke, I expressed my exasperation about Newcastle United, and within 24 hours there was a change of management.

Mr Speaker: The office of Chair of the Backbench Business Committee exercises an influence beyond what we previously knew.

**Chris Grayling:** Let us hope, for the hon. Gentleman's sake, that the result of that change is that his team marches to survival in the premier league, although I notice that it did not manage to do so last week in its match against Leicester. I suspect, however, that most of us who are supporters of other teams—perhaps not Tottenham supporters, but most of the rest of us—are, for at least the last eight weeks of this season, Leicester City supporters. We wish the team well for the remainder of the season, and I hope the hon. Gentleman manages to turn up at St James' Park next season to cheer on a premier league team.

On the allocation of time, the difference between us, I think, is simply that there was a period of time at the start of this Session after the general election and before the Backbench Business Committee could be formed. A number of days were therefore set aside for general debates. I am happy to meet the hon. Gentleman to talk about that, but inevitably, if the Backbench Business Committee exists for only part of a Session, there are pressures on time that we have to cater for. I specifically remember making sure that there was time for general debates in the period before his Committee was formed, but I am happy to talk to him about it. I know that discussions are taking place also between the Committee Clerks and my team.

Sir David Amess (Southend West) (Con): Will my right hon. Friend find time for a debate on the erecting of statues in the centre of London? I find it extraordinary that in Westminster Square there is no statue of the first female Prime Minister and, more pertinently, that there is no statue of Her Majesty the Queen, the longest-reigning monarch ever, who is about to celebrate her 90th birthday.

**Chris Grayling:** We are all looking forward to celebrating the Queen's 90th birthday. We look forward to activities up and down the country. We should all thank my hon. Friend the Member for Uxbridge and South Ruislip (Boris Johnson), the Mayor of London, and my right hon. Friend the Secretary of State for Transport for deciding that Crossrail should be named the Elizabeth line, which is a fitting tribute to the Queen. On the subject of a statue of Margaret Thatcher, I know that the shadow Leader of the House, as a champion of equalities and of opportunities for women, would join me in thinking it entirely appropriate for Britain's first female Prime Minister to be celebrated in such a way.

Paul Flynn (Newport West) (Lab): Did not the House reach an historic low in political opportunism yesterday when the Prime Minister defended himself and his lamentable record on air pollution by claiming credit for the Clean Air Act 1956, which was passed by this House 10 years before he was born? The subject is a serious one. I recently had a debate that was pulled because the Government could not make a suitable Minister available. Some 9,000 people die in this city every year because of air pollution, and 70 die in the city that I represent, but there are no plans to make our policies even legal. This is a shame and a scandal that should be addressed.

Chris Grayling: I would simply make two points. First, it is an issue that we are addressing—for example, through the work we have put in to incentivise hybrid and electric cars, and by looking at ways to cut emissions from power stations. I think, therefore, that we have done as much as any previous Government. However, the point the hon. Gentleman misses is that Conservative Members are proud to be part of a party that, over the last 150 to 200 years, has been responsible for most of this country's great social reforms. That is a track record that we regard as a foundation on which to build for the future.

Amanda Milling (Cannock Chase) (Con): Across Cannock Chase there are many voluntary groups that support the families and carers of those who suffer with [Amanda Milling]

dementia. On Saturday I attended an excellent dementia companions conference organised by St Joseph Roman Catholic church in Rugeley. Will my right hon. Friend join me in commending the work of those involved and of all those who provide such incredibly valuable practical support? May we have a debate in Government time to discuss what further support can be provided to families affected by dementia?

Business of the House

Chris Grayling: As my hon. Friend may know, members of the Cabinet went through the training module to become a dementia friend a couple of years ago, and it was immensely enlightening—I had experienced dementia in my family, but the training taught me things I did not previously know. The work done by groups such as the one in my hon. Friend's constituency makes a real difference, not only to those who are suffering, but to those who help them. I commend my hon. Friend, her colleagues and, indeed, all those involved in this important area on the work they do.

Paula Sherriff (Dewsbury) (Lab): While I welcome the Budget news on further small business rate relief, I am concerned about the impact it will have on local authorities such as mine—Kirklees Council. May we have a debate to discuss what measures will be put in place to ease the burden on cash-strapped councils, many of which are already struggling to balance the books?

Chris Grayling: Last week, a number of Opposition Members said that we needed to do something about the impact of the business rate on small businesses, and I am delighted the Chancellor did so in his Budget statement, although I did not notice a welcome for that in the remarks by the shadow Leader of the House. However, the hon. Lady makes an important point, and she will, of course, have the opportunity, in the debates today, next Monday and next Tuesday, to ask Treasury Ministers specifically about what has taken place.

Michael Ellis (Northampton North) (Con): The front page of the *Jewish Chronicle* today gives a litany of the anti-Semitism that, sadly, we are beginning to see more and more frequently in the ranks of the Labour party and in other institutions, such as universities, in this country. [Interruption.] May we have a debate on the increasing anti-Semitism in our public bodies and institutions?

Chris Grayling: This is a very important point. I agree with the shadow Leader of the House and my hon. Friend that anti-Semitism has no place in our society. However, when we hear words such as "disgrace" from Labour Members, we should remember that we have seen too many occasions in the past 12 months where they have tolerated anti-Semitism in their ranks and where Labour campaigners have used anti-Semitism in their campaigns. That is unacceptable—it is something they should change.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): I was shocked to learn that the House is still using Betamax tapes for parliamentary recordings, although it will now have to stop because Sony is going to stop

producing them. In the House, technological adaptation is evidently slow on occasion. Will the Leader of the House give us an update on the steps he is taking to modernise the archaic voting system in the House?

Chris Grayling: Hon. Members will be aware that trials have been taking place in the last few weeks on the use of tablets in our Division Lobbies. Those trials are now beginning to show distinct improvements. That is likely to affect the way we record things in the future, because it allows us to publish Division lists very quickly. However, I do not support, I am afraid, the idea of going further on swipe-card voting, electronic voting and similar, because passing through a Division Lobby gives individual Members an opportunity they simply would not otherwise have to talk about mutual issues.

Mark Pritchard (The Wrekin) (Con): HMS Shropshire, a County class heavy cruiser, was completed for the Royal Navy in 1929 and served with distinction until 1942. May we have a debate on when the Royal Navy and the Ministry of Defence will once again name a Royal Navy ship after the beautiful county of Shropshire?

Chris Grayling: My hon. Friend makes his point in his customary way. He is a great champion for his county. I am sure that the Secretary of State for Defence will have noted what he said. We are investing in more capabilities for our Royal Navy, and that will provide plenty of opportunities for him to lobby for the ships coming on stream in the next few years to carry the name of his glorious county.

**Diana Johnson** (Kingston upon Hull North) (Lab): Can the Leader of the House help hon. Members who are very keen to meet their young constituents who are coming to the excellent new education centre but find getting into it quite a trial? In fact, it is probably easier to get into Fort Knox than to get into the education centre, with the level of security. Will he look into this?

Chris Grayling: As you know, Mr Speaker, this subject is of concern to me as well. I can assure the hon. Lady that the matter is subject to discussion. Of course we have to take appropriate steps for child protection, but we also have to make sure that common sense applies.

Mr Peter Bone (Wellingborough) (Con): Sometimes with a Budget, one has to read the Red Book, as I have, to see what it was really about and what the Chancellor meant. Clearly, there is a lot of back-end loading of public debt reduction. I think I understand what the Chancellor is at. He has realised that on 24 June, when we come out of the EU, he will have £15 billion a year to reduce the public debt. In that regard, we have had a tie produced for him with his initials—G. O. for George Osborne—on it. It does two jobs: it shows that really he wants to come out of the EU, and he can promote himself with it. May we have a written statement on that next week?

**Mr Speaker:** Far be it from me to comment on the aesthetic virtues or otherwise of the tie, but the use of props in this place is generally deprecated. However, the hon. Gentleman has got away with it.

Chris Grayling: As we know, Mr Speaker, my hon. Friend is always ingenious in a whole variety of different ways. He makes his point in his customarily effective way. I know that he is playing an active part in the campaign to leave the European Union. I suspect that he may have more of a challenge than he thinks in persuading the Chancellor to change his view on this matter. I am afraid that he may have even more of a challenge, though, in persuading him to wear a tie of that somewhat bright colour.

Business of the House

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The Leader of the House might not know this, but it is estimated that autism costs this country £23 billion a year. On the day after the Budget, it is worth thinking about that sum. You are a great supporter of autism charities, Mr Speaker, and often host charity events in your rooms. It was recently found that the educational element has been taken out of the personal allowance that people on the autism spectrum receive, which means that they cannot get education. That is very serious. May we have a debate on that in the House?

Chris Grayling: I share the hon. Gentleman's understanding and view about autism. Some fantastic work is done in our society to help young people on the autistic spectrum. I pay tribute to Linden Bridge School in my constituency and its counterparts around the country which do a fantastic job in working with young people on the autistic spectrum. As a Government we have put more into education and—notwithstanding the current debate—we have put more into the support that we provide for people with disabilities. There is also enormously good work being done by the voluntary sector around the country, and long may that continue.

John Howell (Henley) (Con): The Leader of the House may be aware that the newly refurbished Townlands hospital in Henley has now reopened and treated its first patient. Will he agree to have a debate on the future of community and local hospitals so that we can reinforce the message that what has come to be called ambulatory care is in the best interests of patients?

Chris Grayling: I remember that I backed this saga when I was helping in the campaign to get my hon. Friend elected for the first time some years ago, so I am delighted to see that all the work he has done since then has come to fruition and that his town has a great new facility. On Tuesday he will have the opportunity to tell the Secretary of State for Health exactly how much of a difference it is going to make to the constituency of Henley.

**Mhairi Black** (Paisley and Renfrewshire South) (SNP): Given that the recess is fast approaching, the uprating regulations that will deprive approximately 550,000 overseas pensioners will be enacted by the time we return to this House. Will the Government bring forward a debate to allow us to consider this properly?

Chris Grayling: This issue has been raised on many occasions over the years. When those pensioners moved, they were aware of the nature and structure of our pensions system. The issue has been considered by Governments of both persuasions, and it would cost

many hundreds of millions of pounds to sort it out. I am afraid that the Government have no current plans to do so.

**Dr Matthew Offord** (Hendon) (Con): Further to a previous question, can the Leader of the House ask a Treasury Minister to attend the Chamber to announce what representations the Treasury proposes to make, on behalf of individual bondholders, to the imminent Supreme Court hearing into the decision by Lloyds bank to redeem enhanced capital notes early rather than pay interest until contractual maturity?

Chris Grayling: I know that my hon. Friend has been pursuing this matter with great concern. Of course, we will debate the Budget over the next three days, and financial services will be part of that. I suggest that my hon. Friend takes advantage of that opportunity—the Chief Secretary will be here on Tuesday, for example—to raise the issue.

Albert Owen (Ynys Môn) (Lab): I very much welcomed the Prime Minister's statement about universal superfast broadband by 2020, but it was made a few months ago. May we have a statement from the Minister for Culture and the Digital Economy, or a debate in Government time, so that we can consider the mechanisms? We are all in favour of it. It should be debated and we should know exactly what to do, and I would like to offer the isle of Anglesey for a pilot scheme.

Chris Grayling: I am sure the hon. Gentleman would like to do that. It is a Government priority to proceed with superfast broadband and, indeed, 4G and eventually 5G connectivity to all of our rural areas, and we certainly want Anglesey to be included. We have made good progress so far. We have got as far as any other country in Europe in developing modern communication networks, but there is still work to do.

Henry Smith (Crawley) (Con): In the last Parliament, the Government tasked the Law Commission with drafting a wildlife Bill, which it has now duly done. When is it likely to be introduced?

Chris Grayling: Of course, we cannot give advance billing of what will be in the Queen's Speech on 18 May, but I have spoken to the Ministers involved and they tell me that they are looking at the issue carefully and hope to respond over the course of this year. Law Commission Bills are usually given a parliamentary slot when time allows, but I am afraid that I cannot commit to an exact timetable.

**Liz McInnes** (Heywood and Middleton) (Lab): Yesterday the Government claimed to be on the side of the workers and the next generation. Could we therefore have some action beyond the rhetoric and have an urgent debate on the sad irony that workers aged under 25 are excluded from the Government's new national living wage?

Chris Grayling: The evidence that we are on the side of workers and young people is the massive increase in the number of apprenticeships and the substantial drop in the number of unemployed young people. We are making real progress in creating opportunities for young people. When I took over as Employment Minister in

[Chris Grayling]

2010, I regarded with some trepidation those sessions I had with sixth formers and college students talking about their future prospects; I would have no such trepidation today. They have real opportunities, low unemployment and business investment. It is a transformed picture compared with six years ago.

Business of the House

**David Mowat** (Warrington South) (Con): For the past two decades, transport infrastructure spend per capita in London has dwarfed that in the English regions, with a ratio of 10:1 with the north-west. The Government now propose to build Crossrail 2 for £28 billion, but it has so far not received any scrutiny in this House. Could the Government make time for a debate on Crossrail 2 so that we can consider it vis-à-vis other transport priorities?

Chris Grayling: My hon. Friend is absolutely right about the need to provide balance across the country in investment in infrastructure. If we look back at the Labour Government years, we will see that projects sat on the shelf. When in opposition, I would go around the country and spend time as shadow Transport Secretary talking about the need for projects, but when I go around the country now, I see that they are being built. I was in Newcastle last week, where the A1 is being improved, and the link road between the M6 and the M56 is being built in Cheshire. There is real improvement and change happening around the country in a way that simply did not happen when the Labour party was in power.

Ian C. Lucas (Wrexham) (Lab): May we have an urgent debate in Government time on personal independence payments and the withdrawal of Motability cars from vulnerable disabled people, which is preventing them from carrying out jobs they have secured? Does it make any sense to put disabled people out of work in that way?

Chris Grayling: There will be debates on the Budget and on any changes that we bring forward to the welfare system. I simply remind the hon. Gentleman that it is important for the Government to ensure that we provide support where and when it is needed, but that we also seek to get the best value for taxpayers' money in delivering that support.

Rebecca Pow (Taunton Deane) (Con): Trees are important to us all, and some might say that they are important in transforming much of the hot air that we expel. [Hon. Members: "Withdraw!"] I say that tongue in cheek. Ancient trees, in particular, are so biodiverse, and there are only 2% left in this country. Will the Leader of the House kindly permit us time in the Chamber for a debate about the protection of our precious ancient woodland?

Chris Grayling: It is important to ensure not only that we protect ancient woodland, but that we create woodlands for the future. One of the most exciting developments over the past two or three years has been the Woodland Trust's plan for new forests in England, Wales, Scotland and Northern Ireland to commemorate the centenary of the first world war. There is one in my constituency,

where farmland is being turned into forest that will be enjoyed by generations to come. My hon. Friend is absolutely right. We need to protect what we have got, but we need to create the ancient woodlands of the future as well.

Kirsten Oswald (East Renfrewshire) (SNP): I have yet to hear a satisfactory response to questions I have asked on the Women Against State Pension Inequality campaign and the Connaught income fund, so it is no surprise that the Government are trying to force through uprating regulations that will have a devastating impact on fully paid-up UK pensioners living overseas. The Government cannot keep ignoring all these groups of people, who have done the right thing. Surely, we must have an urgent debate to allow that matter to be properly discussed.

Chris Grayling: There has just been a debate on the issue of women's pensions. I think the hon. Lady does not accept that we do not agree with her. My view on the issue of women's pensions is that it is a difficult one. Putting in place any transition is difficult, because somebody will always be affected by the changes. The reality is that, if we are to have an affordable and fair pension system, we have to put through some of those changes and sometimes not make changes, even though people may want them.

Edward Argar (Charnwood) (Con): Many of my constituents in Thurmaston are concerned about Post Office plans to move their local branch, despite strong local objections and concerns. Given that many such changes, good and bad, will be made by the Post Office in constituencies across the country in the coming years, can we have a debate on the Post Office's approach to its branch modernisation programme, and on its approach to consultation and taking into consideration the views of local people?

Chris Grayling: That is something visible to Members across the country. As my hon. Friend has said, there has been a range of changes in the Post Office. At least this is about upgrading post offices; we have been through many years of battles to try to save post offices from closure. There is now a real opportunity for our post offices. Sadly, as we have heard in previous business questions, we have seen the disappearance of many local bank branches. The Post Office offers an alternative to many small businesses. I hope that that will help to secure its future in many of our communities.

Valerie Vaz (Walsall South) (Lab): This probably does not need a debate, but this morning, my question to the Department for Environment, Food and Rural Affairs was unceremoniously dumped by the Department. Could the Leader of the House look at the possibility of ensuring that, when such a thing happens, the Department contacts the Table Office, which is assiduous at contacting Members, rather than letting Members know by letter? I received the letter only yesterday.

**Mr Speaker:** I believe that the hon. Lady wants a statement on the matter.

Chris Grayling: The hon. Lady does, indeed, and I am happy to give her a short one. I am aware of the circumstances, and the question concerned was transferred

to another Department, because it was judged to be the best place to answer the question. I am assured that her question will be answered today. I think that the Department concerned has done the right thing in telling her that, but I will pass on the message that perhaps it might consider telling the Table Office as well.

Business of the House

Mr David Nuttall (Bury North) (Con): Can we please have a debate on inward investment? That will give the House the opportunity to consider the announcement in the past few days from Avon Products, which intends to move its worldwide headquarters from the United States of America to the UK, and the announcement in the past few days from the South African-owned MotoNovo, which plans to create almost 600 jobs in south Wales.

Chris Grayling: Those two announcements are really good news. The latter is good news for south Wales, which we very much welcome. Given all the pressures on the steel industry, we want as many new investments as possible in Wales. [Interruption.] The hon. Member for Rhondda (Chris Bryant) says it is because of Labour. Actually, it is because this Government have made the United Kingdom a strong place for international businesses to invest in. We have also had the decision to build a new factory to make Aston Martin cars in south Wales. It is reassuring that, even at a difficult time internationally, the United Kingdom is still seen as a strong place for international investment for the long term.

**Ian Blackford** (Ross, Skye and Lochaber) (SNP): As of today, 78 Members of the House from seven parties, including the party of Government, have signed early-day motion 1235, which seeks to annul a statutory instrument to freeze pensions.

[That an humble Address be presented to Her Majesty, praying that the Social Security Benefits Up-rating Regulations 2016 (S.I., 2016, No. 246), dated 25 February 2016, a copy of which was laid before this House on 1 March 2016, be annulled.]

Regulations that deprive overseas pensioners of the uprating adjustment to their state pension have been forced through this House without a debate. Will the Government heed the cross-party initiative to annul the regulations, and hold a debate urgently to assess the devastating impact of these charges on UK pensioners living abroad? Perhaps this time the Leader of the House might just answer the question.

Chris Grayling: I have answered the question. I have been a Work and Pensions Minister, and I have previously looked at the issue. The Government have no intention of changing the current situation. The cost of doing so would be enormous, and the situation that pensioners face has been the same for decades.

Mark Pawsey (Rugby) (Con): Haul-It Nationwide Ltd, a recruitment business in Rugby, has developed IT software to match up agency HGV drivers with haulage contractors. Last year, the NHS spent £3.3 billion on agency staff, and Ministers are working hard to reduce that figure. The owner of Haul-It Nationwide believes his system can help by matching available medical staff with hospital trusts. In fact, he has already started talking to the NHS innovation team. May we have a

debate to consider how companies in the private sector can share innovative ideas and technologies with the public sector?

Chris Grayling: My hon. Friend talks about what sounds like a very interesting project and opportunity. One of the tragedies of the argument made, particularly by SNP Members, for removing the private sector altogether from the NHS is that we would lose the opportunity for that kind of innovation to improve healthcare, to improve the effectiveness of the health service and to enable it to treat patients more quickly.

Holly Lynch (Halifax) (Lab): GPs in my constituency of Halifax are under unprecedented pressure, and we are facing a quite serious hospital reconfiguration. We now understand that pharmacies face a cut of 6%, which the Government expect will lead to anywhere between 1,000 and 3,000 pharmacies closing nationally. May we have a debate in this Chamber to discuss the role that pharmacies play in alleviating the pressures on GP surgeries and our A&E departments, and how those pressures will only get worse if up to 3,000 pharmacies close nationwide?

Chris Grayling: I know that this is an issue of concern. The Government are seeking to ensure that we use the money we have as effectively as possible and that we fund the right mix of pharmacies. We obviously want there to be pharmacies in all communities that require them. I have no doubt that this issue will be brought before the House in due course. I can only say that my right hon. Friend the Minister for Community and Social Care, who is the Minister with responsibility for this issue, is incredibly sensitive to the concerns the hon. Lady raises. I know he will seek to do the right thing in making sure that we have a proper balance in relation to spending money wisely and maintaining the right mix of pharmacy services.

Cat Smith (Lancaster and Fleetwood) (Lab): Will the Leader of the House provide time for a debate on the effects of sodium valproate? This drug is given to treat epilepsy and other neurological conditions, but it has a powerful impact on unborn babies. My constituent Janet Williams has campaigned about this for a great many years, following the birth of her two sons, who had foetal abnormalities because of that drug, which is still being prescribed today.

Chris Grayling: This is obviously a very difficult and sensitive issue. I do not know enough about the circumstances of the drug, but I will make sure that the Health Secretary is aware of the concerns that the hon. Lady raises. I believe that he will be in the Chamber next week, and I ask her to bring up this issue with Health Ministers then.

Chris Law (Dundee West) (SNP): I have previously asked the Leader of the House whether we could have an urgent debate on the disproportionate size of the House of the Lords compared with the House of Commons. However, my question was dismissed, so I will try again. May we have an urgent debate on the role of a bicameral Parliament in a representative democracy in the 21st century to consider whether it continues to

[Chris Law]

be appropriate for more than half the Members of the United Kingdom Parliament to be appointed by the Prime Minister, rather than elected by the people?

Chris Grayling: I seem to remember that SNP Members praised the House of Lords last week for one of its votes. I would say to the hon. Gentleman that this country has greater priorities on its desk right now than sorting out, changing or reforming the House of Lords.

Alison Thewliss (Glasgow Central) (SNP): The Leader of the House did not quite respond to one of the points made by my hon. Friend the Member for Perth and North Perthshire (Pete Wishart). There is an amendment to the Budget resolutions on the Order Paper, tabled by the hon. Members for Dewsbury (Paula Sherriff), for Berwick-upon-Tweed (Mrs Trevelyan) and for Leeds North West (Greg Mulholland), to remove the tampon tax. Will the Leader of the House support the amendment in solidarity with women across the country?

Chris Grayling: The imposition of VAT on women's sanitary products is a matter for the European Commission. The Government have made representations, and we are expecting a response shortly. It is my hope that the Commission will agree with virtually every Member of this House that this tax is wholly inappropriate.

**Brendan O'Hara** (Argyll and Bute) (SNP): If no one has yet done so, Mr Speaker, may I, with a certain amount of Irish blood in me, wish you and the whole House a very happy St Patrick's day?

It is absolutely unacceptable that this Government choose to do nothing, not even allow a debate, on the hugely important uprating regulations on state pensions that lead—as my hon. Friends have said—to half a million or more overseas pensioners having their pensions frozen. As the Leader of the House is well aware, that provision will come into force while the House is in recess. Given the clear depth of feeling on the Opposition Benches and across the House, surely that issue is worthy of an urgent debate.

**Chris Grayling:** That issue has been considered many times over the years and the Government's position has not changed.

**Drew Hendry** (Inverness, Nairn, Badenoch and Strathspey) (SNP): The First Minister of Scotland is committed not to 95% or any other figure, but to 100% coverage for superfast broadband for Scotland. Given that the UK controls the regulations on mobile signals, may we have a debate on how the UK Government might achieve that coverage for mobile signals across the UK?

Chris Grayling: We are working hard to achieve that for mobile signals across the UK, and we are beginning to look ahead to the introduction of 5G in this country. I wait with interest to see how successful the First Minister of Scotland will be having made that substantial promise, because as far as I can see, some of the promises that she has made in the past have not really come to fruition.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): This House rightly celebrates community champions such as those who won an award during last week's Renfrewshire Provost community awards. One winner, Jodie Campbell, organised a Christmas lunch for 200 vulnerable people, many of whom confirmed to me that they would otherwise have spent Christmas day on their own. Isolation is said to affect millions of people throughout the UK, so may we debate that serious issue?

Chris Grayling: Isolation is clearly a big challenge for our society, and it can only really be dealt with in local communities and by the kind of work that the hon. Gentleman has just described, which I praise unreservedly. As he will know, I have suggested to the Backbench Business Committee that it might set aside a day—there are a few coming up in the next few weeks—for the whole House to debate the work of voluntary sector groups that can make a big difference to people such as those he describes.

George Kerevan (East Lothian) (SNP): Given the well-known views of the Leader of the House on matters European, may I urge him to come to the aid of the hundreds of thousands of UK citizens living in the EU who face being deprived of their pension upgrade—a move that will not even be discussed in this House? Will he overcome the European democratic deficit and organise such a debate?

**Chris Grayling:** Unless I am mistaken, the issue of frozen pensions does not apply in the EU.

Alan Brown (Kilmarnock and Loudoun) (SNP): On that same theme, apart from the general unfairness, analysis has shown that the issue of frozen pensions prevents some pensioners from emigrating, and forces others to return to this country. Reversing that twin migration effect would save money on healthcare, welfare and housing, which should appeal to the Leader of the House. I will try again: may we have a debate on this important matter?

Chris Grayling: I am not of the view that Government policy should be about getting our pensioners—whom we should value enormously for the contribution they have made—to move to other countries.

Chris Stephens (Glasgow South West) (SNP): The Leader of the House wrote to me on 24 February about the pension fund of employees of the Commonwealth War Graves Commission, and he said that no final decision had been made. In the Adjournment debate on 29 February, the Minister said that the final decision had been made in September. Will the Leader of the House say why he gave such inaccurate information?

Chris Grayling: I would not have made that comment without having been told that that was the case by the Ministry of Defence, and I will ask it to respond to the hon. Gentleman.

# **Macur Review**

11.29 am

The Secretary of State for Wales (Stephen Crabb): With permission, Mr Speaker, I will make a statement on the publication of the report of the Macur review.

On 5 November 2012, the Prime Minister announced the establishment of an independent review of the scope and conduct of Sir Ronald Waterhouse's inquiry into allegations of child abuse in care homes in Clwyd and Gwynedd between 1974 and 1990. Let us be clear: we are talking about dark and shameful events that are a stain on our nation. The children were in the care of the state because they were vulnerable, and the state let them down. That is why our first thought will always be with the victims, supporting them and bringing the perpetrators to justice.

The Prime Minister's announcement of a review of Waterhouse followed significant public concern that its terms of reference were too narrow, and that allegations of child abuse were not properly investigated by Waterhouse, particularly where those allegations concerned prominent individuals. The Waterhouse inquiry was established in 1996 by the then Secretary of State for Wales, now Lord Hague of Richmond, following allegations of endemic child abuse at care homes in Clwyd and Gwynedd. Waterhouse's final report, "Lost in Care", published in 2000, concluded:

"Widespread sexual abuse of boys occurred in children's residential establishments in Clwyd between 1974 and 1990",

and that there was a paedophile ring operating in the north Wales and Chester areas, but no reference was made to any abuse being carried out by nationally prominent individuals.

On 8 November 2012, the then Secretary of State for Justice, my right hon. Friend the Member for Epsom and Ewell (Chris Grayling), and my predecessor, my right hon. Friend the Member for Clwyd West (Mr Jones), announced that the review would be headed by Mrs Justice Macur DBE, a High Court judge of the family division. Her terms of reference were to review the scope of Waterhouse; determine whether any specific allegations of child abuse falling within the Waterhouse's terms of reference were not investigated; and to make recommendations to the Secretaries of State for Justice and for Wales.

Lady Justice Macur submitted her report to the Secretary of State for Justice and me on 10 December 2015. I pay tribute to her and her team for their work and for their thoroughness and diligence in carrying it out, particularly in the light of the huge amount of material that needed to be considered. She and her team have examined the 1 million-plus pages of documents relating to Waterhouse provided to her from many sources. She has conducted interviews with individuals closely involved with the work of Waterhouse; with those who provided written submissions to Waterhouse; with those involved in police investigations; and with those who worked on the prosecution files of those accused of abuse of children in care in north Wales. She published an issues paper, in English and in Welsh, with suggestions of broad areas of interest, to prompt written submissions from those affected. She also arranged a public meeting in Wrexham specifically to engage those in the local area.

Having completed that work, Lady Justice Macur's main finding is as follows:

"I have found no reason to undermine the conclusions of" Waterhouse

"in respect of the nature and the scale of abuse."

Lady Justice Macur looked carefully at the specific issue of nationally prominent figures and concluded that there was no

"evidence of the involvement of nationally prominent individuals in the abuse of children in care in North Wales between 1974 and 1996".

While the Government welcome that finding, the context in which it is made must never be forgotten.

In addressing concerns about the time taken by the former Welsh Office to set up the Waterhouse inquiry in the mid-1990s, Lady Justice Macur does recognise that there was some reluctance in that Department to undertake a public inquiry. However, she concludes that any reluctance to undertake a public inquiry was

"not with a view to protect politicians or other establishment figures"

and that

"the government was right to consider the different options since a public inquiry...was correctly understood to be a major undertaking".

Lady Justice Macur is also clear that waiting until Crown Prosecution Service investigations had been completed was the correct decision, as

"the government would be justifiably subject to criticism in creating any situation that compromised ongoing criminal investigation or prospective trials of accused abusers".

Lady Justice Macur makes it clear that she is satisfied that Waterhouse's terms of reference were not framed to conceal the identity of any establishment figure, nor have they been interpreted by the tribunal with a design to do so. She has also found that, despite the Welsh Office being both the commissioning Department and a party to Waterhouse, there was ample independence of Waterhouse from the Welsh Office.

Freemasonry has been a persistent theme of concern in relation to the events in north Wales and is referenced extensively in Waterhouse. I am grateful to Lady Justice Macur for her thorough explorations of this issue, but she is satisfied that

"the impact of freemasonry on the issues concerning the Tribunal was soundly researched and appropriately presented and pursued" and that

"there is nothing to call into question the adequacy of the Tribunal's investigations into the issue of freemasonry at any stage of the process".

As I mentioned earlier, Lady Justice Macur states:

"I make clear that I have seen NO evidence of child abuse by politicians or national establishment figures in the documents which were available to the Tribunal, save that which could be classed as unreliable speculation."

On the direct evidence before them, she also found that it was

"not unreasonable for the Tribunal to conclude that there was no evidence of a further paedophile ring in existence"

outside of that described by Waterhouse.

In addition to her main finding that she has no reason to undermine Waterhouse's conclusions, Lady Justice Macur makes a total of six recommendations. Her first relates to ensuring that any public inquiry, investigation or review can be objectively viewed as

[Stephen Crabb]

beyond reproach. The Government agree. We have already been clear that, during the establishment of the independent inquiry into child sexual abuse in 2014, we did not get it right in initially appointing two chairs who had failed to win the trust of survivors. This is a principle that should be rigorously observed in the establishment of inquiries, investigations or reviews.

Lady Justice Macur's second recommendation is that the preservation and correct archiving of material of an important public inquiry or review is essential. This links to her third recommendation that all Government Departments should possess an accurate database of the documents and materials held by them. Again, we agree with both those recommendations.

When the Welsh Office, which established Waterhouse, was disbanded in 1999, the files it held on newly devolved issues such as social care and children's services were transferred to the National Assembly for Wales. This included the Waterhouse computer database. When Lady Justice Macur requested this, it was found that in 2008 Welsh Government IT contractors had declared that its contents were "corrupted and unreadable" and they had therefore been destroyed. She finds that it was an

"innocent mistake, rather than a calculated ploy".

Files relating to Waterhouse will not be returned to the Wales Office; given their historical importance, they have been transferred to the Welsh Government for onward transmission to the National Archives.

The Government accept the criticisms made by Lady Justice Macur of the way documents were stored. Similar criticisms were made of the Home Office in the first Wanless and Whittam inquiry in 2014. Following the recommendations made by Wanless and Whittam on the management of files containing records of child sexual abuse, the Cabinet Secretary asked all permanent secretaries to consider how their Departments can learn lessons from the review and put in place appropriate safeguards. Likewise, following the establishment of the Goddard inquiry, the Cabinet Office announced a moratorium on the destruction of information, and put in place processes for the storage of such material. The failure of the new Wales Office in 1999, under a previous Government, to adequately archive the material is simply inexcusable, but a much more rigorous approach to records management is now in place in the Department, abiding by National Archives policy on records management.

Lady Justice Macur's fourth recommendation is that due criminal process is better suited to the disposal of any unresolved complaints and allegations that were not investigated during the course of Waterhouse, rather than a public or a private inquiry. The Government agree, and welcome particularly the work of Operation Pallial in this area.

Lady Justice Macur's fifth recommendation relates to consideration of criminal charges relating to events referenced in paragraphs 6.45 to 6.75. For the sake of clarity, let me say that this does not relate to the actions of the Welsh Office or any other Government Department. The police and the Crown Prosecution Service are aware of the specifics of this matter and it is for them to consider further.

The final recommendation relates to the process of establishing a review of previous tribunals or boards of inquiry. Lady Justice Macur notes that

1110

"the conclusions of any such body will not meet with universal approval, and that those with an interest, personal or otherwise, will seek justification for their views and be unlikely to accept the contrary".

The Government note this and understand that it is inevitable that some people will remain dissatisfied, despite the comprehensive work undertaken by the Waterhouse inquiry and now by Lady Justice Macur.

Hon. Members who have long campaigned on this issue have said that the report should have been published without delay. I absolutely share the same instinct for openness and full transparency. However, Lady Justice Macur has acknowledged that her final report contains information, including the names of some individuals, that it would not be possible to publish. In particular, she notes that certain parts of her report ought to be redacted, pending the outcome of ongoing legal proceedings or police investigations. We have worked closely with the Director of Public Prosecutions and the policespecifically representatives of Operations Pallial, Hydrant and Orarian—to ensure that no investigations or trials will be prejudiced by the release of this report. The names of those found guilty of crimes of child sexual abuse in a court of law have of course not been removed.

The names of contributors to the review and Waterhouse have not generally been redacted, but Lady Justice Macur also cautioned that, under the Sexual Offences (Amendment) Act 1992, victims of alleged sexual offences are entitled to lifelong anonymity. As such, these names, along with names of individual members of the Crown Prosecution Service and police informants, have been considered carefully by Sue Gray, director general of propriety and ethics in the Cabinet Office. We have accepted her advice in full, and a small number of redactions have been made in those categories. The full details of the process by which redactions in these areas were made is set out in a letter from Sue Gray that I am today publishing alongside the redacted report.

Lady Justice Macur urged caution in relation to releasing the names of individuals accused of abuse, or speculated to be involved in abuse, who have not been subject to a police investigation, have not been convicted of a criminal offence, and/or whose names are not in the public domain in the context of child abuse, whether establishment figures or not. She argued that to do so would be

"unfair in two respects and unwise in a third:...first, the nature of the information against them sometimes derives from multiple hearsay;...second, these individuals will have no proper opportunity to address the unattributed and, sometimes, unspecified allegations of disreputable conduct made against them;...and third, police investigations may be compromised".

We have followed that advice and removed those names from the report published today. It is a fundamental tenet of the law in this country that those accused of a crime are able to face their accusers in court, with a jury of their peers to consider the evidence, and not tried in the court of public opinion as a result of "multiple hearsay". It would be irresponsible for the Government to behave differently. To provide total clarity on the process by which this group of names was redacted, I am also today publishing a letter from Jonathan Jones, Treasury solicitor and head of the Government Legal Department, setting this out.

I should also like to stress that a full and unredacted version of the report has been provided to the wider independent inquiry into child sexual abuse, chaired by Justice Lowell Goddard, to aid its investigations. It has also been seen by the Director of Public Prosecutions, the CPS and representatives of Operations Pallial, Orarian and Hydrant.

As a Government, we are determined to see those guilty of crimes against children in north Wales brought to justice, and this is happening through the excellent work of Operation Pallial. In November 2012, the chief constable of North Wales police asked Keith Bristow, director general of the National Crime Agency, to lead Operation Pallial, which would look into specific recent allegations of historical abuse in the care system in north Wales. A total of seven men have been convicted of one or more offences following investigations by Operation Pallial, and a further eight have been acquitted after a jury trial. That includes John Allen, who ran Bryn Alyn Community, who was sentenced to life imprisonment in December 2014 after a jury found him guilty of 33 charges of serious sexual abuse. Five members of a predatory paedophile group received a total of 43 years in jail in September 2015, having been found guilty of a total of 34 offences of abuse.

Operation Pallial has now been contacted by 334 people, who have had the trust and confidence to come forward to report abuse. A total of 102 complaints are actively being investigated at this very moment. A total of 51 men and women have been arrested or interviewed under caution, and work to locate further suspects is continuing. A total of 16 people have been charged or summonsed to court as a result of Operation Pallial so far. Charging advice is awaited in relation to a further 26 suspects.

A total of 32 suspects are believed to be dead, and work is ongoing to confirm this. An independent review of evidence against 25 of these deceased suspects has indicated that there would have been sufficient evidence to make a case to the CPS for them to be charged with various offences. Those who made complaints in such cases have been updated personally by the Pallial team. A further two trials have been set for 2016, with further trials expected.

In closing, I would once again like to thank Lady Justice Macur and her team for their diligent and exhaustive work in providing this report. I would like to pay tribute to the courage of those victims for coming forward and reliving the horrible detail of their experiences to ensure that the truth can be established once and for all. I would like to pay tribute to the police, the Crown Prosecution Service and the Director of Public Prosecutions for their collective work to ensure that those who were involved in the abuse of children in north Wales, who perhaps thought that the mists of time had hidden their crimes for ever, are now being made to pay for what they did. I commend this statement to the House.

# 11.46 am

**Nia Griffith** (Llanelli) (Lab): I thank the Secretary of State for his statement and for advance sight of it.

The horrific abuse that was carried out at care homes in north Wales has shocked us all and our thoughts today must be with the survivors. Not only did they endure violence from those who were meant to protect them, but they have had to wait years—decades—to be heard

17 MARCH 2016

I would like to pay tribute to my right hon. Friend the Member for Cynon Valley (Ann Clwyd) who has campaigned tirelessly for the survivors ever since these allegations came to light. As she has highlighted before, some of those who were abused at Bryn Estyn and other homes have since taken their own lives. It is therefore right that we think of their families today and of everyone affected by this scandal.

The extent of the abuse revealed by the Waterhouse inquiry was staggering. It found evidence of "widespread and persistent" physical and sexual abuse, including multiple rapes carried out against young boys and girls. This abuse was allowed to take place over many years, sometimes decades, in the very homes where vulnerable children should have felt safe. The scale of the abuse is shocking, but what is also shocking is that many of the inquiries into this abuse have encountered a reluctance to co-operate with them, and a refusal to publish their conclusions—in short, cover-ups and missed opportunities.

As the Secretary of State has indicated, the Macur review was

"set up to examine whether any specific allegations of child abuse falling within the terms of reference of the Waterhouse Inquiry were not investigated."

On behalf of the Opposition, I would like to extend our thanks to Lady Justice Macur and her review team for the work that they have undertaken. In the light of what has happened to previous reports and the overwhelming need for transparency, I welcome the fact that the Macur review has now been published.

There may be cases where redactions are needed, not least to ensure that no ongoing police investigation is compromised, but these redactions must be as few as possible and they must be justified to the survivors. Can the Secretary of State confirm that this review, along with the many other reports on and inquiries into abuse in north Wales, will be made available in full to the Independent Inquiry into Child Sexual Abuse, and that this inquiry will be able to see full, unredacted copies of these reports?

The Waterhouse inquiry found that most children did not feel able to come forward to report what had happened to them. The few who did were discouraged from taking matters further. In fact, were it not for the bravery of whistleblower Alison Taylor, many cases of abuse would not have been uncovered. Although we recognise that processes for safeguarding children have changed radically since many of these cases took place, we must always be ready to learn lessons to ensure that we can protect children better in the future.

Having studied the report, what changes in policy or practice do the Government feel are necessary? What steps will they take to ensure a co-ordinated response to any future cases, wherever they occur—in the public, private or third sector? Does the Secretary of State believe that there is sufficient protection for whistleblowers such as Alison Taylor?

We know that physical and sexual abuse has a lasting impact on the lives of those affected. In recent years, many survivors have felt able to come forward and report the abuse that they experienced. Indeed, we know that a number of people contacted the Children's

[Nia Griffith]

Commissioner for Wales following the announcement of the review, and it is possible that others will come forward as a result of the report's publication. No matter how long ago the abuse took place, survivors need support to rebuild their lives. What support is being given to the survivors of abuse who have come forward, and what conversations has the Secretary of State had with agencies, including the Children's Commissioner for Wales, to ensure that survivors of abuse know where to turn?

The scale of the abuse that has become apparent in recent years has shocked the whole of society. It is now clear that many thousands of children were targeted by predatory abusers in places where they should have felt safe. Far too many of those children were let down for a second time when they reached out for help, but nothing was done. Our duty is to make sure that survivors of abuse are heard and listened to, that those who report abuse are given sufficient protection, and that anyone who is responsible for acts of violence against children is brought to justice. Above all, we must ensure that this appalling abuse can never be allowed to happen again.

**Stephen Crabb:** I am grateful to the hon. Lady for her response to the statement, and for the spirit and tone in which she made it. I join her in paying tribute to the right hon. Member for Cynon Valley (Ann Clwyd) for her long-standing work in trying to achieve justice not only for her constituents who suffered abuse, but for the wider number of care home residents at the time.

When we discussed this issue during a recent session of Wales Office questions, the right hon. Member for Cynon Valley asked me about the redactions. I gave her a commitment that everything possible would be done to ensure that they were kept to a minimum, and that we would be able to explain the reasons for them fully. As I said in my statement, I believe that the letters that we have published along with the report set out those reasons very clearly, but I suggest that Members read Lady Justice Macur's remarks in the report urging caution in relation to the publication of the names of individuals in the various categories that she describes. I hope that those explanations will provide ample justification for the redactions.

The hon. Lady asked whether we would make a full, unredacted version of the report available to the independent Goddard inquiry. The answer is yes, absolutely. We have also made a full, unredacted copy available to the Crown Prosecution Service, the Director of Public Prosecutions and Operations Pallial, Hydrant and Orarian.

The hon. Lady asked about changes in policy and practice, and about looking to the future. As I said in my statement, Lady Justice Macur has made a number of specific asks of the Government. She has asked for changes to be made, and made recommendations about, in particular, the way in which material is stored and archived. That is one of the weaknesses that she found in establishing her inquiry after 2012, when it was set up. She referred to the "disarray" that many of the files were in. There are important lessons to be learned by Government as a whole—devolved Administrations and the United Kingdom Government—about the way in which sensitive material is archived and protected for the future. Those lessons have been and are being learnt.

As for the wider issue of how we support the survivors and victims of abuse, I think that there has been an enormous cultural change in the last 30 years in Wales and throughout the United Kingdom. That is one of the reasons why more survivors now feel empowered to come forward as part of Operation Pallial, to relive those horrific events, and to make specific allegations, which are being pursued rigorously by the National Crime Agency.

The really positive developments that have taken place since the 1990s, including the establishment of the Children's Commissioner for Wales, show that as a society we have made a lot of progress. Of course we do not get everything right, and there is much more that we need to learn to do, but we have made a lot of progress over the past 30 years on the way in which we support victims of sexual abuse and address this issue. I do not wish to sound complacent in any way, however, and indeed there is no sense of complacency in Lady Justice Macur's report that we are publishing today. I hope that that addresses the hon. Lady's specific question.

The hon. Lady also asked what support was being provided through the independent Goddard inquiry. The inquiry will shortly open an office in Cardiff to reach out to survivors in Wales, and it will work through the mediums of English and Welsh.

Mr David Jones (Clwyd West) (Con): I thank the Secretary of State for his statement. I also pay tribute to the work done by Lady Justice Macur. I know that it has been a monumental undertaking for her. The events she was investigating have cast a dark cloud over north Wales and the Chester area for many years. I am hopeful that the report published today will ease those concerns, but I have to say to my right hon. Friend that I continue to have my own concerns in two respects. The first relates to the absence of documentation. I fully accept what he has said about its storage, which has frankly been little more than a catalogue of disaster, but will he assure the House that not only his Department and Her Majesty's Government but the Welsh Assembly Government, who had custody of the documents but lost them, have learned the lessons from this?

My second concern relates to the redactions, which I believe will cause the most concern in north Wales. I fully understand the reasons that my right hon. Friend and Lady Justice Macur have given for this, but can he confirm that Justice Lowell Goddard will have the right to pursue in her own inquiry the identities of those whose names have been redacted in today's report?

Stephen Crabb: I am grateful to my right hon. Friend for his questions. He was one of the joint commissioning Secretaries of State for the foundation of the Macur review. He asked two specific questions. The first was about the absence of the relevant documentation. The conclusion that Lady Justice Macur comes to is that she is confident she has seen enough documentation from the Waterhouse tribunal to make some strong conclusions about the overall findings that Waterhouse reached, and that she supports the overall findings of Waterhouse based on her exhaustive trawl through 1 million-plus pages of documentation. Where there are gaps, she has concluded that they are not sufficient to cast into doubt her overall findings.

My right hon. Friend's second point related to redactions. Again I make the point that a full unredacted copy has gone to the Goddard inquiry. He asked whether Goddard would be able to pursue those names in the unredacted report. Let us bear it in mind that one of the specific recommendations of the Macur review is that the police and the judicial process will be best placed to go after those people against whom specific allegations have been made, and that public or private inquiries are not the best forum in which to do that.

Paul Flynn (Newport West) (Lab): Page 300 of the Waterhouse report lists the names of 13 young men who could not give evidence to the new review because they had lost their lives. Most of them took their own lives following the case, when they appeared before those who had been accused. They were all used to give evidence in court, some of them because of their police backgrounds. The victims were mercilessly torn to shreds and several of them took their own lives as a direct consequence of the abuse being continued by our court system. That is still continuing today. What this report covers would not have been revealed were it not for the work of my right hon. Friend the Member for Cynon Valley (Ann Clwyd) and Bruce Kennedy and Paddy French, journalists at HTV. It is difficult to judge the report before giving it full consideration, but this is a heart-breaking story of abuse. Those who were responsible were laughing as they went away from court, and the lives of innocents were ended prematurely. We still need to look further into the matter and to consider carefully why some names are still redacted. Is this historical abuse continuing?

Stephen Crabb: The hon. Gentleman is exactly right. We are talking about heinous, horrific acts of abuse. We are talking about children who were in the care of the state and got anything but the care of the state. It is a long and tragic sequence of events. Of course, today's report will not bring full closure to absolutely everybody who lived through those experiences, but Lady Justice Macur has been thorough and diligent in her task of trawling through all the paperwork of the Waterhouse inquiry to try to make sense of whether victims got a fair shout and whether questions about nationally prominent individuals, further paedophile rings, and the role of freemasonry were addressed appropriately. I encourage all hon. Members with an interest in the matter to read the report in full and to reflect on its conclusions.

As for continuing the investigation of those who are guilty, let me be clear that there are people walking around in north Wales and elsewhere in the United Kingdom right now who were there at the time, who participated in and witnessed these acts, and who have gone for years thinking that they are untouchable. I hope that the summary of the achievements of Operation Pallial that I read out earlier demonstrated that such people should be looking over their shoulders.

#### Several hon. Members rose—

Mr Speaker: Order. These are extremely sensitive matters, so I say this with care, but it would be appreciated if colleagues could be economical in their questions and

answers, simply because the Budget debate is heavily subscribed. We will now have an exemplary lesson from Mr Mark Pritchard.

1116

Mark Pritchard (The Wrekin) (Con): What happened in north Wales is nothing short of a national scandal for Wales, but will the Secretary of State put on the record his thanks to all those who work day in, day out in childcare, orphanages and other facilities, both in Wales and elsewhere in the United Kingdom, and do so professionally and with care?

I am glad that the Government, the police and the National Crime Agency are taking action. What recent discussions has the Secretary of State had with the NCA about Operation Pallial to ensure that we get more people in court and prosecuted for these heinous crimes?

**Stephen Crabb:** We absolutely put on the record today our thanks for and appreciation of the hard work of those who work in the care sector, supporting vulnerable children wherever they are in the United Kingdom

The National Crime Agency has kept me regularly updated with the progress of Operation Pallial. Just yesterday, I had further discussions with the agency's deputy director. I am absolutely confident that the NCA is vigorously pursuing all lines of investigation.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Abuse survivors will be dismayed at this morning's litany of name-concealing and the destruction of evidence. They may rightly feel that their evidence is transient, disposable and not worth safeguarding. How will the Secretary of State work with the Children's Commissioner for Wales and the Welsh Government to ensure that lessons are learned and that this never happens again?

Stephen Crabb: The hon. Lady is right that people will still be feeling like that. All I would say is that they should take the time to go through the report and look at how Lady Justice Macur has handled to the very best of her ability all the sensitive, difficult questions that have plagued survivors for years and years. A lot of lessons have already been learned from the events we are talking about. As I said in answer to a question a few moments ago, that is not to say we are complacent, as there is always more we can learn as a society. But in terms of where we are in Wales right now, we have the Children's Commissioner and the work that the Welsh Government are doing. There is good collaboration between UK Departments and the Welsh Government on these issues to do with social services, childcare and vulnerable people. The work is positive and will carry on.

Ian C. Lucas (Wrexham) (Lab): The people of Wrexham, where many of these horrible events took place, will be astonished by the contents of today's statement. As a solicitor who practised in the courts around Wrexham in the '80s and '90s, I am astonished by its contents. I note that the Secretary of State referred only fleetingly to some reluctance in the old Welsh Office to undertake a public inquiry in the 1990s, and I will read the report closely in that respect. Will he please tell me why the prosecutions that are now taking place as a result of

[Ian C. Lucas]

Operation Pallial did not take place in 2000, following the Waterhouse inquiry? He did not address that at all in his statement.

**Stephen Crabb:** I thank the hon. Gentleman for his question. He expresses astonishment. What I say in response to that is that if he has specific information about specific individuals, he knows where to go with it—to the police. His question as to why the arrests are being made now and were not being made 30 years ago is a specific question that I have put to the NCA. Its response was that, first, this is because of the publicity of recent years and, secondly, it is because of the culture change, with a lot more witnesses feeling empowered to come forward. That is part of the reason why much greater convictions are being secured; the police are receiving greater, specific evidence from survivors and victims who feel willing to come forward.

Mark Tami (Alyn and Deeside) (Lab): Has the Macur review had unfettered access to those who can explain why the original Waterhouse inquiry did not name the persons of public prominence in its report?

**Stephen Crabb:** Some of the individuals who worked on the Waterhouse tribunal are no longer living, but Lady Justice Macur has pursued, to the very best of her ability, direct conversations with people who worked on the tribunal at the time. As I explained earlier, she has also reached out to survivors. She held that public event in Wrexham to explore this as fully as she possibly could. This was not just her trawling through boxes of documents to explore all these questions. She explains why names should not just be bandied about and she explains clearly why a redaction process is necessary, and I encourage the hon. Gentleman to look through that, along with the letters I am publishing alongside it today, in order to understand this.

Mr Robin Walker (Worcester) (Con): The Secretary of State was right to acknowledge the anguish and suffering that these events have caused and the fact that the police need to continue inquiries in respect of any of the perpetrators. Does he agree that it is vital that victims get support with mental health services and therapy? Will he be making representations to make sure that some of the money the Government are rightly investing in mental health goes to help victims of these types of terrible crimes?

**Stephen Crabb:** My hon. Friend makes an important point about the way we support survivors and victims of abuse, no matter how far back the events occurred. I assure him that for those people who have come forward it is not just a question of our listening and receiving evidence; consideration is given to what further support can be given. Some victims do not feel that they can come forward. Some have moved on and now have families of their own, and for them these are episodes in their past that they are keeping deeply buried. This is obviously a matter of choice for individual survivors.

Albert Owen (Ynys Môn) (Lab): Many of my constituents who have been abused have felt let down because of the long, long delays in this and other reports being produced. They feel that because their abusers have died they will not now get the justice that they deserve. Does the report cover records held by the local authorities in north Wales? I have encountered constituents who have found it difficult to obtain records, particularly those held by Gwynedd authority.

Stephen Crabb: Lady Justice Macur's specific recommendations relate to records that have been kept by national Government. Parts of her report does go, in detail, into how information was handled by local authorities. We are talking about the former local authorities of Clwyd and Gwynedd, which were disbanded and turned into new local authorities. At this point in time, I would just encourage him to read through the report. If he has further questions, he will have an opportunity to explore this further next week in a Westminster Hall debate secured by the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts).

# **Ways and Means**

# **Budget Resolutions and Economic Situation**

#### AMENDMENT OF THE LAW

Debate resumed (Order, 16 March).

Question again proposed

That,

It is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance.

- (2) This Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—
- (a) for zero-rating or exempting a supply, acquisition or importation;
  - (b) for refunding an amount of tax;
  - (c) for any relief, other than a relief that-
    - (i) so far as it is applicable to goods, applies to goods of every description, and
    - (ii) so far as it is applicable to services, applies to services of every description.

# 12.10 pm

John McDonnell (Hayes and Harlington) (Lab): It has now been the best part of 24 hours since the Chancellor delivered his Budget. There are some things in it that I would like to welcome. On the sugar tax, we look forward to seeing more detail about how it will be put into practice. I agree with my right hon. Friend the Member for Islington North (Jeremy Corbyn) who said yesterday that we needed a comprehensive strategy to tackle the growing problem of obesity. I regret, therefore, that £200 million has been cut from public health budgets this year—those are the budgets that were to be used to develop that strategy.

We are also pleased that the Chancellor is looking at addressing savings overall, though we wonder whether the new lifetime individual savings accounts will do much to address the scandal of low retirement savings for the less well-off. On the rise in tax thresholds, we welcome anything that puts more money in the pockets of middle and low earners, but we wonder how that aim can sit alongside the Conservatives' plans to cut universal credit.

It is about time that we had some straight talking about what this Budget means. It is an admission of abject failure by the Chancellor. For the record, in the six years that he has been in charge of the nation's finances, he has missed every major target he has set himself. He said that he would balance the books by 2015, but the deficit this year is set to be more than £72 billion. He said that Britain would pay its way in the world, but he has overseen the biggest current account deficit since modern records began.

Sir Edward Leigh (Gainsborough) (Con): I want to help the Labour party in every way that I can. I want it to be credible at the next election, but the shadow Chancellor took to the airwaves this morning and talked about borrowing more money. Will he give us an absolute commitment that, if he were to become Chancellor, he would not borrow more money than the present Chancellor? He can just say yes.

John McDonnell: The present Chancellor has borrowed £200 billion more than what he promised. Let us be absolutely clear that like any company, UK plc under us will invest—it will invest in plant and machinery to create the growth that we need if we are to afford our public services.

Let me go back. The Chancellor promised us a "march of the makers", but manufacturing still lags behind its 2008 levels. He said he would build his way out of our housing crisis, but we have seen new house building fall to its lowest level since the 1920s. He said that he had moved the economy away from reliance on household debt, but, yesterday, the Office for Budget Responsibility said that his entire plan relied on household debt rising "to unprecedented levels." He said that he would aim for £1 trillion of exports by 2020. Yesterday's figures suggest that he will miss that target by the small matter of £357 billion.

When it comes to the Chancellor's failures, he is barely off the starting blocks. The fiscal rule he brought before Parliament last year had three tests. We already knew that he was likely to fail one of them, with the welfare cap forecast to be breached. Yesterday, it emerged that he will fail the second of his tests. Having already raised the debt burden to 83.3% of GDP, it is set to rise now to 83.7% this year. Therefore, since the new fiscal rule was introduced, it is nought out of two for the Chancellor's targets.

Lucy Frazer (South East Cambridgeshire) (Con): The hon. Gentleman started by saying that we needed some straight talking. In order to be fiscally credible, one needs to have concrete figures. The Chancellor has said in his Budget that he will borrow £1 in every £14 in 2016-17. Will the shadow Chancellor tell us what his borrowing figure will be?

John McDonnell: Unlike the current Chancellor, we will not set ourselves targets that can never be realised, and we will create an economy based on consultation with the wealth creators themselves—the businesses, the entrepreneurs and the workers. In that way, we will have a credible fiscal responsibility rule.

Yesterday, the OBR revised down its forecast for growth for this year, and for every year in this Parliament—in some cases by significant margins. That is reflected in lower forecasts for earnings growth. The Resolution Foundation says that typical wages will not recover to their pre-crash levels before the end of this decade. It is not just forecasts for economic growth and wages that are down. Those are driven by productivity, which has also been revised down for every year of this Parliament. Any productivity improvements last year have disappeared. As the OBR said, it was, "Another false dawn". Perhaps that is not surprising. After all, productivity is linked to business investment, which should be driving the recovery, but which plunged sharply last quarter.

Helen Whately (Faversham and Mid Kent) (Con): I have noticed that the hon. Gentleman does not like answering the question on how much he would be willing to borrow were he Chancellor. Is there any limit to the amount that he would be willing to borrow and to the debt that he would be willing to pass on to future generations?

John McDonnell: I find it extraordinary that this Government want to talk about debt. Under this Government, the debt that our children will inherit will be £1.7 trillion. Under their watch, the debt has risen significantly—it has almost doubled. When we go forward, we will ensure that our borrowing will be based on sound economic advice from the wealth creators. Unlike this Government, we will create economic growth. This Chancellor is borrowing to fund cuts in public services, not to invest in growth or productivity.

#### Several hon. Members rose—

**John McDonnell:** I will press on, and then I will give way—[Interruption.]

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Members may think that this noise is not loud, but it is very loud when you are in the Chair trying to listen to the shadow Chancellor. The problem is that it does not do this Chamber any good in the eyes of the public when they cannot hear either.

**John McDonnell:** Thank you, Mr Deputy Speaker—[Interruption.]

**Mr Deputy Speaker:** Did somebody wish to comment? Okay, we will carry on.

**John McDonnell:** Let me assure Members that I will give way, but let me proceed a bit further.

As I have said, perhaps the fall in productivity is unsurprising, because productivity is linked to business investment, which should be driving the recovery, but which plunged in the last quarter.

Jeremy Quin (Horsham) (Con) rose—

John McDonnell: I will give way in a moment. I can tell the House what happened to business investment forecasts—they were revised down again in this Parliament. None of this should be a surprise for the Chancellor, but it seems that it is. At the autumn statement, he said that he wanted a plan

"that actually produces better results than were forecast."".—[Official Report, 25 November 2015; Vol. 602, c. 1385.]

Rishi Sunak (Richmond (Yorks)) (Con) rose—

**John McDonnell:** I will come back to the hon. Gentleman. The Secretary of State for Work and Pensions said this last week about the autumn statement:

"If you can't forecast more than two months, how in heaven's name can you forecast the next four or five years."

That is what we all want to know.

**Jeremy Quin:** Productivity, to which the shadow Chancellor is referring, is also linked to employment. Does he welcome the extra 2.3 million people in work since 2010?

John McDonnell: Of course we welcome that employment growth, but we are concerned about the insecurity of that employment. The number of zero-hours contracts has gone up by another 100,000 over the past month, and the insecurity of that employment, unfortunately, is affecting people's long-term investment plans as well.

Yesterday the Chancellor pointed repeatedly to global economic headwinds as an explanation for his failure. His problem is that we have known about them for a while. Many of us were warning him last summer about the challenges facing the global economy. I spoke about them in this place, as did others on the Labour Benches, but rather than adapting his proposals to deal with the global reality, the Chancellor has charged headlong into another failure of his own making. He has failed to heed our warnings and the warnings of others, he has failed to invest in the key infrastructure that our economy needs, and as a result he has failed to boost Britain's productivity figures.

**Rebecca Pow** (Taunton Deane) (Con): Is it not the case that our Chancellor is being very adaptable, as we heard yesterday? Is it not the case that the Opposition have an economic credibility strategy which essentially reverts to exactly what they did before—more borrowing, more spending, and higher taxes? It did not work then, so why would it work now?

**John McDonnell:** The hon. Lady might describe the Chancellor as adaptable. Most of the media and most independent analysts described him today as failing—failing on virtually every target he set himself under his own fiscal rule.

**Imran Hussain** (Bradford East) (Lab): Is it not the case that this Budget has failed on growth, productivity and fairness? Is this not a failed Budget that has been sugar-coated?

**John McDonnell:** Regrettably I do not think it has been sugar-coated for many of those who will be suffering the cuts included in this Budget.

On productivity, it is the Chancellor's failure to boost Britain's productivity that is at issue. The Office for Budget Responsibility is very clear on this point. British productivity, not global factors, is the reason the Chancellor is in trouble. Robert Chote, the head of the OBR, confirmed in an interview last night that "most of the downward growth revisions were not driven by global uncertainty, but by weaker than thought domestic productivity." As a result of that, we now see drastically reduced economic forecasts and disappointing tax revenues.

The Chancellor has been in the job six years now. It is about time he took some responsibility for what has happened on his watch. It is not just on basic economic competence that the Chancellor has let this country down. Unfairness is at the very core of this Budget and of his whole approach.

**Lucy Frazer:** Will the hon. Gentleman give way?

**John McDonnell:** I will press on, if the hon. and learned Lady does not mind.

The Chancellor said in 2010 that this country would not make the mistakes of the past in making the poor carry the burden of fiscal consolidation. The facts prove that that is just not accurate. According to the Institute for Fiscal Studies, the long-run effect of all tax and benefit changes in last year's autumn statement would mean percentage losses around 25 times larger for those in the bottom decile than for those in the top decile.

Alok Sharma (Reading West) (Con): The hon. Gentleman and the Opposition are suffering from some form of collective amnesia. Does he not remember that the British economy was on life support in 2010 when the Chancellor took over? The body of the economy was barely twitching. Why does he not acknowledge the fact that since 2010 growth is up, wages are up, employment is up and the deficit is down? He should be praising the Chancellor, not saying the economy is going down.

John McDonnell: Will the hon. Gentleman acknowledge that the objective statements of the past 48 hours have demonstrated that all the factors that he mentions are falling back, and that we now face a serious problem that should be addressed by a responsible Government when they see their own fiscal rule and economic policies failing?

Let me repeat what the IFS said so that everyone is clear: the percentage losses were about 25 times larger for those at the bottom than for those at the top. So much for the Government's statement about the broadest shoulders taking the strain. Furthermore, time and again, it is women who have borne the brunt of the Chancellor's cuts. Recent analysis by the Women's Budget Group showed that 81% of tax and welfare changes since 2010 have fallen on women.

Rachael Maskell (York Central) (Lab/Co-op): Does my hon. Friend agree that it is not just women who have borne the brunt, but disabled people? Half a million disabled people are losing between them £1 billion. Surely not even Conservative Members can stand this anymore.

**John McDonnell:** I fully concur with my hon. Friend. I will come back to that point.

The distributional analysis by the Women's Budget Group shows that by 2020 female lone parents and single female pensioners will experience the greatest drop in living standards—by 20% on average. In the case of older ladies, the single female pensioners, the cuts in care are falling upon their shoulders. I find that scandalous in this society.

It is disappointing, too, that the Budget offered no progress on scrapping the tampon tax. The Chancellor is hoping for a deal from the EU on the tax. If there is no deal, we will continue to fight for it to be scrapped.

Lucy Frazer: The hon. Gentleman mentioned that productivity was down for domestic reasons, not for international reasons. Can he therefore explain to me why the Congressional Budget Office in the US has reduced its forecast for potential productivity growth by 8.9 percentage points, which is lower than that for this country?

**John McDonnell:** That relates to the US economy. The figures that I quoted were not mine. They were from the Office for Budget Responsibility, which referred to domestic productivity falls.

Young people have also paid a heavy price during the Chancellor's tenure. It is not just the education maintenance cuts in the last Parliament, or the enormous hikes in tuition fees; it is the dream of home ownership receding into the distance for young people on average incomes.

The new Lifetime ISA will not resolve that. With pay falling so sharply for the young, there can be very few who can afford to save £4,000 a year.

We know that so far on the Chancellor's watch, people with severe disabilities have been hit 19 times harder than those without disabilities. If that were not enough, the Government are now taking over £100 a week out of the pockets of disabled people. Even for a Chancellor who has repeatedly cut public spending on the backs of those least likely or least able to fight back, this represents a new low. I believe it is morally reprehensible.

**Huw Merriman** (Bexhill and Battle) (Con): The shadow Chancellor is being very generous with his time. With respect to owning one's own home, will he not take into account that the Help to Buy scheme has helped thousands of first-time buyers, 82% of whom would not have been able to buy their home without that scheme?

John McDonnell: The problem, as the hon. Gentleman will acknowledge, is housing supply. Because of the failure to build homes under this Budget, I fear that the interventions that the Government may make, which I often welcome, may force up prices, rather than allowing access to homes. The hon. Gentleman shares with me the desire that young people should be able to afford a home, and with me he should campaign now for more housing construction. That means investment, and sometimes you have to borrow to invest.

**Christopher Pincher** (Tamworth) (Con): Will the shadow Chancellor give way?

John McDonnell: I will come back to the hon. Gentleman.

On disability, I am appealing to the Chancellor to think again. We will support him in reversing the cuts in personal independence payments for disabled people. If he can fund capital gains tax giveaways for the richest 5%, he can find the money to reverse this cruel and unnecessary cut.

Andy McDonald (Middlesbrough) (Lab): Does my hon. Friend agree that if the Chancellor is not going to listen to the Opposition on the draconian cuts to these benefits, he will perhaps listen to Graeme Ellis, the chair of the Conservative Disability Group, who, as a result of these pernicious cuts, is cutting all links with the Conservative party?

John McDonnell: I just say this across the House: this is a very important issue—we will not make party politics of this. As someone who has campaigned on disability issues in the House for 18 years, I sincerely urge all Members to press the Chancellor to think again. This cut is cruel, and it is, unfortunately, dangerous for the wellbeing of disabled people.

# Several hon. Members rose—

**John McDonnell:** With the greatest respect, I have just been reminded that I have spoken for more than 20 minutes, and I know there is a crowded schedule. I have given way extensively, and I would like to press on.

If corporation tax—already the lowest in the G7—can be reduced yet further, money can be found so the Government can think again about making yet more cuts to people with disabilities.

[John McDonnell]

Finally, I want to talk about the future. Yesterday's Budget does not meet the needs and aspirations of our society. It fails to equip us for the challenges ahead. It fails to lay the foundations for a stronger economy that could deliver prosperity shared by all.

Budget Resolutions and Economic

Situation

The Chancellor has repeatedly told us we are the builders, and yesterday we heard more of it. On infrastructure, we are back to press-release politics: projects announced with no certainty of funding to complete them—projects that should have started six years ago. It is always tarmac tomorrow. If stories about garden suburbs sound familiar, it might be because we have heard them before. Announcements about garden suburbs have become a hardy perennial of the Chancellor's announcements.

However, despite all the rhetoric, all the re-announcements and all the photo opportunities in high-vis jackets, one statistic is in black and white in the OBR's documents: public sector investment as a share of GDP is scheduled to fall from 1.9% last year to 1.5% by the end of this Parliament—a lack of investment in our infrastructure that will hold back the growth of our economy.

On education, it seems that we are back to the politics of spin and stunts. Forcing schools to become academies will do nothing to address the shortage of teachers, the shortage of school places and increasing class sizes. Forcing schools to compete for the extra-hour funding places more bureaucratic burdens on headteachers, with only a one-in-four chance of gaining that additional funding.

We have learned this morning that there is a half-abillion-pound black hole in the funding needed for the Chancellor's plans for schools. I would welcome the Secretary of State for Education confirming whether she will find the money to ensure that, if academisation is funded, schools are fully funded for that process.

As for long-term financial planning, it is increasingly clear that the Chancellor is determined to flog off anything that is not nailed down, in a desperate attempt to meet his self-imposed targets.

# Several hon. Members rose—

John McDonnell: I have spoken for more than 25 minutes. You have made it clear, Mr Deputy Speaker, that there are many Members who want to speak. I have been extremely generous in giving way—more than any other shadow spokesman before.

Last year, we noted that the Chancellor could meet the conditions of his fiscal rule only by selling off profitable state assets, even at a loss to the taxpayer. Official figures yesterday suggested that taxpayers will face a loss of more than £20 billion pounds as a result of the Chancellor's decisions on RBS share sales.

Yesterday, again, we learned that the Government are considering the privatisation of the Land Registry. That is despite their deciding against it as recently as 2014. That is despite the Land Registry returning millions of pounds in profits to taxpayers. That is despite a 98% customer satisfaction rate. It makes no difference to this Chancellor: everything must go, everything is up for sale. When will he learn that you cannot keep paying the rent by selling the furniture?

The Chancellor has consistently put his political career ahead of the interests of this country. Yesterday he tried to do the same, and he failed. His disastrous economic failures are the result of putting personal ambition ahead of sound economics.

The Chancellor is clinging to the tattered remains of his fiscal charter, using it to justify brutal cuts to vulnerable people. In contrast to his rule—widely savaged by economists, and now on the point of being torn up by Government statisticians—Labour has a real alternative. Labour will build a society based on a fair tax system, where the wealthy and powerful pay their fair share. In line with recommendations from the OECD, the IMF, the G20, the CBI and the TUC, Labour will invest to grow opportunity and output. Labour will eliminate the deficit by growing our economy. Labour will invest in skills for a high-wage, high-tech economy.

In contrast to the Chancellor's broken promises, we will balance Government spending, using a fiscal credibility rule developed, and recommended to us, by the world's leading economists—our economic advisory council. We will balance Government spending, but not, like the Chancellor, by bullying those who will not fight back. We will invest to deliver shared prosperity, with people able to fulfil their potential, and a country meeting its potential.

Let me make this clear: Labour does not want to see the Chancellor drive the economy over a cliff, blinded by his adherence to a fiscal rule that everyone now knows cannot work. In the interests of this country, we are making him an offer: let us work together to design a fiscal framework that balances the books without destroying the economy. However, let me also make this clear: if he refuses our offer of co-operation, Labour will fight every inch of the way against the counterproductive, vindictive and needless measures the Chancellor has set out in this Budget. Britain deserves better than this

12.37 pm

The Secretary of State for Education (Nicky Morgan): It is a pleasure to respond to the shadow Chancellor on behalf of the Government. Let me welcome him to his place on the Front Bench for his first Budget debate contribution in that role.

The shadow Chancellor recently unveiled Labour's fiscal credibility rule, which we are told is part of its economic credibility strategy. Well, let me suggest that what Labour is missing is a political credibility rule, which would go something like this: the British people expect the same rule to apply to politicians as applies to them; they expect Governments to live within their means, and that is what my right hon. Friend the Chancellor has been doing for the past six years.

The shadow Chancellor proved today that he is incapable of answering any of the questions put to him by my colleagues on the Government Benches. However, he is able to tell us a few things. He has told us he wants to transform capitalism. He has told us his heroes are Lenin and Trotsky. He has told us that he wants to borrow more—in fact, had we carried on with the Labour party's plans from when it was in government in 2010, we would have borrowed £930 billion more in the past six years.

Listening to the Labour party speak on economics is a bit like listening to the arsonist returning to the scene of his crime. It is a constant criticism from Labour Members that the firemen are not putting out the fire swiftly enough to correct the mistakes they made.

The Budget presented to the House yesterday by the Chancellor puts education at its core and invests in the future of young people right across Britain. I noticed that the shadow Chancellor got on to education only right at the end of his speech. This Budget will ensure that we give young people the best possible education, no matter where they are born, who their parents are, or what their background is.

#### **Alex Cunningham** (Stockton North) (Lab) *rose*—

Nicky Morgan: Let me make a bit more progress and then I will give way.

Having listened intently to the shadow Chancellor, I have to ask this: why has he found it impossible to welcome in its entirety a Budget that puts the next generation first? He talks about productivity, but I did not detect any mention at all of investment in skills and the future education of the young people of this country.

Michael Tomlinson (Mid Dorset and North Poole) (Con): Did it strike my right hon. Friend, as it struck me, that the hon. Gentleman made no mention at all of the Government's commitment to fairer funding for our schools, which will even help schools in Labour Members' constituencies—in Doncaster and in Barnsley? This is not about party politics; it is about helping the next generation.

Nicky Morgan: I thank my hon. Friend for his intervention; he makes a very good point. We are tackling, as in so many other areas, the issues that Labour Members failed to tackle for 13 years when they were in government. In fact, the shadow Schools Minister, the hon. Member for Scunthorpe (Nic Dakin), has himself campaigned for fairer funding across the country for our schools.

#### Several hon. Members rose—

Nicky Morgan: I will take one more intervention and then make some progress.

**Alex Cunningham:** The Chancellor announced a grand plan to academise all our remaining schools. The cost of doing that will be in excess of £700 million. He has allocated £140 million. How is the Secretary of State going to plug the gap?

Nicky Morgan: Let me nail this point once and for all. It shows that many Labour Members could also benefit from staying on to do more maths education. What Labour Members—including the shadow Education Secretary, the hon. Member for Manchester Central (Lucy Powell), who I note is not here today—have missed is the money allocated by the Chancellor in the spending review in November to make sure that we can academise all schools: those that are failing or coasting, and those that are good and outstanding.

Based on the shadow Chancellor's previous exchange at the Dispatch Box with the Chancellor, I had assumed that he would be an advocate of our "great leap forward"

in education reform. I thought that he would welcome the Chancellor's £1.6 billion of new spending to make our education system fit for the 21st century.

Pauline Latham (Mid Derbyshire) (Con): Before I came to this place, when I was the chairman of FASNA Freedom and Autonomy for Schools National Association—which led the self-governing schools, I discussed with Labour Members on many occasions the unfair funding system that they had, and they agreed that it was unfair, but did nothing about it. Will my right hon. Friend finish the job and deliver a fair and transparent funding formula by 2020, given the money that she has been given by the Chancellor?

Nicky Morgan: I completely agree with my hon. Friend. As in so many areas of Government policy, we will of course finish the job that was not even started by the previous Labour Government.

Julian Knight (Solihull) (Con): I congratulate the Secretary of State on the bold steps on academisation. I will relate to her my own personal experience in Solihull, where the majority of secondary schools are academies and we have some of the finest schools in the country. We have found the academisation process to be transformative, and I now want to see it spreading out across the United Kingdom.

**Nicky Morgan:** I thank my hon. Friend for his comments. Not long ago, I had the pleasure of visiting a school in Solihull with him and my right hon. Friend the Member for Meriden (Mrs Spelman). He is absolutely right to talk about transformative education, which is what Conservative Members want to see. It is a basic right for every young person in this country to have an excellent education. We now have 1.4 million more children in schools rated "good" or "outstanding".

Bill Esterson (Sefton Central) (Lab): Does the Secretary of State realise that many people outside this Chamber will think it extremely odd that, a week after the head of Ofsted described very serious weaknesses in the main academy chains, her answer to that criticism is to force every single school in this country to become an academy?

Nicky Morgan: No. I think that what people in the country will want, particularly parents, who often are not spoken about nearly enough in this debate-

Nic Dakin (Scunthorpe) (Lab): Why not ask the parents?

Nicky Morgan: Absolutely. I suggest that the hon. Gentleman read the White Paper and then he will see exactly how parents are going to be involved in this. What parents want is for their children to be in a good school.

**Stephen Timms** (East Ham) (Lab) *rose*—

Mr Gareth Thomas (Harrow West) (Lab/Co-op) rose—

Nicky Morgan: Let me just answer the intervention by the hon. Member for Sefton Central (Bill Esterson). The head of Ofsted, who did the right thing in identifying weaknesses that we have said we will tackle, said in his report:

"I also want to be clear that there are some excellent"

[Nicky Morgan]

multi-academy trusts

"that have made remarkable progress in some of the toughest areas of the country."

Stephen Timms rose—

Mr Thomas rose—

Nicky Morgan: I am going to make some progress.

What the next generation really needs is better schools, the skills they need to succeed in life, affordable housing, and secure pensions. The Budget that the Chancellor outlined yesterday is designed to give them all those things. It is designed to achieve that while making sure that we are managing the economy properly, protecting the next generation from the burden of debt and affording them the bright future that they deserve. It is a Budget in which we have chosen to act now so that the next generation does not pay later.

I know that the shadow Chancellor will understand me when I say that in 2010 we had to embark on a "long march" to reform our schools because we inherited an education system that was more concerned with league tables than with times tables, where an "all must have prizes" culture prevented the pursuit of excellence, and where the centralised structure and bureaucratic control of schooling stifled the sort of leadership and classroom innovation necessary to drive improvement.

Stephen Timms rose—

Mr Thomas rose—

**Nicky Morgan:** I am going to make some progress and then I will give way again.

**Mr Angus Brendan MacNeil** (Na h-Eileanan an Iar) (SNP): On a point of order, Mr Deputy Speaker.

**Mr Deputy Speaker (Mr Lindsay Hoyle):** Are you sure it is?

Mr MacNeil: Fairly sure, Mr Deputy Speaker. This debate is about schools in this country. Clearly, "this country" is not the UK—it is England. This debate does not apply to Scotland. That is not made clear, and in the days of English votes for English laws, it should be clear.

Mr Deputy Speaker: That is not a point of order.

Nicky Morgan: We owed it to our young people to tackle the soft bigotry of low expectations and to give them the education they deserve: an education that will help them to fulfil every ounce of their potential; an education with knowledge at its core, even if that does include the shadow Chancellor's greatest influences—self-confessed—of Lenin and Trotsky. This Budget will provide the resources to translate into reality the vision for the future of our education system in the schools White Paper that I will outline later today.

**Stephen Timms:** The Secretary of State will know that the Sutton Trust, in its comment on the Government's proposals on academies, said that it is

"the quality of teaching that has the most substantial impact on pupil outcomes, especially for the disadvantaged, regardless of school type or setting".

Is not the Sutton Trust absolutely right about that?

**Nicky Morgan:** The Sutton Trust also recognised that the quality of teaching in academies is extremely good. If the right hon. Gentleman reads the education White Paper, he will see how we are going to invest even further in what is already a great profession.

We want an education system that is regarded as the gold standard internationally—one that is based on high expectations and an intolerance of failure, treats teachers as the professionals they are, and unlocks real social justice in allowing every young person to reach their potential. Those who are saying that we are not addressing the critical issues could not be further off the mark, because our White Paper published today is a vision for raising standards in teaching, and raising them higher than any Government have before. Teachers will be better qualified and accredited, they will have access to the best development opportunities, and they will command more respect than any generation of teachers before them, taking their rightful place among the great professions.

**Rebecca Pow:** Did we not go through years and years under Labour when our standards fell so low that we did our children absolutely no favours? I applaud this White Paper. I would like to tell the Secretary of State that a school in my constituency, Court Fields, which was turned into an academy, has seen its maths GCSE results improve by 20% in the past year.

**Nicky Morgan:** My hon. Friend sets out very well the transformative effect that academies and great teaching have on the lives of young people. It is really quite extraordinary that Labour Members, who started the academies programme, have now moved so far away from their original intent.

Mr Gareth Thomas: On the point about the forced academisation of all remaining schools, may I ask the Secretary of State specifically about the 800 Co-operative schools? A few of those are run by the Co-operative Academies Trust, but the vast majority are Co-operative trust schools. Will she comment on the implications for those schools? Is she willing to commit either herself or her Schools Minister to meet representatives of those schools to discuss the implications for them?

Nicky Morgan: I thank the hon. Gentleman for that very sensible, measured question. The Schools Minister or I would be delighted to meet him and those representatives. When I go around the country, schools say to me that they understand that the direction of travel is for academisation. We want to work with schools. I suggest that the relevant schools speak to their regional schools commissioner, but also of course to the Department, to make sure that we are able to help them to academise in a way that continues with excellent education and continues to transform the lives of young people, because that is what we all want to see.

Let me turn to the longer school day. We know the difference that positive character traits can make to the life chances of young people, including the resilience to bounce back from life's setbacks, the determination to apply themselves to challenges, and confidence in their own ability to improve themselves. Such traits also include persistence and grit—the sorts of characteristics that some Labour Back Benchers might need to

1132

17 MARCH 2016

demonstrate as they face years in the wilderness under their current leadership. With those traits, we know that young people are more likely to achieve their potential and make a positive contribution to British society.

Frank Field (Birkenhead) (Lab): I thank the Education Secretary for giving way and rewarding character and grit. Although most of us agree that the extension of the school day is welcome, there are schoolchildren who are hungry and therefore find it most difficult to benefit from any reforms. One welcomes the Chancellor's sugar tax, which will give more children the ability to start school with food in their bellies, but will the Education Secretary break convention and lead a cross-party group to meet the Chancellor, who is sitting next to her, so that we can lobby for some of that sugar tax to feed the poorest children during the school holiday?

Nicky Morgan: I and the Chancellor would be very happy to meet the right hon. Gentleman to discuss that. One of yesterday's announcements that has not received attention—I will come on to it—is the significant additional funding for breakfast clubs. Of course, the Government have also committed to continuing the pupil premium, which is another way in which schools are able to support those most disadvantaged children. I agree with the right hon. Gentleman about the need for holiday funding and feeding, and I am certainly prepared to look at that.

Kevin Foster (Torbay) (Con): A recent Public Accounts Committee report looked at the pupil premium and highlighted that, due to the vagaries of the existing funding system, funding per pupil in depravation can vary massively. Does the Education Secretary agree that fairer funding will help to tackle that and mean that schools such as those in Torbay will not have to explain why a child there is worth hundreds of pounds less than a child elsewhere?

Nicky Morgan: My hon. Friend makes an excellent point. One of the reasons we are having a two-stage consultation is to make sure that we get the factors in the new formula right. One of those factors will be to reflect those children who are disadvantaged and in need. One of the figures we uncovered during the course of preparing the consultation was that a child with characteristics of need could receive about £2,000 in Birmingham and £36 in Darlington. That cannot be right if we want to have a proper national funding formula across the country.

The new investment in education means that £559 million is going towards a longer school day to support more schools in offering vital enrichment activities. I welcome the support of the right hon. Member for Birkenhead (Frank Field) and others. There is evidence, including from the Sutton Trust, that a longer school day is likely to be particularly beneficial for pupils from disadvantaged backgrounds. Participation in physical activity and sport in particular is associated with better cognitive functioning, better mental health and improved concentration and behaviour in the classroom.

It is an investment that will particularly raise the life chances of the most disadvantaged young people, who may otherwise struggle to access enriching activities. The new funding will allow 25% of secondary schools to extend their school day by up to five hours per week per child. There are added benefits, as we continue to lighten the burden of childcare costs to parents who can work longer, knowing that their children are engaged in worthwhile extracurricular activities such as sport, debate and music, and are receiving additional support for their academic studies. We are doing that because we are determined to spread opportunities. As a one nation Government, we want to make sure that as many young people as possible have access to those opportunities.

The £413 million promised for education in yesterday's Budget will double the primary sports premium, because we know that getting young people engaged in sport and fitness early is vital to tackling the growing levels of obesity in children. This significant investment in school sport will have a game-changing impact on the health of young people.

**Stephen Timms:** The Education Secretary will know that there were very impressive school sports trusts in place up to 2010, with a big focus on secondary and feeder primary schools working together. Unfortunately, they were lost in earlier budget cuts. Will the funding that has now been announced be used for that purpose again?

Nicky Morgan: The funding that has been announced will be used even more effectively, because we are not going to tell schools how to spend it, apart from the fact that we want them to be doing more sport and more physical exercise. The belief that runs right through my party's education policies is that the people who are best placed to make decisions in schools are the heads, the teachers and the governors—those who know the needs of their pupils best.

What is more, that will be paid for by the new levy on producers of excessively sugary drinks. I thank the Labour party for putting on record its support for that policy. I hope that in the longer term the levy will serve as an incentive for the industry to offer products that are lower in sugar and therefore healthier for young people.

Mr Steve Reed (Croydon North) (Lab) rose—

Nicky Morgan: The hon. Gentleman is leaping up and down, so I must give way to him.

Mr Reed: The Education Secretary says she is not going to tell schools how to spend the sports money. Is she going to tell schools that they must convert to academies, even if parents make it crystal clear that they do not want that to happen?

Nicky Morgan: The academies policy was started under the Labour party. We have adopted it and taken it forward, and it is providing a transformative education for young people in this country.

On breakfast clubs, £26 million will go towards developing and running breakfast clubs in up to 1,600 schools over three years, so that children can receive a healthy breakfast and start school ready to learn. The money promised for the longer school day, sport and breakfast clubs underlines this Government's commitment to happy, healthy students who will be well placed to become the active citizens of tomorrow, contributing more to our economy and relying less on the welfare system.

[Nicky Morgan]

We want to be absolutely certain that the investment in education promised by the Chancellor yesterday is felt up and down the country. Our new "achieving excellence areas", supporting, among other regions, the northern powerhouse, will do exactly that. The Budget has given £70 million of new funding for the education powerhouse to add to the Department's existing commitment to prioritise its programmes in the areas that most need support, and to deliver a comprehensive package to target an initial series of education cold spots where educational performance is chronically poor, including in coastal and rural areas. The investment will help to transform educational outcomes and boost aspiration in areas that have lagged behind for too long.

Budget Resolutions and Economic

Situation

Paula Sherriff (Dewsbury) (Lab): On the northern powerhouse, a recent written answer to my hon. Friend the Member for Sheffield, Heeley (Louise Haigh) shows that 100% of the Treasury's senior civil servants are based in Whitehall and that 60% of them are men. Apparently, the Chancellor really does think that the man on Whitehall knows best—he had a lot of men on Whitehall making decisions for this Budget. Is that why they have failed to come up with a solution to the tampon tax?

**Nicky Morgan:** I had the pleasure of working in the Treasury with my right hon. Friend the Chancellor in the last Parliament, and hon. Members could not find anybody who is more supportive of promoting women and of women's causes. On the tampon tax, we hope very much that we will make progress with the EU on the VAT rate. I know that the hon. Lady is new to Parliament—she joined last year—but the last Labour Government, including female Ministers at the Treasury, had 13 years to tackle the issue. My right hon. Friend the Chancellor has put aside money and there is a fantastic list in the back of the Red Book of the charities and organisations that will benefit from it. We can all agree that it would be better not to have VAT levied on sanitary products, but we support those organisations.

I have talked about support for the northern powerhouse. The review of northern schools will be carried out by Sir Nick Weller, executive principal of the eight Dixons Academies in Bradford.

#### Imran Hussain rose—

**Nicky Morgan:** I invite the hon. Gentleman, who is a Bradford Member, to make an intervention.

**Imran Hussain:** I thank the Secretary of State for giving way. To be fair, we welcome the £20 million for the northern powerhouse school strategy. Nevertheless, does she not think that that would operate a lot better without the forced academisation agenda?

Nicky Morgan: No, I do not. Nick Weller is the executive principal of the eight Dixons Academies in Bradford and they are transforming young people's life chances. Academies are bringing in strong sponsors and strong multi-academy trusts. I cannot think of anyone better to conduct the review. I hope that the hon. Gentleman and other Bradford Members will work

with him to make sure that we identify exactly how we can continue to transform education in Bradford and elsewhere.

We have already discussed the national funding formula in interventions, but I just want to put on the record that we believe that the same child with the same characteristics deserves to attract the same amount of money, wherever they live in the country. A national funding formula will mean that areas with the highest need attract the most funding, so pupils from disadvantaged backgrounds will continue to receive significant additional support to overcome the entrenched barriers to their success. We are going beyond our manifesto pledge to protect per pupil funding for the core schools budget by investing an extra £500 million in the schools budget. That means that, as part of our consultation on these reforms, we can aim to deliver a fair funding formula allocation to 90% of schools that should be gaining by 2020. That further demonstrates that we deliver on our promises.

**Jeff Smith** (Manchester, Withington) (Lab): *rose*—

**Nicky Morgan:** I will give way briefly, but then I will make some progress.

**Jeff Smith:** The Chancellor yesterday announced a plan to teach maths until age 18. That may be a laudable aim, but how can it possibly be delivered when there is a chronic shortage of maths teachers—a teacher shortage that she is presiding over and failing to tackle?

Nicky Morgan: We are looking at that for precisely this reason. One of the reasons why recruitment is difficult is the recovering economy. I welcome that, in many ways, but as Education Secretary I recognise that it means that there are more opportunities for graduates to go into careers other than teaching. The number of students taking A-level maths, which enabled them to study it further and perhaps to become teachers, fell under the last Labour Government. There are fewer such people around, so we are having to look very hard, but that is the purpose of the review. As I have said, the review also needs to look at the shadow Chancellor's calculations about how we can afford the full academisation policy. The numbers set out are from the spending review.

Helen Whately: Quality of teaching is the most important factor in education. I welcome the focus on quality of teaching, teacher training and recruitment in the White Paper that has been published today. May I welcome the Government's grip on that factor in education? That is such a contrast to the previous Labour Government, who spent so much money on buildings rather than on teachers.

Nicky Morgan: I thank my hon. Friend, who makes an excellent point. I thank her for looking at the White Paper, and I hope that other hon. Members from all parts of the House will do likewise. The Government absolutely agree that the quality of teachers is the single most important factor in great education for our young people. If we were to follow the example of the Opposition, we would constantly be saying, "We cannot teach that, because of issues around finding the right teachers." It is a totally defeatist way of looking at the matter. We

1136

have identified the important subjects that we want our young people to study, and we will make sure that teaching is a rewarding and exciting profession that the best people want to go into.

I have already talked about full academisation. We firmly believe that the policy continues to put power into the hands of school leaders and teachers so that they can decide how best to teach and nurture young people, as the great leaders in our best academies already are. We want schools to have the freedom to innovate and demonstrate what really works, but they will be able to do so within the scaffolding of support needed to realise the full benefits of autonomy. Crucially, this funding will support the reform and growth of multi-academy trusts with the people and the systems they need to enable them to drive real, sustainable improvement in schools' performance.

For Opposition Members who say that the structure of the school system is not important, let me quote a Labour leader who knew how to win elections:

"We had come to power saying it was standards not structures that mattered...This was fine as a piece of rhetoric...it was bunkum as a piece of policy. The whole point is that structures beget standards. How a service is configured affects outcomes."

What an acknowledgement from the former Prime Minister who started the academies programme of the fact that this policy has the power to transform our school system. That is another demonstration of the current Labour party's lack of ambition for England's schools, and of the way in which it has retreated into the fringes and kowtowed to unions rather than putting the interests of children and parents first.

There now 1.4 million more children in good or outstanding schools than there were in 2010.

Liz McInnes (Heywood and Middleton) (Lab) rose—

### **Stephen Timms** *rose*—

**Nicky Morgan:** I am going to make some progress, because I know that the Budget debate is oversubscribed. I have been very generous with interventions, and I will try to take a few more towards the end if I can.

We stand by our record of getting young people into study and training. We have the lowest number of people not in education, employment or training on record, but we are not going to rest on our laurels, because we believe that any young person who is NEET is wasting their potential. The Prime Minister has announced a mentoring scheme, and my right hon. Friend the Chancellor announced yesterday that a further £14 million would go towards mentoring, so that we can recruit a new generation of mentors from the world of business and beyond, who can help to engage young people who are at risk of underachieving. By 2020, we want those new high-calibre mentors, businesspeople and professionals to reach 25,000 young people who are just about to start their GCSEs.

We have talked about reviewing our maths curriculum. If we are successful in keeping all young people in education for as long as we can, we have to be sure that we are offering them the education that they need to get a job and to get on in life. Among OECD countries, we have among the lowest level of uptake of maths among young people post 16. That is of great concern, but, more importantly, it is of concern to universities and

employers, who need young people with sound maths skills. The review will be led by Professor Adrian Smith, vice-chancellor of the University of London. He will review how to improve the study of maths from 16 to 18 to ensure that the next generation are confident and comfortable using maths. That will include looking at the case for, and the feasibility of, more or all students continuing to study maths until the age of 18.

It is national apprenticeships week, so let me bang the drum for apprenticeships for a moment. The Government have championed apprenticeships consistently since taking office. We have delivered more than double the number of apprenticeships delivered by Labour in their last term of office, and we have committed to 3 million more by 2020.

#### Liz McInnes rose—

**Nicky Morgan:** I will give way very briefly for the last time

Liz McInnes: Will the Secretary of State tell me how she envisages the future of the national curriculum, given that academies do not have to follow it? The forced academisation of schools will create a free-for-all when it comes to what schools teach our children.

Nicky Morgan: The hon. Lady's question demonstrates an absolute lack of trust and belief in the professionals who run our schools. The national curriculum will be a benchmark. If the hon. Lady goes and talks to those who are running our schools, she will find that many academies are teaching above and beyond the national curriculum.

Stephen Timms: Will the Secretary of State give way?

**Nicky Morgan:** I have already given way to the right hon. Gentleman several times, and I really need to finish now.

The Budget has been all about setting the next generation up for the future. The shadow Chancellor, unlike the Leader of the Opposition yesterday, finally got around to recognising and congratulating the Government on the enormous progress that has been made on the employment figures. The creation of jobs is a true success. The female employment rate is at a record high, with 1 million more women in work since 2010. The OBR is forecasting 1 million more jobs across the economy throughout this Parliament.

It is essential that we have a well-rounded, well-educated and highly skilled generation of tomorrow, and they need the security that only the Conservative party can deliver. The next generation also need the ability to secure their own future, with incentives to save, both to buy their own home and to make provision for their retirement. In the past, people have had to make a choice between the two, but the measures announced yesterday leave them in no doubt that we are on their side. The ISA allowance has been increased to £20,000, and in the new lifetime ISA the Government will give people £1 for every £4 they save.

This is a Budget in which the Government have had to take the difficult decisions that will continue to deliver the economic security that has been the hallmark of this Government's time in office. The decisions have

[Nicky Morgan]

been made because we want to balance the books fairly across all generations. Let me point out that while we have been making the right decisions, gender inequality in the labour market is down in our society. We have the smallest gender pay gap ever, but we are not complacent, which is why we are taking action to make sure that it is reduced even further.

We know from Labour's great recession that those who suffer most when the Government run unsustainable deficits are people who are already at a disadvantage. When Government spend recklessly, the next generation are burdened with debt. At a time of public sector spending restraint, education has not been spared difficult decisions, but the Government have chosen to invest in the next generation. The choices that we have made represent a huge boost to funding for children and young people. As I have outlined, we have put in place plans to use it effectively and ensure that it is targeted where it is needed most. Later today, I will set out more about our vision for the entire school system and how we truly deliver educational excellence everywhere.

**Stephen Timms:** Will the Secretary of State give way?

**Nicky Morgan:** No, I am going to draw to a close. Labour's plans to spend, borrow and tax more are exactly what got us into a mess before, and they led to a rise of almost 45% in youth unemployment. We cannot risk the kind of youth unemployment seen today in places such as Spain and Greece.

**Bill Esterson** (Sefton Central) (Lab): On a point of order, Mr Deputy Speaker. I wonder whether you can give me some guidance. I understood that when a Minister had a major announcement to make on policy, as I think the Secretary of State just said she had about education policy, they are supposed to come to the Chamber and make it first before it is reported elsewhere. Why has she not done that as part of her speech?

Mr Deputy Speaker (Mr Lindsay Hoyle): Of course, all statements of policy come through this Chamber.

Nicky Morgan: Let me just remind the hon. Gentleman that I am standing here and giving the House information about the White Paper. It is kind of him to allow me the opportunity to talk again about the White Paper that we are publishing today, setting out our vision of the school system. He can also read the written statement that I have laid before the House.

**Stephen Timms:** Will the Secretary of State give way?

**Nicky Morgan:** I will give way, as the right hon. Gentleman asks so nicely.

**Stephen Timms:** I am extremely grateful to the Secretary of State for giving way. She has talked about the policy of converting all schools into academies. Will she assure us that that will not be done by expanding underperforming multi-academy trusts?

**Nicky Morgan:** We have been very clear that we want good and outstanding schools to expand and we do not want to hold them back. As the right hon. Gentleman

has asked that question, I hope he will offer support to new free schools that are set up in his constituency and elsewhere to challenge the expansion of places in schools that require improvement or are in special measures.

As I was saying, we cannot risk the kind of youth unemployment seen today in places such as Spain and Greece. We should not forget that the shadow Chancellor has recently asked for and taken on board the advice of Yanis Varoufakis, that successful Greek economy Minister. In Spain and Greece, there have been thousands of school closures and there have been cuts to teachers' pay, because they have failed to balance the books. We know that the previous Labour Government left 287,000 more young people unemployed than when they came into office. That cannot be allowed to happen again.

As we promised in our manifesto last year, this is a Government with a plan for every stage of life. From the start of a young person's life, their schooling and the decisions they make about their career to the choices they make on housing and pensions, which will determine their future happiness, this Budget will deliver the most confident and secure generation ever.

This is a Government who deliver on their promises. From fair funding to further support for families and giving every child the best start in life, we have shown the British people that this Government are on their side. It is clear that Labour Members have not learned from their mistakes. They spent and borrowed too much last time they were in power, and the shadow Chancellor's speech last week revealed that they are happy to do so again. It should have been entitled a speech on fiscal implausibility, because the Labour party has no credibility when it comes to the economy. They would repeat the same mistakes again and expect a different result—the very definition of madness.

Mr Kevan Jones (North Durham) (Lab): Will the Secretary of State give way?

**Nicky Morgan:** No, of course I will not give way.

The truth is that not only would Labour Members fail to deliver, but their economic policies would risk our nation's security, our economy's security and the security of families up and down Britain. The Conservatives will continue to deliver fairness, stability, security and opportunity for everyone. We, the Conservative Government, will continue to put the next generation first.

1.12 pm

**Dr Eilidh Whiteford** (Banff and Buchan) (SNP): Yesterday, the Chancellor highlighted the huge uncertainties and risks facing the global economy, and he painted a fairly bleak picture of what might lie just around the corner. These have been very tough years for a lot of people, characterised by financial insecurity and drops in living standards, which have started to recover only in very recent times.

One response, as advocated by the IMF and the OECD, would be to boost public investment as a means of pushing up productivity and growth. Instead, yesterday's Budget confirmed a decade of austerity—austerity of choice, not of necessity; austerity that is falling on the shoulders of those least able to carry the burden; and

Budget Resolutions and Economic Situation

austerity that is harming our public services. There are £3.5 billion of new cuts in this Budget. Even if we exclude cuts to capital spending and social security, the Office for Budget Responsibility estimates that funding for day-to-day public services is forecast to fall by the equivalent of £1,000 per head over the course of this Parliament.

Yet all this pain has failed to deliver the economic benefits that we were promised. As the shadow Chancellor said earlier, the Government have failed to meet their own targets on debt, borrowing and bringing down the deficit. They have missed every key economic target they have set themselves. Another target that the Chancellor quickly glossed over yesterday was the fact that the Government are once again set to miss their own self-imposed limit on welfare spending. In fact, the OBR predicts that the Government will breach their welfare cap by £4.6 billion in the coming financial year, and will miss their own target in the next four years as well.

The quagmire that is the implementation of the new universal credit is right at the heart of the Chancellor's problems. The difficulties with universal credit are not new. However, the OBR has said that universal credit is "one of the largest sources of uncertainty"

in forecasting spending on social security, and that it has identified

"new sources of significant concern"

in trying to assess the impact of universal credit on spending. I think we all appreciate that predicting spend on universal credit presents some inherent challenges and that certain aspects of universal credit spend will be driven less by policy than by the economic cycle and the state of the labour market, but given the OECD and others' sobering account of the turbulent global economic outlook, the problems with universal credit are likely to become much more acute.

In that context, I am not convinced that the Government's arbitrary welfare cap is helpful. The reality is that the austerity cuts of recent years have fallen heavily on budgets for social protection. The £12 billion of cuts already identified in the autumn statement will largely come out of the pockets of low-income households with children and of those who need support to cope with illness or disability. The cuts to work allowances and other changes to the tax credit system, which are due to come into effect from April, will significantly reduce the support to parents working in low-paid jobs, some of whom are going to be thousands of pounds worse off, even when we take into account the increase to the minimum wage, the increase to the personal allowance and other changes confirmed or announced yesterday.

The research published in recent days by the Women's Budget Group has shown how austerity cuts have fallen disproportionately on women—that point was well made earlier—and points out that women face "triple jeopardy" because they are more likely to be in low-paid work, more likely to work in the public sector and more likely to be in receipt of tax credits or other benefits subject to cuts or freezes. Its research suggests that as many as one in four women are earning less than the living wage.

I want to pick up that point about wage levels and say a wee bit about terminology. It is very important that we distinguish between the minimum wage, which is now being rebranded as the national living wage, and the real living wage, which is calculated on the basis of the actual cost of living and is significantly higher. I of course welcome the increase in the minimum wage to £7.20 an hour for those over 25, but let us not pretend that it is a living wage. Let us also not forget that those under 25 are not so fortunate. For the life of me, I can see no rationale for such a significant differential in pay as the one experienced by younger workers.

The real living wage is currently £8.25 an hour, although we should bear in mind that that calculation was based on the assumption that low-paid workers would be claiming their full entitlement to tax credits at the present rate, not the new reduced rates. In Scotland, we have a higher proportion of workers paid the real living wage than in any other part of the UK, and there are ambitious plans to increase further the number of accredited living wage employers. However, I think we all recognise that there is a long way to go if we are to tackle low pay.

One of the questions I want to ask Ministers today on the subject of the minimum wage is whether and when they plan to raise the carer's allowance earnings threshold. They seem to be ficherin' about with their papers, so I do not know whether they have even heard that question. There is no automatic link between the level of the national minimum wage and the carer's allowance earnings limit. In the past, the limit has just been raised on a very ad hoc basis as something of an afterthought. The limit has huge implications for carers who might be working part time and receiving tax credits, so I hope Ministers will confirm that they plan to increase the carer's allowance earnings limit in line with the increase in the minimum wage and to do so at the same time. I put it to Ministers that it might make more sense for this to be included in the annual benefits uprating order in future.

I want to return to the guddle of the Government's social security spending and their cack-handed attempts to save money. The Chancellor confirmed yesterday that the Government intend to take a further £1.2 billion from sick and disabled people through changes to the assessment points awarded to sick and disabled claimants for personal independence payments on the basis of the aids and appliances that they need to carry out daily living activities. PIP is in the process of replacing disability living allowance. This is yet another transition process in the Department for Work and Pensions that has been fraught with problems and lengthy delays.

Jonathan Portes, principal research fellow at the National Institute of Economic and Social Research, has pointed out that

"delivery and implementation failures related to welfare changes, particularly related to disability benefits, continue to push up OBR forecasts of welfare spend".

In his view, the £1.2 billion cut in support for aids and appliances within PIP is being done partly to offset such failures. Personal independence payments are, however, really important. They are the means through which those with very substantial disabilities and long-term health conditions receive extra support to help them to meet the extra costs they incur because of their disability. For many, DLA or PIP is what enables them to work and live independently, and what allows them to participate in their community.

These further cuts come hard on the heels of a raft of measures that have reduced the incomes of sick and disabled people since the start of the Government's [Dr Eilidh Whiteford]

austerity drive. The Welfare Reform Act 2012 has already cut the budget for PIP by £1.5 billion and raised the bar on eligibility for the new benefit. The Government's forecasting has consistently underestimated the cost of the policy, which is why—once again—disabled people are in the front line.

The transition from DLA to PIP has been blown far off course. By making it more difficult to qualify for PIP, the Government thought that they could save money, and they expected 20% fewer claimants to be eligible for the new benefit. However, they grossly underestimated how many, and how badly disabled, those claimants were. Making disability benefits harder to claim does not change the health or support needs of claimants. In practice, cuts in support have meant that many sick and disabled people have been pushed further into poverty, and some into destitution or worse.

Around 370,000 people in the UK are likely to be affected by this new cut, including around 40,000 in Scotland. That comes on the back of a string of austerity measures that adversely affect disabled people, from the bedroom tax—eight out of 10 households affected in Scotland were the home of a disabled adult—to cuts to the independent living fund, the loss of eligibility for Motability vehicles, and the most recent changes to ESA that we debated the other week, which will reduce support to some disabled people by £30 a week.

Nigel Huddleston (Mid Worcestershire) (Con): I have heard what the hon. Lady is saying, but does she recognise and accept that disability spending is going up, and that there will be more than £1 billion of spending on disability? Is it not appropriate for welfare spending to go to those in most need?

**Dr Whiteford:** I am grateful to the hon. Gentleman for raising that issue because those figures deserve much greater scrutiny. The rise in the overall budget for disability spending to 2020 is easily explained by the fact that as the baby-boomer generation start to lose their health, and as life expectancy increases but healthy life expectancy does not increase at the same rate, there is more demand for disability support.

I accept that those with the most extreme disabilities need more support—that is definitely the case—but those who are losing out from PIP are probably those who are closest to the labour market, and their PIP, or DLA, enables them to participate in that market and support themselves. Those people have ongoing additional extra costs, whether for aids and adaptations, transport, or because they do not have sight and need support to get to and from their place of work. Such people need and deserve support, so why should they be put on the frontline when many other able-bodied people are not being asked to bear the same level and proportion of that burden? I hope I have addressed the hon. Gentleman's point, and I am grateful for the opportunity to unpack those top-line figures that sound so generous to disabled people, but mask systematic cuts to the support that individuals who need help can expect to receive.

In response to the Budget yesterday, Citizens Advice Scotland said that

"the confirmation of changes to the Personal Independence Payment will mean that disabled people are set to lose entitlement of up to £3,000 per year to support them to live an independent life."

Liz Sayce of Disability Rights UK said that the cuts to aids and appliances

"will impact on people's ability to work, enjoy family life and take part in the communities they live in."

Before I conclude, let me address the Chancellor's announcements on savings. In the weeks leading up to the Budget, it was widely reported that he was planning to reform pension tax relief, to rebalance the pension system and make it fairer for basic rate taxpayers and other modest earners. That opportunity was missed yesterday, and instead we got measures that will further widen the gulf between the haves and have-nots, and which lay bare the stark priority that this Government seem to attach to maintaining, and even celebrating, the gross income inequalities that characterise modern British society.

There were some great wheezes for very high earners, not least the increase to the personal allowance. Although everyone can potentially benefit from that, those set to benefit the most are higher rate taxpayers like ourselves. The Resolution Foundation estimates that a third of the benefit of that change will accrue to the top 20% of earners. Meanwhile, a lot of low-paid and part-time workers—most of them women—will not even earn enough this year to take them over the threshold.

Similarly, raising the ISA limit to £20,000 will benefit only those who happen to have a spare twenty grand lying around. To take full advantage of that tax break, someone would need to save more than £1,666 pounds a month, which is a lot more than many people's take-home pay. The same applies to the new lifetime ISA, because a young person would need to save £333 pounds a month to take full advantage of it. For a 20-year-old working full time on the minimum wage, that represents 38% of their gross salary. It is not realistic. Even among better paid young people, many of those eligible for the scheme are likely to struggle to pay grossly inflated rents in the private sector, and many will be servicing substantial student debts and be unable to take full advantage of the scheme.

Mr Kevan Jones: The hon. Lady raises an interesting point, because the assumption is that people have spare money sloshing around to put into a lifetime ISA. Does she agree that even if someone saved the maximum amount every year over the period allowed, they would not be allowed to buy a pension at the end of that, and in many cases—especially in London—they would not even be able to buy a house?

**Dr Whiteford:** The hon. Gentleman makes an important point and highlights the fact that young people's housing problems are caused by undersupply of affordable housing. With the best will in the world, people on normal wages will never be able to buy a house in an urban area such as London, or in places such as Aberdeen and Edinburgh where the housing market is inflated.

**Michelle Donelan** (Chippenham) (Con): Will the hon. Lady give way?

**Dr Whiteford:** I will make some progress.

The lifetime ISA is a nice little bung for trustafarians and others with munificent parents or grandparents. An 18-year-old whose wealthy parents put £4,000 into a lifetime ISA every year until he or she is 40 will get a tidy wee £22,000 handout from the Government. That stands in sharp contrast to the Help to Save scheme under which people on breadline incomes—if, by some miracle, they manage to save £600 pounds a year—will get £300 from the Government. In other words, they receive less than a third of the annual benefit available to those who are already wealthy and privileged.

Michelle Donelan: Will the hon. Lady give way?

Dr Whiteford: I will not give way at the moment. No wonder that the Chancellor did not have much to say about the Help to Save scheme yesterday. It is a sham opportunity that is being dangled in front of people who can never hope to insulate themselves properly against financial shocks, whose financial security is increasingly precarious, and who are most exposed to the risks of global economic instability. Some people have already started calling the lifetime ISA the LISA, but out of deference to my hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Dr Lisa Cameron) I will resist that temptation. Instead, we might consider calling it the PIERS—for People Inherently Entitled to Rich Savings.

However, this is a serious point because we all recognise the need to encourage people to save more for later life, and for almost all of us the best way to do that will be through a workplace pension to which an employer can contribute. At best, the lifetime ISA is a fairly gimmicky sideshow, and at worst there is a danger that it could undermine auto-enrolment, which is the key vehicle for incentivising savings and promoting fairer universal pensions. We must shore-up confidence in auto-enrolment and not distract focus from it. The pensions industry and sector has suffered a real crisis of confidence over recent decades because people have not seen adequate rewards from the process and do not believe that that is the best way to protect themselves for the future.

This morning the Resolution Foundation published a graph that shows how the Government's income tax cuts will benefit people across the income distribution. It shows that the lowest 20% of incomes will gain a miserly £10 on average, while the wealthiest 20% will gain an average of £225 each. For me, that encapsulates in a nutshell this Government's warped priorities and the unfairness at the heart of this Budget. There is an alternative to austerity, and I am sorry that the Government have chosen not to take it.

### Several hon. Members rose—

Madam Deputy Speaker (Natascha Engel): Order. There are 29 Members who wish to speak. I will start with a time limit of eight minutes, although that will inevitably drop down if people make too many interventions.

## 1.28 pm

**Dr Liam Fox** (North Somerset) (Con): Perhaps the most important thing about the Budget is also the most understated, which is that it is occurring against a veritable job creation miracle in this country. Since

world war two, jobs have never been created at the rate that they are being created now, and that is the starkest difference between the economic management of this Government, and that of Labour when it was in power in recent years.

There is much in the Budget to boost that job creation further: the increase in tax thresholds, which is a further incentive to work; the doubling of small business rate relief, which will help to generate more wealth and jobs; the lifetime ISA, which is an encouragement to saving; and the cut in corporation tax, although that will not happen for a number of years.

There was a great welcome in the west country for the measures specifically outlined by the Chancellor. It is great to see the west country getting that long-overdue recognition from the Treasury.

Neil Parish (Tiverton and Honiton) (Con): My right hon. Friend rightly emphasises that the Chancellor has provided funds for the west country. Rail, road, housing and broadband are all needed there.

**Dr Fox:** That advertisement for the west country's economic potential was nicely put, and does not really require any response from me.

I share the disappointment that the Chancellor expressed about the fact that the growth figures were downgraded and that debt was rising as a proportion of GDP. The figures make it more difficult to see how we can achieve the substantial and sustainable surplus that is needed to make a meaningful reduction on the level of debt. However, I must say to some Conservative Members and many of the commentators who call for faster fiscal consolidation that they cannot get it by wishful thinking. Their objection to every tax rise and every spending cut proposed by the Chancellor makes it all the more difficult to achieve what we all want.

The Chancellor yesterday set out his view on the European Union element and the impact on our economy. It will not surprise anyone to learn that I do not take the same view as he does, but I want to tackle one or two of the myths and the claims that are made. The first claim, which comes from the Governor of the Bank of England onwards—I almost said "downwards", but I am sure that is not correct—is that being in the European Union is key to our economic wellbeing. Of the OECD countries, 16 of the 20 with the highest unemployment are in the European Union. Of the 10 OECD countries with the highest unemployment, only one is not in in the European Union. Unemployment averages 6.5% in the OECD; 5.5% in the G7; 8.9% in the EU; and 10.3% in the eurozone—if we extract Germany, it is something like 14% or 15%. I should therefore like to know in the response to the debate the answer to this question: if the EU is so good and so key for economic wellbeing, why is it failing almost every other country in the EU?

The second claim is that inward investment in the United Kingdom comes because of our membership of the European Union. That does not strike me as being logical. If the UK gets the lion's share of inward investment in Europe, it cannot by definition be simply because we are a member of the EU—we would otherwise get a proportionate share of inward investment. There must be other reasons that are nothing to do with our EU membership that enable that inward investment.

Stephen Timms: Chinese companies looking to move into the Asian business park in my constituency want to come to the UK because it is the best place in Europe for them to be located, it is English speaking and so on. Is it not the case that they want to address the European market, and that if we have left the European market, they will not come?

Budget Resolutions and Economic

Situation

**Dr Fox:** I simply do not believe that that—the idea that, if we are not in the EU, we will no longer trade—is credible. Countries do not trade with countries; companies sell to consumers. They will sell to consumers when they have products of the appropriate quality at the appropriate price. The worst case scenario is having World Trade Organisation tariffs, but sterling's depreciation since November was a far bigger change in the financial costs to business than anything tariffs could produce.

**Mr Steve Baker** (Wycombe) (Con): Will my right hon. Friend give way?

### Dr Fox: I will not.

I believe we will get investment into this country because we have a skilled workforce, a good tax structure, and fiscal and political stability. I also believe that money will go to where money can be made and moved. Our commercial law is one of the main reasons why money will continue to flood into this country. Those who invest in this country know that they can take their profits out, unlike other countries where they might consider investing.

Rather than providing the great opportunity, the EU provides two major risks to our economic stability, the first of which comes from the euro. The decision not to join the euro was one of the most beneficial in recent British politics. The euro is a vanity project. It is a political project dressed up as an economic one. The wrong countries were allowed to join, and when they joined, they were allowed to follow fiscal policies that caused them to diverge from the original premise. As a consequence, millions of young Europeans face structural, high and long-term unemployment, sacrificed on the altar of the single currency.

That will have a huge cost, and it has an economic cost to the UK because of the budgetary mechanism by which we support the EU. In other words, the more our economy continues to grow in relation to the EU, the higher our contributions will be, because they are a factor of our GDP. We in this country and our taxpayers will be penalised for our economic success and for remaining outside the project that we said from the very outset was doomed to failure. The one thing that we did not hear yesterday in the Budget was how we could otherwise spend the £350 million a week we currently send to Brussels.

The second instability that affects our economy is free movement. According to the Government's figures, 1.162 million have settled from the European Union in the past decade. That puts pressure, including economic pressure, on the number of school places and the number of houses we require before we see any benefit to the UK population. It also puts pressure on health services. It might well be that those who fund the remain campaign, such as Morgan Stanley and the big oil companies, are not particularly worried about the lack of school places

in this country—they will probably not use those places—but free movement has a huge impact in large parts of this country and applies financial pressure on the Government if they are to provide those things. That is even before we take into account the mass migration coming across Europe, which is leading to political and social instability, which will have an economic cost in the longer term.

I want briefly to deal with a completely separate issue that the Chancellor raised yesterday. In his Budget statement, he said:

"We have also agreed a new West of England mayoral authority".—[Official Report, 17 March 2016; Vol. 607, c. 960.] That is not true. We have not reached such an agreement. A draft agreement will be put to some of our councils in the coming weeks, but we have not agreed to the authority. Let me make it clear that the Members of Parliament—the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Weston-super-Mare (John Penrose), my hon. Friend the Member for North East Somerset (Mr Rees-Mogg), my hon. Friend the Member for Bath (Ben Howlett) and I—fundamentally and totally oppose the concept of a mayor being applied to the west of England.

We had the experience of Avon, when the outlying areas became nothing much more than an automated teller machine for Bristol's spending plans. We have no wish to see it re-imposed on us by stealth. I am completely opposed to it and urge my colleagues in North Somerset to reject the proposal when it is put in front of them. If we want devolution, let us devolve down to existing democratic local government structures. We do not need another layer imposed on top of us—a metro mayor. That it works in the north of England is not a reason for it to be applied to the south of England. I have always believed it is a great Conservative policy to have whatever works in place, and not to apply a one-size-fits-all policy from Whitehall.

As I have said, the Budget comes against an extraordinarily good economic backdrop. Britain is outperforming almost all other EU countries, and almost all other developed countries. We have sound finance, free markets, low taxes, deregulation and political stability. The Government have presided over a veritable job creation miracle in this country while the European Union stagnates. We have a chance in the referendum on 23 June not only to reboot Britain, but to deliver much needed electric shock therapy to a sclerotic, failing and stagnating EU. I hope we take the economic opportunities available to us.

#### 1.39 pm

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I am told by the House of Commons Library that I have been in the House for 41 Budget debates. I have not spoken in all of them, but I have a lot of experience of Budgets and Budget debates. They are always such high octane occasions: the Budget comes out and then there is usually a fundamental disagreement across the Benches. I have always believed, however, that we never really know what a Budget contains, or how it has been received, until we at least get to the Sunday papers. Let us wait for the Sundays to see how it is going down, and wait even longer to see how it will affect the people we represent.

In the run-up to the Budget, one of the most interesting speeches I heard was from someone who is a very classy journalist, Andrew Neil. Many people think, well he is humorous and he has "The Politics Show" and so on, but he used to be the editor of *The Sunday Times*. He has a sharp intellect. I heard him speak to the Engineering Employers' Federation only two or three weeks ago. His analysis was chilling: the world economy, as the Chancellor himself said, is in a febrile and delicate state. If we look at what is happening with Putin in Russia, what has happened in the middle east and the lack of leadership in the United States, with the possibility of a President Trump, it is an unstable and worrying world. He said that if people think the UK leaving the EU would be just a little local ripple, they should think again. It could well lead to a breakdown in the world economy. I believe that that analysis is correct.

I get on quite well with the right hon. Member for North Somerset (Dr Fox) on a personal level. I do not know what people do in North Somerset, but I represent a university town. We in this country receive more research income from Europe than any other country per capita. The other day we could not find anyone in the higher education world to speak in favour of Brexit. Not only do we have all that research money and research partnerships, we have, because of the English language, the tremendous stimulus of many European students coming to this country. I do not want to detain the House on this point, but I believe we are successful, will be successful and have to be successful in Europe. We have been successful in Europe. We have been weathering the storm, but that is largely because of our own efforts within Europe.

I would like to say, very briefly, something about what was not in the Budget. I know that that is permissible under the rules. The missing element is health. Dr Mark Porter, chair of the British Medical Association Council, said earlier this week that George Osborne should use Wednesday's Budget to stop the NHS heading to "financial ruin". He said there is a

"complete mismatch between the Government's promise of extra funding and the reality on the ground... If the Chancellor squanders this chance the NHS will continue to slide further into financial

We are told that the NHS is ring-fenced. The truth is that one third of hospital trusts across the country are in deadly distress and trouble. My local hospital serves the big university town of Huddersfield and one of the biggest urban areas in the country, Kirklees. Unless we win the fight, we are likely, very shortly, to not only lose accident and emergency for the whole of Kirklees-Dewsbury, Huddersfield, Holmfirth; it is a very big area—but not have a major, proper hospital.

Mr Kevan Jones: My hon. Friend says there was nothing in the Budget about health, but there was a stealth tax on the NHS. It was the announcement that employers' contributions to pensions, including in the NHS, will increase. That will be another burden on the budgets of his local health trusts and mine.

Mr Sheerman: My hon. Friend makes a very good point and I absolutely agree with him. I spoke to the chief executive of my local trust the other day—I would like the right hon. Member for North Somerset to listen to this—and he said that if it was not for the Spanish nurses we have been able to recruit from Spain, we could not provide a service in the hospital.

**Dr Fox:** I regard that as an entirely irrelevant argument. We would be able to employ whoever we wanted outside the European Union. The difference is that we would be making that choice, rather than having the numbers imposed on us by free movement.

Mr Sheerman: Moving on—the House would expect me, after 10 years as Chair of the Education Committee, to say something about education today. I am very concerned about the proposal for the academisation of all our schools. I spent a lot of time with the former Prime Minister, Tony Blair, talking about academies. The previous Labour Government created academies because none of us in this House should put up with the underachievement of young people. If we know that there are towns, cities and coastal communities where kids are not getting the opportunity to find that spark to realise their potential and get good qualifications, and, through those qualifications, gain entry into a good life, we should all be ashamed of ourselves—on all Benches in this House. That is the fact of the matter.

Too often, however, Governments look for a holy grail or silver bullet to produce good standards across the country in a hurry. I do not believe that such a holy grail or silver bullet exists. My experience as an amateur historian looking at the history of education policy leads me to believe something quite revolutionary: we do better on education policy when we co-operate across these Benches, rather than when we are ideological and fight over education policy. Forced academisation and the finishing of local education authorities as a real power in the land are deeply damaging to the future of education, deeply damaging to local government and deeply damaging to our local democracy.

The Government say they are in favour of giving power to the people. If we keep taking resources and functions away from local government, what will be the point of local government? Local government must have local roots. The right hon. Member for North Somerset said the same thing just now, in relation to his opposition to the big elected mayors. I have an open mind on that, but if we take away functions from local authorities, we have no trust in them. Good local authorities have been brilliant at education. They have produced some of the greatest educators and experts on education that this country has ever known. If we get rid of that wonderful core of people and cease to have them coming into the system, we will do great damage to the future of education. Many of those people have been very fine chief inspectors, including two of the recent ones. We need to fight for a real, accountable education system. There was even a high degree of co-operation and agreement across the House on the need for comprehensive education. Indeed, Mrs Thatcher, as Secretary of State for Education, made more schools comprehensive than any other Secretary of State.

The way things are going under this Government, we will have a top-down, tiny Education Department in London with 20,000 schools and just the inspectorate. Time and time again, we will have crises in our schools, as we had in Birmingham. We will then have to have a firefighting exercise. We will have to find a former chief

[Mr Sheerman]

inspector of schools to sort it out. I believe the Budget should not have been about education. That is the job of the Secretary of State for Education. It is not up to the Chancellor to make these decisions; these decisions should have been made independently. If we make a highly ideological divide between those people in favour of academies and those against them, it will damage not only our education system but our young people who deserve the very finest education for their lives.

### 1.49 pm

Sir Edward Leigh (Gainsborough) (Con): Compared with the hon. Member for Huddersfield (Mr Sheerman), I am a mere callow youth in the House, having sat through only 35 Budgets, I think, and spoken in most of them. I sometimes feel I am constantly repeating the same theme, but generally in this place, unless one stays with a personal theme and keeps repeating it, one will probably not get anywhere.

Over those 35 Budgets, I have argued constantly for tax simplification. For instance, the cut in corporation tax is no doubt greatly welcomed by our larger companies, which have been the biggest cheerleaders for our remaining in the UK, but whatever they save from these modest cuts in corporation tax has been clawed back in other parts of the Budget. Unless we can achieve tax simplification and move gradually towards a flatter tax system, instead of having one of the longest tax codes in the developed world—as long as India's—we will never make progress on tax avoidance.

The Minister for Security (Mr John Hayes): My hon. Friend's consistency and sagacity are well established in the House, and I take his point about tax simplification, but would he not agree that the best form of simplification is to take people out of the higher tax band and out of tax altogether? Is that not the ultimate simplification and precisely what the Chancellor has done—once again—in this Budget?

Sir Edward Leigh: Yes, of course I acknowledge that, and I congratulate the Chancellor, the Government and my right hon. Friend the Minister on creating an economy in which more people are in work than ever before and more people are being taken out of tax than ever before. We are returning to the historical position of actually making work pay for people at the bottom of the heap. Helping people at the bottom of the heap and taking them out of tax is what the Government should be doing. So everything he says is absolutely right.

If I make a few suggestions or criticisms in the few minutes allowed to me, I do not want it to take away from the Government's achievement in their macroeconomic management of the economy, and nor do I want to resile from my criticism of Labour Members, who must learn from history and become a credible Opposition. It is not good enough for the shadow Chancellor to come to the House today and refuse to answer any questions about his borrowing plans. There is no point just repeating a generalised mantra about borrowing to invest. It is fair enough to say that—it is the old golden rule of Gordon Brown, and we know how that was broken—but one must be prepared to provide concrete facts and figures. Would the shadow Chancellor borrow more than the present Government?

I repeat, however, that I am in favour of a much-simplified, flatter tax system, and in that context, I recognise that the Chancellor is at last—I have been campaigning for this for years—indexing the higher 40p tax band.

Mr Kevan Jones: I do not disagree with the hon. Gentleman in terms of the position he describes in respect of the Opposition. That did not stop his party in opposition agreeing to all the tax and spending proposals and all the Budgets right up to 2008 but then, as soon as it was in government, condemning the Labour Government for overspending—we heard that again today from the Front Bench.

## Sir Edward Leigh: All I can say is: not in my name.

I agree with tax simplification. The sugar tax is a fairly benign proposal and is not coming in for two years, but, generally speaking, as a Conservative, I believe we should cut people's taxes and then let them make their own choices. We all know there is as much sugar in Heinz tomato soup, which I love and is not going to be taxed, or in some of these baguettes one can buy from one of the increasing number of coffee shops in the Westminster village, as there is in Pepsi or Coca-Cola. These companies, of course, will find a way around it—they will probably just ensure that a Diet Coke costs the same as a normal bottle of Pepsi.

I should mention, however, that the Chancellor is repeating a mistake perhaps made in the 18th century. The 1765 Sugar Act, which imposed a tax on sugar, led to boycotts of British-made goods in Boston and sporadic outbreaks of violence on the Rhode Island colony. It was one of the Acts, along with the more famous Stamp Act, that provided ample inspiration for the American revolution. I say to the Chancellor, if he is listening, that we should be aware of that lesson from history.

My right hon. Friend the Member for North Somerset (Dr Fox) mentioned the proposal for a mayor. I was quietly sitting over there, gently dozing, as the Chancellor was going through his complicated plans for business rates, when suddenly I sat up with a start, because he said we were going to have a mayor of Lincolnshire. I was not consulted, although when I talked to a colleague last night—I will not say who—he said, "Well, of course we didn't consult you, because we knew you'd be against it."

It is true that some of the greatest achievements in local government have been made by the mayors of great cities—I am thinking of the likes of Joe Chamberlain—and I have nothing against cities such as Bradford, Manchester, Birmingham and London having mayors, but mayors are for towns. Are they for huge rural areas such as Lincolnshire? It takes an hour and a half to drive up the southern part of Lincolnshire to Stamford, where the Minister's constituency lies, and another hour and a half to get up to Grimsby. Does it make sense to have a mayor? None of my local councillors wants a mayor, but they have been bribed into accepting one, although it is only a draft proposal, and they can still vote it down in their councils.

If councils want a mayor, I will not stand in their way, but they should consider it very carefully. The fact is they would have preferred a devolution of power from the centre, which is fair enough. They are being offered another £15 million a year. They would like a co-operative

body, comprising the existing district and county councils, with a rotating chair, to disburse the extra £15 million, but they have been told by the Chancellor that, unless they accept a mayor, they will not get the £15 million. That is quite wrong. It is not true devolution; true devolution is passing powers down.

Budget Resolutions and Economic

Situation

We have experience of this, in the imposition of the police and crime commissioner. It was not done with public consent, there was a derisory turnout, an independent was elected in Lincolnshire, and the first thing he did was to fall out with the chief constable, and we have barely made progress since then. I say to the Chancellor and the Government: we are Conservatives and we believe in true devolution. They should not attempt these top-down solutions. An elected mayor might work fine in the big cities, but it is not necessarily the right thing for a large rural county such as Lincolnshire. Like my right hon. Friend the Member for North Somerset, who talked about money being sucked into Bristol, I worry about money being sucked from rural areas up into Grimsby, Scunthorpe and Lincoln.

The Conservative-controlled county council is doing an excellent job. It is not fair that a large part of its budget will be sucked out through the academisation of schools, leaving it with a share of the extra £15 million. I am a strong supporter of academies, but I believe in true independence and devolution. We have a mixed system in north Lincolnshire: we have grammar schools and some very good comprehensive schools. We should not insist, in an area such as Lincolnshire, which has some excellent schools, that the county council give up control of all its schools. In rural areas, we have some very small schools, with just 50, 60 or 100 children, and a top-down, imposed solution is not necessarily right for the education of the kids.

In conclusion, there are many good things in the Budget and in what the Government are doing, but I urge them to pause and listen to local opinion on the imposition of mayors in rural areas.

### 1.58 pm

Dan Jarvis (Barnsley Central) (Lab): In common with all right hon. and hon. Members, I listened very carefully to the Budget that the Chancellor delivered yesterday. It was his eighth Budget—an opportunity to show that, after six hard years nearly, his plan has worked. Although I welcome the introduction of the sugar tax and his clear commitment to a Britain that will be stronger, safer and better off inside a reformed European Union, the reality is that, yesterday, his record of failure became clear: fiscal rules broken; cuts targeted at the most vulnerable in society; no compelling vision for our country; an ideological Budget for the better-off that seeks to reshape the state on the back of our country's poorest. This was from a Chancellor who frankly focuses too much on the politics and not enough on the economics.

I want to speak today about the Chancellor's fiscal record, his Budget rhetoric and his short-sighted approach to the future of our economy. First, on the fiscal record, the Chancellor stood here in 2010 and said he was going to get a grip on our country's finances. In his Budget shortly after the general election, he said:

"This emergency Budget deals decisively with our country's record debts."—[Official Report, 22 June 2010; Vol. 512, c. 166.]

Despite that bold claim, six years later, public debt is still rising and household debts are growing. The Chancellor also said he would eliminate the deficit, but we learnt yesterday that this year the deficit will be over £70 billion. It has been just a few months since the Chancellor came to Parliament and presented his "long-term economic plan"—what was supposed to be the plan for the next five years. Yet already those plans are being revised, with deeper spending cuts, growth revised down and borrowing and debt as a percentage of GDP revised up. I have had goldfish that have lasted longer than some of the Chancellor's fiscal rules.

Secondly, let us look at the Chancellor's Budget rhetoric. Each year, he stands up and delivers a great line, but if we look at it more closely, we find it is just rhetoric, a mirage. In yesterday's Budget, the Chancellor said that this was a Budget "for the next generation." The reality? The Children's Society says that the Budget "fails the next generation", and the Child Poverty Action Group says that the next generation are to be the poorest generation for decades. The Chancellor has now been found out for what he is—someone who when he says "long-term economic plan", really means "short-term political gain".

The Chancellor says that he wants to talk about the future and that he wants to build a northern powerhouse, but he is not willing to fund it. He is spending three times more on transport in London than in Yorkshire and the Humber, and we now know that the Department for Business, Innovation and Skills, which is responsible for the northern powerhouse, is closing its Sheffield office, moving to London and taking the 200 jobs along with it. You could not make it up. I do not think that the people of South Yorkshire will think that this is what a northern powerhouse should look like.

Infrastructure is crucial to our country's future. Although I welcomed yesterday's announcement of money to scope the trans-Pennine tunnel, a project that has been championed by my hon. Friends the Members for Penistone and Stocksbridge (Angela Smith) and for Stalybridge and Hyde (Jonathan Reynolds), the reality is that investment is too low. Where it is happening, things are moving too slowly. Figures show that just 114 out of 565 infrastructure projects are in construction. If our economy is going to compete in the "global race" the Prime Minister has talked about, R&D spending will be key to our future success. Despite that, Britain is spending less than France, less than Germany, and less than half of what South Korea spends on R&D.

Speaking of our future, where were the measures to build more homes? Where were the measures to help the NHS? Where were the policies to boost the earnings of those living on low pay? These are crucial issues that will define our future, yet we got nothing from the Chancellor yesterday.

On the one issue relating to our future where the Chancellor was decisive, he was completely wrong—our children's education. Forcing every school to become an academy is an ideologically motivated policy, and there is simply no evidence that standards will be improved. There are already concerns about the rapid expansion of a number of academy chains. This policy is likely further to antagonise the biggest asset in our education system—the teachers.

[Dan Jarvis]

Who is going to pay for the Chancellor's fiscal failure? It is my constituents in Barnsley and people across the country. As the Resolution Foundation said this morning, it is those in the bottom half of the income distribution who will lose £375 a year by the end of this Parliament. It is the disabled people who will be denied personal independence payments, the single biggest spending cut announced in the Budget, and one made on the same day that taxes are cut for big business. As the charity Sense said yesterday, it was "a bleak day" for disabled people. Parents who use the children's centres in my constituency of Barnsley Central—centres that are rated outstanding and good by Ofsted—have seen their nursery provision stopped as a result of Government cuts. Women, too, have suffered from the Chancellor's tax and benefit changes, with 81% of savings coming out of the pockets of women.

That is the cost of this Chancellor—a Chancellor who puts his own interest before the national interest; a Chancellor who talks about fixing the roof while the sun is shining, but who should be fixing the foundations; and a Chancellor whose economic record is now being exposed as a mirage.

#### Several hon. Members rose—

Madam Deputy Speaker (Natascha Engel): Order. Before I call the next speaker, I am going to reduce the time limit to six minutes.

### 2.5 pm

Alok Sharma (Reading West) (Con): My hon. Friend the Member for Gainsborough (Sir Edward Leigh) described himself as a "callow youth" when it comes to the number of Budgets he has attended. By that calculation, I am probably an infant when it comes to Budget debates.

The hon. Member for Barnsley Central (Dan Jarvis) referred to the emergency Budget of 2010. I and many other Members were in their places to hear it. Let me take us back to what the economy was like in 2010. It is all very well for Labour Members to criticise what has happened over the last six years, but let us just examine what the economy was like. Actually, it was not growing. In 2009, growth was going down. There was a 4% drop in growth. Wages were going down and unemployment was high—all the things we do not want to see again in our economy. The markets had given their chilling verdict on Labour's management of the economy.

Mr Kevan Jones: Let me remind the hon. Gentleman that, when his party was in opposition, it actually agreed with our spending targets and the measures we took to rescue this country from the world crash. Moreover, what the emergency Budget did—I am sorry, but the hon. Gentleman is wrong because economic growth was moving in the right direction and unemployment was coming down—was suck out demand from the economy, which perpetuated the decline.

Alok Sharma: I have to disagree. If the hon. Gentleman looks at what Tony Blair said in his autobiography—he won three elections, but it does not look like any of this lot are going to—he will see that Tony Blair realised

that Labour was spending more in the good years and that is why we got into the position we did. At the time, Bill Gross, the founder of global investment management firm PIMCO, said this about the UK economy. He described it as a "must avoid" and said that UK gilts were

"resting on a bed of nitroglycerin".

17 MARCH 2016

Those were incredibly strong words from the market. We were looking over an economic precipice. Thank goodness we had a change of Government. That is why we are in a much better position now, with growth and wages up and the deficit down.

I of course welcome this Budget. It is a Budget for business and for individuals. It is a Budget for young people and a Budget for investment in infrastructure. When it comes to schools, I welcome what the Secretary of State said. In my constituency, I have helped to found two free schools and academies, and they are doing incredibly well. One that has been going for a few years was rated as outstanding in its first year.

**Michael Tomlinson:** Was my hon. Friend, like me, surprised that the Labour party did not welcome, or even mention the subject of fairer funding, which will have such positive effects on our schools?

**Alok Sharma:** My hon. Friend is absolutely right. As the Secretary of State said, Labour had 13 years to fix this and it did not. This Government are now getting that right.

I spoke this morning at the Association of Chartered Certified Accountants, which is much more interesting and exciting than it sounds. It greatly welcomed the business measures in the Budget, particularly the drop in corporation tax. I have to say to the shadow Chancellor, who is now back in his place, that if we drop corporation tax rates, investment will come into the country, which will allow us to raise more money. That is something that he needs to understand if he ever hopes to become Chancellor himself.

The changes to business rates are incredibly welcome to many small businesses, for which business rates constitute a large component of their fixed costs. I welcome, too, the abolition of class 2 national insurance. I hope that we are seeing a move towards a merger of national insurance and income tax. I know that this is potentially very complicated, but the dividends it will pay in terms of tax simplification will be huge, as will be the benefits for businesses.

Investment in infrastructure—many billions have been invested since 2010, and there is more to come during this Parliament—has been a hallmark of this Chancellor's Budgets. My own constituency has benefited from significant rail investment: nearly £1 billion has been invested in Reading station, and Crossrail is coming, as is rail electrification. There has been investment in local stations as well. However, may I issue a plea to those who are looking at the Hendy report consultation? Two stations in my constituency, Theale and Green Park, are fully funded, but their development has been delayed. I hope that, as a result of the consultation, we can actually get moving so that my constituents can benefit. I welcome the work that the National Infrastructure Commission is doing in driving forward investment and infrastructure in the United Kingdom.

1156

A few weeks ago, I was appointed the Prime Minister's infrastructure envoy to India. I think that the experience that will be gained by us in this country, and by our companies, will be fantastic. It will not only allow us to help countries such as India with growing economies to raise finance in the London market, but enable our world-leading businesses that are involved in infrastructure to go out and assist those economies.

Budget Resolutions and Economic

Situation

Finally, let me say something about Europe. I am very much in favour of a stronger, safer, better-off, reformed European Union, and I will be campaigning for us to stay in the EU. I know that we have a limited amount of time today, and I do not want to initiate a huge debate on the subject, but I will say this: if, on 24 June, we wake up and find that the British people have chosen to leave the European Union, there will be a period of uncertainty. That is the one thing with which no one can disagree. There will be uncertainty because we will not know how long it will take us to renegotiate some kind of relationship with Europe, what the cost will be, or how investors will react. I have heard Conservative Members say that investment will continue to flow in, but I do not agree. Given what is being said by foreign countries and foreign companies, I think that they will think twice, and will wait to see what our relationship with Europe looks like before investing in the United Kingdom.

Uncertainty has two impacts. Businesses hate it, which means that they stop investing, and consumers hate it, which means that they stop spending money. The effect of all that will be very bad news for our economy. Both the Office for Budget Responsibility's book and the Red Book contain all sorts of predictions about how our GDP could be hit if we left the European Union, but, by any measure, it will go down. All the net savings that my colleagues who want us to leave the European Union say we will gain will, I think, disappear as a result of the losses that will follow a fall in GDP and a consequent hit on tax revenues. I therefore hope that all of us, not just in the House but throughout the country, will think very carefully before voting in the referendum on 23 June.

**Dr Andrew Murrison** (South West Wiltshire) (Con): Does my hon. Friend remember the same concerns being expressed when this country was considering whether it would be wise to join the eurozone?

**Alok Sharma:** I have never been keen on our joining the euro. All I can say is that I think there will be a huge amount of uncertainty if we decide to leave the European Union. That is what I want to guard against, so I ask everyone to vote to remain in the EU.

I commend the Budget to the House.

#### 2.13 pm

Joan Ryan (Enfield North) (Lab): We heard a lot from the Chancellor yesterday about creating stability, ensuring fairness, and choosing to put the next generation first. I must say that his promises sound particularly hollow today, as we debate the important issues of education, women and equalities.

I want to join other Labour Members in raising concerns about the impact on women of the Chancellor's economic failures. I agree with the assessment of the Fawcett Society that women are facing the greatest threat to their financial security and livelihoods for a generation. Changes in the welfare system and Government cuts in local authority funding and social care budgets have hit women hardest, and many women and young families in my constituency have been driven into abject poverty as a result. According to the Trussell Trust, the London borough of Enfield now has the fifth highest food bank usage in London. That is not a record of which the Government can be proud, and in the light of it I have little confidence that they will be able to deliver on the Chancellor's promise to do

"the right thing for the next generation".—[Official Report, 16 March 2016; Vol. 607, c. 963.]

I do support the proposal for a sugar levy on the soft drinks industry. The rise in childhood obesity is alarming. However, although the funds raised from the levy are due to go towards the money that is available for primary school sport, we now learn that there is a £560 million black hole at the heart of the Government's academisation plans for schools. That forced academisation programme will therefore not be fully funded. It seems that the Chancellor could do with some extra maths lessons of his own.

I have serious reservations about the drive to turn all schools into academies. In some parts of the country where standards remain a concern, all schools are already academies, and the Government seem to have no other school improvement strategy for those areas. What will it be like when all the schools in the country are academies? Academies were introduced with the aim of lifting failing schools and helping to improve standards, but the model is now being stretched to fit all schools. This is an ideological approach on the part of the Government, and it constitutes an attack on local education authorities, which will become surplus to requirements. It is disheartening to note the virtual silence from the Government on the important role that LEAs play, both in supporting schools and in helping them to build positive working relationships with each other.

The Chancellor may claim that the academy process offers a "devolution revolution", but in fact it will centralise power in the hands of the Department for Education. Local parents will no longer be able to hold elected councils, as well as the Government, to account for education standards and provision. Indeed, they will have no say whatsoever. That is a very backward step in democratic accountability.

I know from speaking to parents in Enfield that the structure of the education system is not the first thing that springs to their minds when they are discussing their children's schooling. They want to know that their children are happy and settled, are doing well at school, and can achieve their full potential. Where are the Government's grand plans to tackle the teacher recruitment and retention crisis? How do their structural reforms resolve that pressing issue? This matter is of great concern to parents and headteachers in my constituency, and the situation is getting worse, not better.

The Chancellor said yesterday that the performance of the London school system had been one of the great education success stories of recent years. I agree, and I would like to keep it that way. However, the inability of schools to recruit and retain the staff they need is liable to have a lasting impact on the standard of education on offer to children in Enfield and throughout

[Joan Ryan]

the capital. It will prove very difficult for schools in my constituency to maintain their strong track record of raising standards if their funds are substantially cut, but that is what the new national funding formula threatens to do.

Most London boroughs have per pupil funding rates that are above the national average to reflect the higher costs of education in the capital, but headteachers now face the prospect of money being taken away. That does not seem very "fair", despite the Chancellor's claim. We need to be levelling up, not down. I know that the consultation on the funding formula is under way, but I think that schools in my constituency would appreciate reassurances from the Secretary of State today that the Government will continue to invest fairly in the London school system. Such reassurances are vital. I recently conducted a survey involving headteachers in my local primary schools, secondary schools and colleges, which established that real-terms budget cuts were their No.1 concern. Several said that they would be running significant budget deficits within the next three years.

Despite the evidence from schools of increasing levels of poverty and social deprivation, there has been a significant drop in the number of pupils who are eligible for free school meals. According to the Enfield schools forum, that has

"resulted in a drastic and untimely reduction of funding provided to schools."

The Government need to give further consideration to reviewing the indicators that they use to measure deprivation for funding purposes. Rather than putting the next generation first, this Budget—particularly in relation to school reforms—could do great damage to the provision of high-quality education for all pupils. That is not fair on children, schools or families.

### 2.19 pm

Michael Tomlinson (Mid Dorset and North Poole) (Con): It is a pleasure to speak in the debate and warmly to welcome the Budget. There is much in it for my constituents and for small businesses in my constituency to welcome, including the tax-free personal allowance, the fact that fuel duty has been frozen yet again and the introduction of the lifetime ISA. I also welcome the measures to tackle homelessness. Poole has an issue with homelessness, and I am delighted to have been elected as an officer on the newly formed all-party parliamentary group for homelessness. The measures announced yesterday will help to raise awareness; they represent a small step in the right direction.

Today, however, the focus is on education and I want to focus on three areas: a fairer funding formula, academies and the sugar levy. I disagree with the hon. Member for Huddersfield (Mr Sheerman) that Budgets should not be about education, because education and money go hand in hand. The Budget has to be right and the funding formula has to be right for our education to flourish. The manifesto pledge that I stood on was to deliver a fairer funding formula, and I congratulate the Secretary of State for Education and the Chancellor on delivering it. I have campaigned with F40 and I am a parliamentary patron of it. I also pay tribute to my hon.

Friends the Members for Worcester (Mr Walker) and for Beverley and Holderness (Graham Stuart) for their steadfast campaigning on this issue.

Poole and Dorset fall within the bottom two and the bottom 11 respectively in terms of funding per pupil—[Interruption.] I hear Labour Members chuntering. I am surprised and disappointed that there is no support for fairer funding from the Opposition. When Labour was last in power, the then Secretary of State—I believe it was Ed Balls—admitted that the formula was unfair, and it is time that Labour Members recognised that fact

Mr Kevan Jones: No one is opposed to fairer funding, but some Labour Members believe that this Government should be done under the Trade Descriptions Act for their track record on dealing with so-called fairer funding, especially in local government. They clearly take out the element of need, which leaves us in the ridiculous situation in which poor parts of the north-east are getting their local government budgets cut, while areas such as the hon. Gentleman's, which have less demand as a result of poverty, are getting their budgets increased. That cannot be fair.

Michael Tomlinson: I disagree with the hon. Gentleman, and I can give him three examples. Local authorities in Doncaster, Barnsley and Leeds will all benefit under a fairer funding scheme. There is no rhyme or reason to the current scheme. I understand what the hon. Gentleman is trying to say, but the present funding formula is in place due to an historical anomaly. The right hon. Member for Enfield North (Joan Ryan) mentioned levels of deprivation, but it must be understood that that is not the basis for the funding formula. For example, funding can differ by up to 50% in two areas that share exactly the same characteristics. That is neither right nor fair. Indeed, the top 10 schools receive £2,000 more per pupil than the bottom 10 schools. If the formula were based on areas of deprivation, I could understand that and I could explain to my constituents why their funding was in the bottom two and in the bottom 11, but that is not the case. I therefore welcome the changes.

I also welcome the fact that there is to be a consultation and I invite Opposition Members, who are still chuntering, to join in the two stages of that consultation and to make their case. I also welcome the announcement on timing, and the fact that 90% of schools can expect to have this funding by the end of this Parliament. I shall be inviting all schools in my area to contribute to the consultation, and I urge all hon. Members to do the same.

Turning to the subject of academies, I am a parent governor at my local primary school and I know that there will be concerns about academisation. I pay tribute to the teachers in Poole and Dorset, who work so hard.

**Bill Esterson:** Has the hon. Gentleman had a chance to read the White Paper? Paragraph 3.30 states that there will no longer be parent governors. Does he realise that he would have to stand down as a parent governor as a result of that?

**Michael Tomlinson:** Doubtless there are many on the governing body who would be relieved if I had to stand down, but I am sure that there would be opportunities

1160

for others to step forward. I have not yet had the opportunity to read that paragraph, but I am grateful to the hon. Gentleman to drawing it to my attention. I shall look at it in due course.

I was about to pay tribute to the hard work of our teachers in Poole and Dorset, and indeed across the country. They work tirelessly. The school of which I am a governor recently went through an Ofsted inspection and I saw the hours that the headteacher and everyone else in the school put in. It is right to pay tribute to our hard-working teachers. There is a risk that the rhetoric from the Opposition Benches will come across as talking down the teaching profession, and that must not happen. It will certainly not happen here, because every time I stand up to speak on this subject I pledge to pay tribute to the hard work of our teachers.

However, academisation will be unsettling to our teachers. I urge the Secretary of State to reassure the teaching profession about the structuring and the process involved and to offer support. I know that she will do this. Dare I say that communication will be absolutely vital in this regard, as will setting out the positives including the financial positives—that can result from academisation. It will be critical for our schools to be supported.

I want to touch briefly on the sugar tax. My hon. Friend the Member for Gainsborough (Sir Edward Leigh) went into great detail about a previous sugar levy, but I do not share his pessimism that we risk such disastrous consequences this time round. Instinctively, I too am a low-tax Conservative and therefore cautious about this measure, but I warmly welcome the direction that this money will go in. I am passionate about sport and I believe that the additional funding for sport in primary and secondary schools will be warmly welcomed. I will invite secondary schools in my area to bid for funding so that they can be among the quarter of secondary schools to benefit from these measures.

Sport is vital in our schools. I hugely benefited from playing sport on Wednesday afternoons and on Saturdays, and I miss those days. I miss the opportunity to play sport at the weekends. Perhaps, Madam Deputy Speaker, there should be time on Wednesdays for parliamentarians to play sport and to show the way. I put in that mini-bid to you today in case it is within your gift to make that happen. Perhaps time could be found in our busy lives to play sport. There is a serious point here: sport benefits our children and it can benefit everyone.

I support this Budget. In particular, I support the measures on education, especially those relating to a fairer funding formula for our schools, which will be vital for Poole and for Dorset.

#### 2.28 pm

Jim McMahon (Oldham West and Royton) (Lab): I refer the House to my declaration of interest as a serving member of Oldham Council. I have found quite a lot of this debate rather patronising. The way in which the Secretary of State for Education addressed Opposition Members and gave us lessons in maths and other issues was quite condescending. I hope that we can raise the tone a little.

When we give people an education, we ought to do it in a way that is easy to digest and to remember when they leave. I tend to think that if I cannot explain something to my seven-year-old son, I am probably over-complicating it. That is the way I am going to pitch my speech to my friends across the House today. It is no more complicated than this: Georgie Porgie spun a lie. He kicked the poor and made them cry. When the rich came out to play, Georgie delivered a tax giveaway. It is really no more complicated than that: he is taking money from the poorest and giving it to the richest. And I can tell you that teachers in schools across the country will repeat that rhyme to the children when they realise the true implications of academisation for the future of their schools.

We accept that we have a complex and diverse education system. Councils must adapt, as must communities and schools. Indeed, many have done so, but if the question is "How do we address the disconnect between democracy, local accountability and leadership?", how on earth can more fragmentation be the answer? Taking schools away from local control and dismissing the community in the mix makes no sense at all. Looking at my local area, I see Oldham getting a grip. Oldham recognised that it needed a different approach, which is why, with the support of Baroness Estelle Morris, the Oldham Education and Skills Commission was established. That was quickly followed by a political commitment to a self-improving education system owned by every school in the borough, parents, business and the wider community, all of whom had a part to play in ensuring that schools performed to the best of their abilities and that our young people were set up for the best possible future, to which they are of course entitled.

Mr Steve Reed: Does my hon. Friend agree that the Government's decision to centralise the control of 24,000 schools in the Department for Education in Whitehall shows the hollowness of their rhetoric on devolution?

**Jim McMahon:** Most people accept that we have a diverse education system and most of us have reached the conclusion that we should allow for local determination and that councils should not be fighting schools that might want to consider a different model. Equally, councils should ensure that the right considerations have been taken into account and parents should be central to the decision-making process. For the Secretary of State to impose the change on local communities, whether they like it or not and whether they have a good track record or not, makes no sense whatsoever. It beggars belief that the Secretary of State has taken that approach. When the Oldham Education and Skills Commission report was finalised, the three borough MPs wrote to the Secretary of State to seek her support because we wanted the support of central Government and of the regional schools commissioner. Two months on, we have not even had the courtesy of a response. No Conservative MP can convince me that the Secretary of State has one jot of interest in education in Oldham.

Not all councils are the same in the same way that not all schools are the same. It therefore follows that not all academies are the same. We recognise that there is good practice across the board, that some excellent progress has been made, and that schools have been turned around, but what is true for state schools and community schools is true for academies. This polarised debate about having one or the other makes absolutely no sense [Jim McMahon]

and does nothing for the people we represent. If anything, it could send us backwards. The evidence suggests that where local partnerships work and where councils step up and take a wider leadership role, good results can be delivered for local communities.

The Chancellor made several references to the change being devolution in action. How can that be when the Government are saying, "You're getting it whether you like it or not"? But that is a hallmark of this Chancellor. For example, people get a mayor whether they like it or not, and it is the same with schools. There will be no devolution at the grassroots level either. E-ACT, a sponsor with a school in Oldham and a range of academies across the country, decided to sack every single one of its community governors. I was so concerned by that, as were my constituents, that I again wrote to the Secretary of State to ask for her support in stopping it. Her response was that she was actually quite relaxed about it, because it was a decision for the academy, so we now have a school in Oldham with no community representation whatsoever.

Where are the safeguards to ensure that academy sponsors go out to tender for the support services provided to schools? Academies are required to seek such services at cost value if they do not go out to contract, but academies and trading companies will include an overhead, which will contain director and non-executive director salaries, gold-plated pensions, to which public sector workers are not entitled, and company cars. Where are the safeguards to ensure that that cannot happen?

Where are the safeguards to ensure that salaries are published in the same way as in local authorities? Everybody in Oldham knows exactly how much senior officers are paid, because the information is published every year. It is not the same for academies or their sponsors. The chief executive of one academy is paid £370,000 a year for looking after 37 schools. Were that to be replicated in Oldham, with its 100 community schools, the director of education would be paid £1 million a year, which is nonsense. How many people know that that is happening? It happens behind the scenes and is an exercise in smoke and mirrors.

Let us get a level playing field and ensure that academies and their sponsors publish every decision that they make in the same way as councils. Let us ensure that academies cannot give contracts to their parent companies through trading companies and that they are forced to go out to contract like councils. Let us ensure that they publish a pay policy statement and senior salaries just like councils do. Let us ensure that academies publish freedom of information requests in the way that councils do. It is ridiculous that the local education authority, which has been there since 1902, is being unpicked for short-term political gain without any safeguards being put in place. The Government cannot say that they are doing it for democracy, because that does not stack up. They cannot say that it is being done for the communities that we represent. We can no longer say that it is being done in the interests of the taxpayers, because the safeguards are just not in place.

Mark my words: this is heading towards disaster. The structures are not sound enough, the safeguards are not in place, and providers are not mature enough to step up and take on all schools. There are some real questions about who the Tories represent. Is it the pupils? Is it the teaching profession? Is it the wider community interest? Or is it the narrow sponsor interest? It would be an interesting piece of work to find out just how many Conservative party donors are involved in free schools and academies.

2.46 pm

17 MARCH 2016

Michelle Donelan (Chippenham) (Con): The Chancellor coined this Budget as one for the "next generation". What struck me was the focus not only on today or next year, but on the years to come after that. "Long-term economic plan" has been said in this Chamber about as many times as "Thank you, Madam Deputy Speaker" but the Budget has highlighted that the phrase is not rhetoric or jargon, but a tangible plan to create a saving, home-owning, business-friendly and education-focused nation. Education is the bedrock of opportunity and key to helping the next generation, so it is necessary that a Budget with such a label focuses on education and is bold—and bold it is.

The acceleration of fairer funding to help 90% of affected schools by 2020 will ensure that some older children in Chippenham will also have the chance to benefit from just and equal funding. It will mean an end to the ludicrous existing funding system and will ensure that Wiltshire's schools get the money they deserve and can continue to offer the fantastic education for which they have become known. Pupil funding in Wiltshire is over £2,000 per pupil less than the national average, so teachers, parents and pupils will be thrilled by this week's announcement, because they will recognise that their cry has been heard.

I am also delighted that the Government are backing academisation. To be clear, I do not for one moment think that it is the panacea to solve all our problems, but it offers independence, choice, economies of scales and high standards. Abbeyfield School in Chippenham is going through the process and is desperate to become an academy because of the huge benefits and freedoms on offer.

**Michael Tomlinson:** Does my hon. Friend recognise that some schools will have genuine concerns about the change and will need support and guidance about restructuring and the rest of the process?

Michelle Donelan: I completely accept my hon. Friend's point. One of the reasons for the announcement was to encourage schools to take ownership and the process will be school-led. We want schools to choose which multi-academy trusts they join, so it is very much a bottom-up reform.

Moving on, I must also stress my support for the sugar tax on soft drinks, which is another bold move. It sends a message that will educate and encourage consumers, parents, children and the drinks industry. With the two tiers, it will also encourage manufacturers to try to reduce sugar in order to move to the second tier. My grandmother died of diabetes when my father was very young. She had a complete addiction to soft drinks. Although it was a different era and we cannot be 100% sure that soft drinks were the cause of the diabetes, it is extremely likely. The household had a modest income, and I often think what a difference might have been

made if we had had the tax back then. So I ask anybody who doubts this policy what they mean when they say it will not have any effect. Do they mean it will save only one or two people? Do they mean it will save only someone else's grandmother or mother? This tax is not just about that, however; it is also about cutting the obesity rate, which means that we will have more money for the NHS to pay for dealing with ailments such as cancer.

Budget Resolutions and Economic

Situation

This policy will not deter everyone, and nobody is suggesting it will. You can only lead a horse to water, you cannot make it drink. We can, however, send a strong message about the threat that these drinks pose. I believe that this policy is very Conservative; it is a responsible action by a responsible Government. It is a forward-thinking action, one that does not ban but which encourages personal responsibility. It encourages people to take ownership when they have the right facts and the right message from the Government. A recent study by Public Health England found that the average teenager consumes more than three times the recommended amount of sugar. The report also showed that if they cut down to the 5% target within five years, 77,000 lives would be saved and the saving to the NHS would be £14 billion. That makes the case on its own.

Using the money generated to double the primary school PE and sport premium from £160 million to £320 million per year is a great step forward in encouraging sport and fitness, and tackling childhood obesity. The £285 million a year to allow 25% of schools to extend their school day by an hour will assist parents and reduce their childcare bill. That, too, is a forward-thinking move, one supported by the Sutton Trust. The use of the hour will be key, and I look forward to reading more information about that.

This Budget was business-friendly and it was aimed at combating our productivity crisis. It will help businesses in my constituency and around the country, and it will encourage start-ups. However, we also need to encourage and enable the next generation of business owners, managers, directors and employees, and they will need to be proficient in maths. We need to use this opportunity to bring maths to life—to teach practical and applicable maths. We need to teach maths for real life, to ensure that students are work-ready and life-ready. We need, thus, to be able to give them help with their mortgages, tax returns and balance sheets. We need to give them maths for technical applied roles and basic business mathematics—the list goes on. This is particularly important, given that we have a growing number of self-employed in the economy. There will be 40,000 selfemployed people in Wiltshire alone in the next five years.

I must stress that we must not allow this to be the start of a journey towards compulsory A-level maths or a broad-based maths course pegged at this level. I hope that Sir Adrian Smith's report will reflect the need to enliven and enrich students' mathematical basis for the real world. We need to ensure that our system creates numerate and mathematically proficient young people, but we must also remember that not everyone needs to be a mathematician—as I well know. We will need to ensure that they have the element that is necessary for the workplace. I repeat that this report and this reform offer us a massive opportunity, but only if we go about this correctly. I also welcome the additional support to

encourage lifelong learning, and the recognition it shows that the economy and labour market are moving at a fast pace in our international world.

There are many things I would have liked to have said, but the time limit has severely handicapped me. I just sum up by saying that this is a bold Budget. It is an opportunities-based Budget. It is a Budget designed not only to improve our education system in the long term, but to offer opportunities in the short term and the long term for all.

### 2.43 pm

Vicky Foxcroft (Lewisham, Deptford) (Lab): Yesterday, the Chancellor stood at the Dispatch Box proclaiming that this is a Budget for the "next generation". Beyond the headlines what we heard was that debt is higher than it has ever been; that growth forecasts have been cut; and that he is missing his own targets for reducing the deficit. What we heard is the Chancellor admit that he is failing. He may have tried to add some fizz to his speech, but we know it was just sputterings of more cuts, more cuts and more cuts. These are cuts to the police, cuts to youth services, cuts to support for disabled people and cuts to the fire service. He has been Chancellor of the Exchequer for six years and no matter how much he wants to, he simply cannot blame Labour any more.

The Chancellor was quick to proclaim his Budget for the "next generation" but there is one glaring omission with that: he has forgotten this generation. To be honest, he has even forgotten the next generation, too. Research by the World Health Organisation puts us way down a list of 42 countries, with only the children of Poland and Macedonia being less satisfied with life than the British. The report says that our teenagers are suffering high levels of stress and have big worries about their health. They feel pressured by school work, and schoolrelated stress is on the rise. What is the Government's answer? It is: turning every school into an academy; removing democratic control; extending the school day; removing collective bargaining for teachers; and getting rid of governors. In short, the Government are restructuring a whole system, adding to teachers' concerns and stress. We know that the Government do not have a good track record in top-down reorganisations. Have they learnt nothing? Clearly they have not learned, as this is another top down reorganisation that nobody voted for; they have no mandate. These proposed changes will turn our education system into the wild west, with everyone doing their own thing and with the Department for Education running it all—it is ridiculous. Will academies be able to run selections? Will we see a mass return of the 11-plus? This reform will increase the cost of education, make our country more unequal and embed unfairness throughout our education system. This reform takes us backwards, not forwards. Let it go on the record now that I will fight this every step of the way.

It is not just in education where we find problems, as the Government's failures are letting young people down all over the place, with one example being on housing benefit. The Government have said they will cut housing benefit for 18 to 21-years-olds, without any consideration being given to the needs of any of those young people, what they might be escaping and what their situation is. What are the Government doing? This benefit is an essential safety net. Removing it just increases the risk

[Vicky Foxcroft]

of homelessness and damages these people's prospects of finding work in the future.

We are also seeing the death of youth services, which provide—or should I say provided— a vital safety net. Unison has reported that at least £60 million was cut from youth service budgets between 2012 and 2014, which meant that more than 2,000 youth workers have disappeared since 2010. But that is not all, because on top of this more than 350 youth centres have closed. What is going on? If we look at what happened from 2013 to 2014 alone, we see figures from the Department for Education showing a cut of more than £103 million from youth services. Children's social care—cut; family support services—cut; adoption services—cut; youth justice teams—cut; Sure Start centres—cut; child protection services—cut; and looked-after children services—cut. The list goes on and on. More and more young people are falling through the gaps left by a lack of services. The choices that this Government are making are damaging young people's life chances, worsening their mental health, and increasing the possibility of them getting into trouble, as they are open to abuse and potentially at risk of becoming involved in serious youth violence.

Quite simply, the impact of the Government cutting council budgets is putting children's lives at risk. Children are dying on our streets because councils can no longer afford to fund crucial services. That makes me angry, but what makes me really angry is the fact that, in the eyes of many young people, all MPs are the same, and that cannot be further from the truth. This is a shocking Budget, as it harms the country's young, but it does not have to be like that. Young people do have the power to change things at the ballot box. More young people need to register to vote and to use that vote. Labour will invest in our young people, and we will do so not because we want headlines, but because we know that they are the future.

## 2.49 pm

**Dr Andrew Murrison** (South West Wiltshire) (Con): I followed the remarks of the hon. Member for Lewisham, Deptford (Vicky Foxcroft) with a great deal of interest. Clearly, I do not agree with many of them, but I do commend her for the passion with which she prosecuted them.

This is a good Budget, and it is a good Budget for the next generation. I am the father of five children, so the next generation is important to me. I also represent a number of schools that have benefited from the pupil premium and other such changes, and a large number of service families who have been particular beneficiaries of them. I most certainly welcome the acceleration of the move towards fairer funding for schools.

However, I am ever so slightly cautious about the maths thing. I noticed that we will be consulting on whether we should have maths to the age of 18. Maths can be great, particularly vocational or lifestyle maths—the sort of maths that my hon. Friend the Member for Chippenham (Michelle Donelan) had in mind—but it can also be demotivating and a somewhat depressing experience for children for whom maths is not their bent. I would be a little bit of cautious about making the introduction of that particular discipline compulsory to the age of 18.

I am a strong supporter of the sugar tax. The Opposition has suggested that this may be a pun-rich artifice to draw attention away from the three fiscal tests. That is grossly unfair, because the sugar tax will come to be seen as an historic tax. It is an indication that the Government are prepared to act on important public health measures when it becomes clear that voluntary measures have not succeeded.

I am very conscious of Robert Chote's clarification of the position of the Office for Budget Responsibility on Brexit and the importance of not misrepresenting organisations such as his. However, as we have already had talk of the European Union as part of this Budget debate, I would like to weigh in with my own observation about the tampon tax. I commend the Chancellor for his imagination in finding £12 million from this tax to spend on relevant women's charities, but it is a great pity when a country such as ours has to tiptoe around a requirement instituted by the European Union. Where on earth is the sovereignty in a state that cannot determine even the tax paid by its citizens on tampons?

The Chief Secretary to the Treasury will be undertaking a drive for efficiency and value for money. In so doing, I hope that he pays attention to Lord Carter's review of efficiency in hospitals, which was published last month. It is a marvellous piece of work that draws attention to the unwarranted variation across our national health service that is costing somewhere in the region of £5 billion a year. The concept of a model hospital and metrics such as the adjusted treatment cost and the weighted activity unit are absolutely necessary if we are to make what is an efficient service even more efficient, and bring our healthcare outcomes up to the level of the very best in Europe, and not, as is so often the case, around about the level of the worst.

Simon Stevens' £22 billion funding gap seems unbridgeable without measures of the sort that has been presented by Lord Carter of Coles. Part of the answer is right-sizing the national health service estate, and we will increasingly have to get to grips with the need to regionalise our acute sector and secondary care hospitals. That will involve some difficult political decisions, but we must not baulk at them if we are to drive up healthcare outcomes.

Yesterday, I was called a health fascist by a colleague for my views on the sugar tax and on taxing tobacco. I make absolutely no apologies if indeed that is the case. I am particularly exercised about tobacco. Smoking is the captain of the men of death in this country. It kills 100,000 people a year, far more than obesity, alcohol and illicit drugs put together. It causes death before normal retirement age in 50% of those it kills. It causes 20 times as many smokers as die to have smoking-attributable diseases and disability. If we are serious about public health, we have to be serious about smoking, and although rates have fallen in recent years, they appear to have reached a plateau, and we need to drive them down much more and much more rapidly.

There is no safe threshold for smoking. Unlike many substances which we might like to control—I am thinking particularly of alcohol—there is no safe threshold. It is surprising, maybe, that this product is available for sale at all. Half of all health inequality between social classes 1 and 5 is thanks to cigarettes. Poorer people consume more, draw on their cigarettes harder, use

higher tar products and leave shorter stubs. Their smoking is worse not only in quantitative terms, but in qualitative terms.

Situation

Bravo to the Chancellor for listening to Action on Smoking and Health. Well done for raising the duty by 2%. I would like to see it higher. Well done for the innovative minimum excise duty tax to head off trading down. In all, it is a good Budget—a good Budget for the next generation.

### 2.55 pm

Albert Owen (Ynys Môn) (Lab): It is a pleasure to follow the hon. Member for South West Wiltshire (Dr Murrison). I have great respect for him and his views on health and I would never call him a health fascist. He is measured in the way that he presents health issues, particularly in relation to public health.

I will repeat some of what was said from the Front Bench by my hon. Friend the Member for Hayes and Harlington (John McDonnell). This is the eighth Budget of this Chancellor in six years—eight Budgets of big promises to eliminate the deficit by 2015. He has broken his own budgetary rules on debt and on welfare, and he is heading towards breaking his rules again on the budget surplus in this Parliament. Why? Because of the actions of this Chancellor. Yes, there are global issues that will impact on any country's economy. That was the case when the Labour party was in government, it was the case when the previous Conservative Government were in office, and now this Chancellor is admitting that they will impact on his plans.

Early Budgets choked off growth. The initial emergency Budget in 2010 contained cuts and an increase in value added tax.

Mr Kevan Jones: Does my hon. Friend agree that it is remarkable that the Chancellor now refers to global headwinds that may knock him off course, but in 2010 when he choked off demand—and we have heard it again today—he claimed that the recession in 2008 was nothing to do with the global situation, but was all down to a Labour Government? Is it not ironic that he chooses to use the global situation as an excuse for what he blamed the Labour Government for in 2010?

**Albert Owen:** My hon. Friend is right. He and I and the Chancellor came into Parliament together and we know he has form on these issues, which have been laid bare in this Budget.

The early Budgets choked off growth. I mentioned value added tax because it is forgotten that initially this Government raised value added tax by 2.5p in the pound. That took money out of the economy at a time when there should have been a fiscal stimulus, as there was in many other countries, to ensure that we got out of the recession and out of austerity as quickly as possible. So it is the Chancellor, in his eighth Budget over six years, who is responsible for not being able to balance the books, which he promised he would do.

The poorest, the vulnerable are paying the price of extended austerity, and less so those on higher incomes, who have seen their income tax cut. Now we hear in this Budget that capital gains tax will be cut at a time when the personal independence payment is being taken away from some disabled people. That is the priority of this Chancellor, and that is why we are in the present situation.

I talk about value added tax being raised because the Chancellor is always talking about how thresholds are going up and how that is helping. However, that is eliminated by the additional value added tax that people have to pay on goods. The big announcement yesterday about a freeze in petrol duty and a freeze on beer duty is wiped out when people have to pay 2·5p on each pound when they buy petrol, drink beer or go out for a meal. This Chancellor is putting taxes up, not down, and families are suffering across the country. Ordinary people are paying the price.

I refer to the insurance premium tax. Yes, we all want to see investment in our flood defences, but again, it is ordinary families who will pay for that through a stealth tax. Rather than being the work of a tax-cutting Chancellor, the Osborne taxes are hurting ordinary families in this country.

The biggest losers are women and the disabled. The Chancellor really missed an opportunity to use the Budget to help the many women born in the 1950s through transitional pensions. He missed the opportunity to use some imagination to come up with a formula to try to smooth out the issue of those whose pension age is going up but who were not given sufficient warning to plan for that.

The Chancellor talked about an ISA for young people under 40. He needs to get out and about. I have two daughters under 40, and they are burdened with student debts—they are struggling to pay the bills. People like them do not have £4,000 in their back pockets to invest for the future. They need help and support—not to be told that they can get an extra £1 for every £4 they save. The Chancellor is out of touch.

I do agree with the sugar tax, but it is not a silver bullet. To deal with child obesity, there needs to be long-term, careful planning, and there needs to be a change in lifestyles as well. I welcome the proposals on sports provision in English schools—I do not think it has been cut in Welsh schools—but it was the Chancellor who cut the funding for it, which he is now reintroducing.

When the Chancellor talked about infrastructure for the future and the next generation, there was one area he missed out: digital infrastructure. The Prime Minister has promised universal superfast broadband coverage across the United Kingdom. Again, the Chancellor had an opportunity to stand up and say how we will fund that in a way that will allow us to compete with the South Koreas of the world and to have modern infrastructure.

Mobile coverage is poor across most of the United Kingdom. There is a small plan in the Budget for 5G in 2017. Many areas that I represent in north-west Wales do not even have 3G, and they certainly do not have the luxury of 4G. Poor broadband, alongside poor mobile coverage, makes businesses in that area difficult to operate. We talk about education, but what about those who are not in conventional education but doing Open University courses? They cannot complete their studies, because they do not have the basic infrastructure in the 21st century.

The Budget is therefore a missed opportunity, although I welcome many of the things the Chancellor talked about. He mentioned north Wales, which I was very pleased about, because I have been lobbying the Conservative Government to link north Wales into the

[Albert Owen]

so-called northern powerhouse. I will work with the Welsh Government, the UK Government and local authorities to get a good deal for growth in north Wales, but we need to see the detail. What we heard were big plans for the long-term future that we have heard before. What we wanted were radical, bold initiatives to invest in this country, invest in people now, invest in those who are losing out on pensions and invest for those in the next generation, helping them today—not giving them false promises for tomorrow.

#### 3.3 pm

Helen Whately (Faversham and Mid Kent) (Con): It is a privilege and an honour to follow the hon. Member for Ynys Môn (Albert Owen), but I am afraid I cannot agree with much of what he said, and particularly not with his pessimism about what he called ordinary people. Thanks to the enormous growth in jobs, many of those people are now in work when they were not before. They are paying lower taxes and getting higher wages, so I think he is wrong to be pessimistic and should welcome much more of the Budget than he did.

I might also remind the hon. Gentleman of where we were in 2010, when more than 2.5 million people were unemployed and Government borrowing was more than 10% of GDP. That was a consequence, unfortunately, of years of reckless spending under the last Labour Government, who built up a ballooning budget deficit, even when the economy was strong. That, in turn, built up the country's debt month by month. Opposition colleagues have no plan to pay off that debt—I can only assume that they plan to pass it on to future generations.

Mr Kevan Jones: The hon. Lady was not in the House at the time, but will she explain why it was, then, that the Conservative party not only agreed with the last Labour Government's spending until 2008, but, in some areas—including defence, which was my area—asked for more spending?

**Helen Whately:** There are areas where we disagree on the allocation of expenditure, but overall my party has a plan for stability and Labour does not have a plan and simply wants to borrow more.

This Government have worked hard, and are working hard, to turn the economy around. We know that involves some tough choices, but one part of being a Conservative is thinking of the long term. I do not think that any of us, on either side of this House, wants to pass debt on to our children as individuals, and we should not do so as a country either. I welcome a Budget that looks to the future, investing in education, cutting taxes for businesses to stimulate growth, and balancing the books so that we are prepared for whatever financial shocks we may face.

I want to live in a country where every child has a chance to succeed and make the most of their lives, and that starts with a good education. Educational standards have gone up, but it is a mixed picture. I welcome the Chancellor's and the Secretary of State's announcement on schools, particularly the new funding formula, which I have campaigned for. The old funding formula was arbitrary and unfair. It left some schools in my constituency receiving far less per pupil than other schools with very

similar students. As a result, those schools have had to cut back on important subjects and extra-curricular activities. We are also going to get an extra £500 million of funding that will speed up the introduction of the new funding formula. That is very important, because with every year that goes by another group of children in my constituency loses out under the current system.

My hon. Friend the Minister will know that I care a great deal about health. In the Health Committee, expert after expert told us that obesity is one of the greatest threats to the health of the nation, particularly among children. One in five children leaves primary school overweight. Obese children are more likely to grow into obese adults, with the associated health risks that that brings, as well as the cost to the economy. In the Health Committee we have also heard evidence on the quantities of sugar hidden in soft drinks. For instance, an average can of cola can contain nine teaspoons of sugar, or even up to 13.

I am therefore very happy that the Chancellor has been bold in introducing a levy on the soft drinks industry. That, in itself, sends a really strong message, rightly, about how unhealthy these drinks are, as my hon. Friend the Member for Chippenham (Michelle Donelan) said. I hope it will encourage manufacturers to reformulate their products. It will also raise some £520 million that will go to fund school sports. Despite the existing school sports fund, there is not enough sport in schools. Some children get to do sport for only one hour a week, and that is not enough for their health or for their academic achievement.

I look forward to the childhood obesity strategy that the Government are due to publish in the summer. I urge them to include in it more of the Health Committee's recommendations: for example, its recommendations on controls on advertising and on promotion of sugary foods and its recommendations on giving greater powers to local authorities to ensure a healthier environment. A levy on sugar, or a sugar tax, is just one of the proposals that we put forward, and just one of the things that needs to be done to tackle the problem of sugar consumption and obesity.

Much in this Budget will be welcomed in my constituency, not least the tax cut that will mean that 1,854 people in mid-Kent are taken out of income tax altogether; the freeze in fuel duty, which is so important to rural areas; and a higher threshold for business rates, which will boost small businesses, hundreds of which will be completely taken out of paying business rates. The hon. Member for Ynys Môn might have laughed at the freeze in beer duty, but it will be very welcome in my constituency, not just to beer drinkers, who may raise a glass to the Chancellor, but to Shepherd Neame, the brewery, which is the largest employer in my constituency, so there will also be a big boost for jobs.

**Rebecca Pow:** I would like to praise the fact that we have also frozen cider duty. In my constituency of Taunton Deane, cider is a very important industry.

**Helen Whately:** I am glad that the cider industry in my hon. Friend's constituency is benefiting as well. However, one of my local industries in this sector that did not benefit was the English wine industry. While

beer and cider have been supported, I would like the Chancellor to give some support to the fast-growing English wine industry.

Farming is very important to my constituency, and I know that farmers will welcome the alignment of the national living wage and national minimum wage cycles. I am afraid that they will be disappointed, however, that there are no mitigations to help them to cope with increased labour costs, which hit fruit farmers particularly hard. May I ask the Government to keep considering how they can help farmers who have large numbers of employees to manage to pay the national living wage, which they very much want to do to, without going out of business?

Young people in my constituency can struggle to buy a home, because houses in the south-east are very expensive and not everyone is on a high income, so I think that young families will welcome the lifetime ISA to help them do so.

Unemployment in my constituency has more than halved since 2010. Stability and jobs are the best thing that the Chancellor has given the country, and this Budget will continue to provide them.

The UK expects to have the fastest growth of any G7 country, but the fact that the OBR revised down its growth estimate shows that we cannot be complacent. These are turbulent times and we need to be prepared.

Many of us would love to spend money on shiny new buildings, as past Labour Governments did, but unless we do that out of a balanced budget we will just pass debt on to the next generation. I have heard Labour Members complain about the savings that need to be made, but if this Government had not made difficult decisions to reduce the structural deficit, cumulative borrowing would have been on course to be £930 billion higher in 2019-20, and we would have been in a much worse position today.

I welcome this Budget for the next generation. It supports education, employment and businesses as the engines of growth, puts long-term stability ahead of short-term fixes, and sets Britain up for the future.

### 3.11 pm

**Diana Johnson** (Kingston upon Hull North) (Lab): In following the hon. Member for Faversham and Mid Kent (Helen Whately), it is worth setting the record straight: it was a worldwide banking crisis that caused the recession, not Labour investing in teachers, nurses, doctors and shiny new buildings, as she called them. I think what she meant to say was hospitals and schools. In fact, in 2010, the economy was growing when Labour left Government.

It has been 24 hours since the Chancellor's Budget statement, and I think it will be remembered not as a Budget for the next generation, but as a Budget of unfairness. That is most starkly emphasised by the £4.2 billion-worth of support taken from disabled people, many of whom cannot work, to give £2.7 billion-worth of support in capital gains tax cuts to wealthier people, many of whom do not need to work.

It is certainly not a Robin Hood Budget, because he was good at hitting his targets. I also note that the Chancellor pledges to fix 214,000 potholes in the next year, but I think that filling the huge one in his deficit plans will take much longer.

The bulk of what I want to say is about the effect of this Budget on my constituents in a city in the north that is apparently a key player in the northern powerhouse, although the Government seem to forget that Hull is part of the northern powerhouse, because they focus mostly on the Manchester area. As someone who has been a Hull MP for 11 years, I know that we have to fight every inch of the way for a fair deal and we often have to make our own luck. After getting only £1 million in the autumn statement, I was pleased that the Budget made available to Hull a more fitting £13 million for its year as city of culture in 2017. That happened only after the issue was raised on numerous occasions in the House and with Ministers, but I am pleased that the lobbying by the three Hull MPs has paid off. Granting the £5 million to renovate Hull's new theatre will leave a legacy after 2017, which is one of the main city of culture objectives. I also welcome the £1.2 million for the British mercantile marine memorial collection in

Elsewhere, however, the news is more mixed for people in Hull. Although Labour in particular has championed changes to business rates for small businesses and letting local areas keep business rate revenue, the Government's approach ends any recognition of the needs of poorer areas—the cause that George Lansbury went to prison for so many years ago. This Government constantly favour wealthy areas that have a stronger local tax base and that have experienced less deep cuts than more deprived areas such as Hull.

Hull, like many other northern cities, is left facing a social care crisis, even with the social care levy that the Government have announced. It worries me greatly that local social care providers and other small businesses in the area are not getting enough help to ensure that the living wage meets its objectives and does not mean job losses in the months ahead.

There is little hope in the Budget for Hull's policing or NHS services. Today, the Secretary of State for Health is in Hull demanding that the people who work in the NHS in Hull perform better, but taking no responsibility for the disastrous Lansley reforms introduced in the last Parliament. Neither is the Secretary of State taking any responsibility for his mishandling of the junior doctors' contracts, which is affecting morale and recruitment in an area where it is very difficult to recruit doctors in the first place.

I want to move on to infrastructure investment, which is a vital part of rebalancing the economy, increasing productivity and raising overall UK growth. There is good news, I note, for those in Hertfordshire who want to travel to Surbiton via Chelsea, with the £27 billion for Crossrail 2. Although High Speed 3 between Leeds and Manchester was announced again, our privately financed initiative for rail electrification between Selby and Hull, to get average speeds above 42 mph, has been stuck in the sidings in the Department for Transport's decision-making process for the last two years. The Department has been studying the business case since September, but time is running out on the proposal if we are to get it by 2021.

Clearly, Hull is not given the same priority as building a £500 million Crossrail station at Canary Wharf or plans for a £175 million Thames garden bridge. With no A63 road upgrade, and even a delay in building the bridge over the A63, Hull faces running city of culture

[Diana Johnson]

2017 with not one of the transport improvements that would have assisted in its success. It beggars belief that we cannot even get a bridge built over a road, but we can put a man on the moon. Similarly, I am concerned about the increase in flood insurance premiums. Hull flooded terribly in 2007, and I want to make sure that some of that investment comes to our city.

I want to close by talking about devolution. We heard about the greater Lincolnshire model for devolution yesterday, but we heard nothing about Yorkshire. That is a real pity, because it will divert attention away from the Humber estuary.

**Albert Owen:** On the issue of devolution, only a few months ago the Chancellor said that he would devolve business rates to local authorities. Does my hon. Friend feel that local authorities will lose out as a consequence of the threshold changes?

**Diana Johnson:** The poorer areas of the country are going to lose out. The way in which the Government have handled devolution is really sad. They have rushed it through and imposed arbitrary timescales for putting deals forward. The public have not been properly engaged. I have talked to people in Hull who say that they have not been asked for their opinion about what they would like. They also object to the fact that the Government want to impose this one-size-fits all model of an elected Mayor. That may not be suitable for whole swathes of the country, but it is the only option available.

There is a real problem, particularly in my area, with the idea of the greater Lincolnshire model. There is nothing for Yorkshire at the moment, and I think that there will be real problems for Hull. All in all, if we are serious about getting devolution right, we need to go back to the drawing board and think carefully about what suits the needs of different parts of the country, rather than rushing ahead. My constituents will find the Budget wanting, and they will think that it does not really meet the needs of a city such as Hull.

## 3.18 pm

**Rebecca Pow** (Taunton Deane) (Con): I am pleased to follow the hon. Member for Kingston upon Hull North (Diana Johnson). Among her negativity, I was pleased to hear her praise for the Chancellor and the funding that he is giving to Hull for the year of culture and for its theatre, in particular. I would like to visit and have a look. Hull got more from the Budget than we did in Taunton.

I cannot imagine that too many children listened to the Chancellor's statement yesterday—no offence to the Chancellor—but if they had they would have heard that the school day for secondary school children is likely to get longer. That may not be welcome news for some children, but when they see what they are going to get, they will realise the benefits of it. I welcome the new funding provided for extracurricular activities, such as Mandarin, Chinese or music lessons and special clubs. I would like to talk to the Secretary of State for Education and put in a bid for her to teach children more about where their food comes from. I am working with local

farmers on that, and we have a "Farm to Fork" event coming up. Our children could benefit a lot from such teaching.

Helen Whately: I support my hon. Friend's point about the benefits of an extended school day. One of the greatest divides between the state sector and the independent schools sector is how much extra is offered by independent schools after the main school day, so this is a very good initiative to narrow that gap.

Rebecca Pow: Interestingly, when I asked one teacher at a school in the most deprived part of my constituency what single thing would make the biggest difference to the children's lives, he said, "Extending the school day." That gives them many more opportunities. They may not be fortunate enough to have such opportunities at home. If the parents are working, they may not be able to run around with their children to the after-school activities we all want our children to take part in. The Chancellor must have been listening because we now have this funding, which I welcome.

I welcome many of the other things connected with education in the Budget. A good education underpins everything we are doing to raise standards for our children. Ultimately, such an education will have an impact on the skills, businesses and opportunities we are so trying to encourage and increase. In Taunton Deane, we have great ambitions to do that. We are part of the way there, but we need to do more. I hope the Secretary of State will listen when I ask this: how about a university for Somerset?

Primary schools have scored well in the Budget, with the funding for sports provision doubling from £160 million to £320 million. I was a governor of a village school for quite a number of years, so I realise how difficult it is to provide good PE input. I welcome this funding because it will enable schools to get in outside coaches, have specialist PE classes and even to share a teacher with other schools. That point was made by my hon. Friend the Member for Mid Dorset and North Poole (Michael Tomlinson) and other colleagues.

It makes so much sense to get our children to take up sport because it will make them fitter and healthier, while the incidence of cancer, diabetes and all the other awful diseases increases for those who become obese. Upping the profile of sport in schools will also have an effect on mental health, about which there is an awful lot of data. Only this week, the launch of the mental health charter for sport and recreation highlighted the fact that physical activity is as effective as medication in treating depression. The money for the sport scheme will come from the tax on sugary drinks, which has been much mentioned today. The funding is welcome, but because we are tackling obesity, it also means there will be fewer such diseases and the NHS will therefore have more money to spend on other things.

The move to make every school an academy by 2020 will simplify the education system. We have two systems at the moment, so having only one will mean the system is much more dynamic. In such a system, the best schools will benefit with more freedom, and the schools that need help will get help from others. In many cases, that will be done through forming multi-academy trusts. The sharing of resources in such trusts will bring advantages. The Taunton Academy, which is part of a multi-academy

1176

trust, already receives such an input, including through sponsorship from our excellent Richard Huish sixth-form college. On that note, will the Secretary of State provide clarification about whether academies can take international students and offer higher education?

We have heard quite a lot about students doing more maths, including from my hon. Friend the Member for Chippenham (Michelle Donelan). Students may not fancy the idea of continuing to do maths to the age of 18, but maths is a must. This will not be highly academic maths, but the sort of user-friendly maths—reading balance sheets and all that kind of thing—that will help people in the world of work, and I welcome that.

I welcome the fairer funding deal mentioned by my hon. Friend the Member for Faversham and Mid Kent (Helen Whately). I, too, campaigned long and hard in Taunton Deane for fairer funding, because pupils in my constituency get, on average, £2,000 less than those in the 10 best funded schools. That is unfair, and I welcome the fact that that anomaly will be ironed out, as well as the extra funding announced by the Chancellor to speed up that introduction. Much in the Budget is designed to benefit the next generation, and for the sake of my three children, and indeed everybody's children, I welcome that.

I also welcome initiatives to benefit the self-employed, who too often have been regarded as second-class citizens in our society. I will not refer to all those initiatives because I am running out of time, but we all know what they are, and they will be of benefit. In 2015, employment in the south-west grew faster than anywhere else in the country, but we must build on that with the better skills that we will get through better education. That is all referred to in this sensible, sensitive Budget, which is very necessary in a time of global uncertainty. We will build on a low tax, enterprise economy with a special emphasis on education as the building block. It is as simple as A, B, C, and I welcome it.

3.26 pm

**Stephen Timms** (East Ham) (Lab): I am pleased to follow the hon. Member for Taunton Deane (Rebecca Pow) and I agree with some of the points she made in the early part of her speech. Like her, I want to comment on the education measures in the Budget.

In 2001-02 I was the Schools Minister responsible for the introduction of the Teach First programme. That was a successful response to the teacher recruitment crisis at that time, and it has continued to do a great job until the present day. We now need that kind of innovation and imagination from current Ministers, to respond to the teacher recruitment problems that we have at the moment. There was nothing in the Budget about teacher recruitment or retention, but those problems are building and we need an initiative on that front.

Along with London Challenge, Teach First was a key element in the dramatic improvement in the performance of London schools since 1997, and it is important that the new national schools funding formula does not put that improvement at risk. As has been mentioned, the Chancellor said yesterday that he was providing an additional half a billion pounds to speed up the implementation of the school funding formula so that it will apply to 90% of schools by 2020. Will that extra money be used—as I hope it will be—to ensure that the

formula is implemented by levelling up the finances of underfunded schools, not by taking funding away from schools that are adequately funded at the moment? I hope that that is what the half a billion pounds is for, and I would be grateful if the Minister confirmed that at the end of the debate.

Catherine West (Hornsey and Wood Green) (Lab): Does my right hon. Friend agree that some boroughs, particularly in London, are affected by as much as 10% by some of these worrying proposals?

**Stephen Timms:** There is a lot of worry about the proposals, and I hope that the Government will assure us that there will be no real-term cuts in the funding of individual schools. Half a billion pounds could go a long way to achieving that, and it would be helpful if the Minister could give us that assurance.

As we have heard, the Red Book contains a chapter called the "Devolution Revolution", but the Budget ends local authority influence over education, which always used to be devolved. The hon. Member for Taunton Deane said that it was wonderful that we will have one system for education in the future, but I thought the Government were in favour of devolution, and the Red Book claims that they are. It is a big contradiction to proclaim devolution on the one hand, at the same time as ending local influence over education.

I am particularly sceptical about the benefits of turning every primary school into an academy, because I have seen no evidence that doing that will be a good thing. The Minister and the Secretary of State will know of local educational authorities—other Members have spoken of them in the debate—that do a very good job in supporting the local network of primary schools, enabling schools that are struggling to be supported, for example by a gifted head from another school nearby. I therefore want to put this question to the Minister and ask him to respond on behalf of the Secretary of State: what is the case for simply dismantling and smashing up all the successful arrangements of that kind?

The Church of England referred in its response to

"the particular challenges that many smaller primary schools will face as they seek to develop such partnerships".

The Sutton Trust was quoted by the Secretary of State and by me in an intervention. It rightly makes the point in its impressive research that good

"academy chains are having a transformational impact on pupils' life chances",

which is a very good thing, but it also says that

"others have seriously underperformed and have expanded too rapidly."

That is why I pressed the Secretary of State specifically on whether the mass process of turning every primary school and every remaining secondary maintained school into an academy will be done by adding those schools on to existing chains, too many of which are underperforming. Only about a third are doing well, according to the Sutton Trust. The chains that are doing badly are doing badly because they have expanded too quickly. The process could make that far worse by forcing hundreds of additional schools into those same underperforming chains. I therefore press the Minister again. I did not get the assurance I was seeking from the Secretary of State that the process would not be done

[Stephen Timms]

by adding new schools on to underperforming chains. I hope he can give us that reassurance in his response.

Local authority support for families of primary schools is successful. Do the Government envisage those simply being rebadged as multi-academy trusts? Perhaps that is one way out of the problem. Destroying those arrangements is potentially very damaging.

Mr Steve Reed: My right hon. Friend makes an interesting observation. What are his thoughts on the initiatives of Labour councils such as Brighton and Hove, which are setting up co-operatives for their schools to join together to try to undermine the Government's attempts to isolate and atomise schools?

**Stephen Timms:** I very much welcome that. I thought everybody agreed that diversity in school provision was a good idea rather than having the one-size-fits-all model for which the hon. Member for Taunton Deane argued. Surely we should be encouraging exactly the kind of arrangement that my hon. Friend draws attention to, so that we can enjoy the benefits of the diversity that results.

I am glad that, in opening the debate for the Opposition, my hon. Friend the Member for Hayes and Harlington (John McDonnell) focused on the failures that the Budget highlighted yesterday. The OBR pointed out to us that the Chancellor had three fiscal rules in the run-up to yesterday's Budget. He has broken two of those. He has broken his commitment, which was made less than a year ago, to reduce debt as a proportion of GDP in every year. We had that rather puzzling passage in the Budget speech when the Chancellor talked about numerators and denominators and a paradoxical outcome. It turns that he was saying that he had failed on that rule.

The second rule he failed was on the welfare cap. It is hard to think of any Treasury legislation of the past 20 years that has backfired so spectacularly as the welfare cap. It was legislated for last summer with great fanfare, but within weeks it was announced that it would be broken. The OBR now tells us that it will be broken in every single year of this Parliament. The whole thing has become a complete fiasco.

The third rule that the Chancellor went into the Budget with was the commitment on delivering a surplus. Of course, in the last Parliament, the centrepiece of the Chancellor's project was to eradicate the deficit by 2015. He failed on that, and it now looks very likely that he will fail to achieve the surplus he has promised by 2019-20. To deliver it would require extraordinary fiscal tightening in what will almost certainly be the year leading up to the next general election. I cannot see that happening. By then, the Chancellor will have failed on all three of his rules.

The Budget raises important questions and I hope we get answers on the specific education points when the Minister winds up.

### 3.34 pm

**Christopher Pincher** (Tamworth) (Con): It is a pleasure to follow the right hon. Member for East Ham (Stephen Timms) and his typically thoughtful contribution. Both

he and I will know that the great disadvantage of speaking late in a debate is that everything that can be said has been said, although of course not everybody who can say it has said it. I will try not to be too repetitious, Madam Deputy Speaker.

I commend both Front Benchers for taking so many interventions during their speeches. That set a very good tone for the debate. I trust that that will continue. Perhaps the shadow Chancellor will even extend me the generosity of allowing me to intervene on him next time.

When I was listening to my right hon. Friend the Chancellor make his eighth Budget speech yesterday, I was thinking about how different the world was six years ago when he made his first Budget speech. At that time, unemployment in Tamworth was rampant. Businesses and jobs were going to the wall. Walking down Glascote high street, one would see notices of repossession in the windows of people's houses. When Gordon Brown left office not only were people losing their jobs, but their homes too

After eight Budgets, the situation has been transformed. Unemployment in Tamworth is now at fewer than 300. Just about everybody who can work in Tamworth is working in Tamworth. The Jobcentre has turned into a recruitment agency, going out looking for people to do better-paid, better-skilled jobs. House prices are going up and people are better off. Having continually raised the income tax threshold, my average constituent is now £1,000 better off than he or she was in 2010.

I heard Opposition Members, in particular my otherwise good friend the hon. Member for Ynys Môn (Albert Owen), criticise the lifetime ISA. This savings initiative sends a very good message to young people about the importance of the savings culture. As the Chancellor was making his speech, I got a message from a young constituent of mine called Dan Ball, aged 19 from Amington. He said, "How can I get one of these ISAs?" I will be writing back to him before the end of this week to tell him just what he can do to save and invest in his future

The support that the Chancellor has given to businesses—for big businesses, in the form of corporation tax; and for small businesses by reforming and changing the business rate—will help businesses in my constituency, from small newsagents in the high street to companies such as Tame Plastics and Invotec. That will help jobs and growth, so I commend what the Budget has to offer.

If I could make two pleas in the time I have left, they would be these. Given that we want to create a Budget for the next generation, part of it must be about infrastructure investment. The Chancellor made great play—rightly so—of the midlands engine. One of the overlooked pieces of infrastructure in the midlands is the A5 corridor running through Leicestershire, Warwickshire and Staffordshire. Much of the A5 is single carriageway. It would benefit from being dualled, so that we could open up developments and house building along the corridor. There are plans for such development and house building. I hope the Exchequer Secretary will make a note of that and use all is artistry and eloquence to prevail on the Transport Secretary to put the dualling of the A5 in the next road investment strategy.

May I also encourage more house building? Hon. Members on all sides of the Chamber have mentioned the need for more house building. Some 88,000 new houses are needed in the west midlands. We are building, and are planning to build, more houses in Tamworth, but one of the challenges—even though we have reformed planning, introduced Help to Buy and are selling public land to private developers—is the number of small and medium-sized enterprises in the development supply chain. Many were wiped out during the crash, and we need to get them back in. I would like the Government to encourage big developers, such as Bovis, Persimmon and Redrow, to franchise some of their land bank to smaller developers so that they can build houses on that land. It would de-risk the big developers, because they would not have to take the risk of building the houses, and help smaller developers, because the planning activity would already have been undertaken and so would not cost them so much. That would get more SMEs into the supply chain and help us build those homes for the future in the midlands and beyond.

I listened attentively to the Budget, and I was not carried away by the doom-mongers on the Opposition Benches, and I listened attentively to the Leader of the Opposition, who I thought began rather well but then, like the rest of us, lost interest in his own speech halfway through. He can do better next time by listening to and learning from the Chancellor and by supporting our plans for a Budget for the future.

#### 3.40 pm

Mr Steve Reed (Croydon North) (Lab): I share the many concerns raised about the Budget's giveaways to the rich at the expense of the poor and disabled. It is despicable and against the British sense of fair play but entirely in line with the behaviour of a Government who are pushing more people into poverty and then blaming and punishing them for it.

Others have spoken movingly about that, but I would like to focus on what the Budget says about the Government's commitment to devolution. Their actions do not match their rhetoric. The Secretary of State, who introduced the Cities and Local Government Devolution Bill, at the same time introduced the Housing and Planning Bill, which contained more than 30 new centralising measures. The Budget contains more of that same centralising instinct. Yesterday, the Government centralised control of every school in the country. They have learnt nothing from the Trojan horse scandal in Birmingham and are now stripping away local accountability from every school.

There is no way that the Department for Education can provide proper oversight of 24,000 schools from Whitehall, and a lack of oversight means that problems will not be noticed or tackled until they have grown into crises. It is not devolution to hand schools over to giant national academy chains, and it is not localist to do that in the teeth of opposition from parents, teachers and communities. I do not understand how the Secretary of State can come here and lecture the House on the need to listen to parents, when she will not listen to parents over forced academisation.

Catherine West: What does my hon. Friend make of Conservative Peter Edgar, the executive member for education at Hampshire County Council and a former teacher, who said that the scheme could result in Britain's education system "imploding" and urged the Government to think again? He said:

"I am horrified to think that the county council's role in education is going to be destroyed by George Osborne in his budget. We have worked with the government to deliver the reforms and have been congratulated"—

**Madam Deputy Speaker (Mrs Eleanor Laing):** Order. The hon. Lady has said enough.

**Mr Reed:** It is sad that the councillor has felt forced to say that, but he is absolutely right of course.

There is little evidence of devolution over how local services are funded as a result of the Budget. Yesterday, as the Institute for Fiscal Studies has now confirmed, the Chancellor tightened his fingers around the neck of local government funding. He has handed over limited powers to city regions and others but refused to link those powers to resources. I want to see the Government go much further on devolution—more local control over schools, housing, health and the Work programme—but we need real fiscal devolution as well. If the Government hand over services but then cut the funding centrally, all they are really doing is devolving the blame for cuts made in Downing Street.

Yesterday's Budget graphically underscored that point. The Chancellor made much of his plans to allow 100% retention of business rates, which of course sounds good, but he will not be clear about which services they will have to pay for. At the same time, he is entirely scrapping the central Government grant, leaving councils far worse off and less able to fund the services that local people rely on. He will not explain, either, what mechanism, if any, will be in place to ensure that business rates retention does not just benefit areas that are already wealthy and penalise those that are not. There needs to be a fair funding mechanism in place that helps areas to expand their capacity for economic growth, otherwise they will be locked into a downward spiral, with no way

Of course, we should not be surprised that the Budget did not include anything about fair funding. Under this Government, the 10 poorest councils have suffered cuts 23 times bigger than the 10 richest. Last month, the Government voted to cut Croydon's funding by another £44 million, but handed a £23 million windfall to far wealthier Surrey next door. Unfairness is the defining feature of this Government.

What these further cuts mean for the vast majority of communities in this country is the closure of libraries, museums, youth services and children's centres. They will leave streets unswept and street lights turned off at night. They will mean home care taken away from frail older people, and disabled people left to struggle alone. They will mean a cut to early intervention in troubled families, and social workers will not be there to protect children from the impact of domestic violence. Services will not be there any more to protect children at risk of abuse. We are simply storing up problems for the future, while watching young lives get ripped apart.

This Chancellor has got so much wrong. He has had to downgrade growth forecasts that he made only four months ago. He missed his own deadline for paying down the deficit caused by the banking crash. He delayed the recovery by cutting big infrastructure projects

[Mr Steve Reed]

early on in his tenure, and he is now struggling to make up for lost time. He has failed to tackle the economy's desperately low levels of productivity. Now, the IFS has questioned his ability to meet yesterday's forecasts without more cuts or tax rises to fill a £55 billion financial black hole. The IFS further says that the Budget will reduce wages, lower living standards and lead to further austerity.

Quite simply, this is a Chancellor who cannot be trusted, and who is himself unable to trust. He gets the big decisions wrong, and he is afraid to devolve decisions to others. Instead of reforming public services, this Government are laying them to waste. Instead of sharing the proceeds of growth more fairly, this Government are presiding over growing inequality. Instead of handing decision-making to local communities, this Government are centralising power in their own hands. Instead of shaping a fairer Britain, this Chancellor has thrown a financial bung to his wealthy mates and thrown the rest of the country to the dogs.

### 3.46 pm

Fiona Bruce (Congleton) (Con): I rise to support the Budget statement, particularly for the support it gives to small businesses. Of the 4,000 businesses in my Congleton constituency, all but a handful are small and medium-sized enterprises, started up and sustained by hard-working individuals and their supportive families. It is right to champion the value of and encourage SMEs, which are the lifeblood of my local economy.

It is a truism, but it is well said that every big business started small. When Lord Digby Jones was head of the CBI he said that

"without businesses there are no taxes and without taxes there are no schools or hospitals."

I am therefore delighted that the Chancellor is taking 600,000 small businesses across the country out of bearing the burden of any business rates at all, while another 250,000 firms receive a reduction in those rates. This will save small businesses £6.7 billion over the next five years, enabling them to take on more staff, invest and grow. I know it will be warmly welcomed in my constituency.

Welcome, too, are the new tax-free allowances of £1,000 a year for micro-entrepreneurs who trade goods or rent property online on a small scale. Positive, too, are reductions in capital gains tax, the reform of stamp duty on commercial premises to help small firms move to bigger premises and, for incorporated businesses, the substantial reduction in corporation tax to 17% in 2020—down from 28% in 2010. This means that we will have the lowest corporation tax in the G20, and it will benefit more than a million businesses.

For 3 million self-employed people, the cancellation of class 2 national insurance contributions is also welcome. Some may say, "Well, that's only a saving of £2.80 a week", but that fails to appreciate that many small businesses live on the margins, particularly in the early years, as I know from experience. My husband and I had to sell our home to keep our business going, and live above our offices with our first child, with the staff tea and coffee-making area being our kitchen.

My story is not unusual, and I mention it only because that is so and because I know that, just as Government support for small business matters, so does Government support for the families who stand behind the businesses. Stable families contribute to a stable economy. If we want small business to flourish, we need families to flourish, too. It is important to note that these are related: the one sustains and supports the other. I therefore greatly welcome the Government's commitment to including family stability measures in their life chances strategy. However, just as family stability supports business, family breakdown has a negative impact on productivity. According to a survey conducted by Resolution, the family justice organisation, one in seven workers said that relationship breakdown had had a negative impact on their businesses' productivity.

In his Budget statement, the Chancellor said:

"We as Conservatives understand that tax affects behaviour."

I welcome that, and I therefore also welcome the tax on sugary drinks, which the Chancellor is introducing to incentivise healthy behaviour. He said many times that it was

"to help children's health and wellbeing",

and that this was

17 MARCH 2016

"a Government not afraid to put the next generation first."—[Official Report, 16 March 2016; Vol. 607, c. 964.]

May I urge the Chancellor also to do what he can to encourage healthy family relationships for our next generation?

Sir Edward Leigh: The marriage tax allowance that the Chancellor has introduced is still very low. Moreover, its aim is not, as has been claimed, to encourage people to get married and stay married, but simply to remove the disadvantages in the overall tax and benefit system that are incurred by women who look after their children at home. Will my hon. Friend say a word about the allowance, and about how we should upgrade it?

**Fiona Bruce:** I will, and I thank my hon. Friend for raising the issue.

The Prime Minister said recently:

"Families are the best anti-poverty measure ever invented. They are a welfare, education and counselling system all wrapped up into one."

I have heard that the cost to the national health service of treating child obesity has been estimated at £5 billion. By contrast, the cost of breakdown is £48 billion. Increased investment in relationship strengthening to help to prevent that would be money well spent. According to a survey carried out by the Department for Education, every pound invested in strengthening family relationships would save the Treasury £11.50. I believe that spending on creating healthy relationships for the next generation is as valid as promoting that generation's physical health and wellbeing. Few Members can disagree with the principle that such early intervention is key if a child's life chances are to be maximised, or with the principle that maximum support should be given to children in the areas of greatest need.

Let me end by making a few practical suggestions. The Chancellor would do well to think again about the transferable tax allowance for married couples. He should consider refocusing it on the families with the youngest children. That would be an exponential investment, as the highest rate of family breakdown occurs in families with children under three. By focusing the scheme on couples with low incomes and children under five, and

doubling the amount receivable to about £9 a week, the Treasury could offer more substantial support for some of the country's lowest earners and neediest families, and could do so at no extra cost, because there is an underspend in the money already allocated for the purpose in a previous Budget. A further nuance would be to target for greater take-up those living in the 100 housing estates that the Prime Minister identified for regeneration, and those living in the 100 local government wards with the highest levels of family breakdown.

Perhaps the Chancellor could also consider using any remaining underspend to strengthen parenting and relationship support. A practical suggestion from the Centre for Social Justice is the provision of an online one-stop shop to give families information about local relationship support.

Strengthening families by supporting healthy relationships should be an aspiration for the Government. Reversing family breakdown and building strong and stable family life as a foundation block of a healthy society must be our ambition. That would really put the next generation first, and it also makes sound economic sense. If we want our productivity to flourish, families must do so as well.

### Several hon. Members rose—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. We are running out of time. I must reduce the speaking limit to five minutes.

## 3.54 pm

Alex Cunningham (Stockton North) (Lab): Yesterday I listened intently to both the Prime Minister and the Chancellor, hoping against hope that we would see a Budget for the poor as well as the rich—a Budget that would be not just for private businesses but for local services, and not just for London and the south-east but for the north-east of England.

First, I heard the Prime Minister boast about a very welcome drop in unemployment in the UK, but he did not have a word for the 3,000 more people out of work in the north-east of England than 12 months ago. The Chancellor, apart from mentioning his pet project to impose an extra tier of politicians on an unwilling electorate to deliver devolution of power without devolution of real resources, failed to announce anything that would provide the north-east with the investment in infrastructure—or anything else, for that matter—that would help to create the jobs we need to employ the people this Government have clearly forgotten.

Today's theme is about education and equality. It is time the Chancellor recognised that there is tremendous inequality between the regions, and that it has been created as a direct result of his policies and those he shared with the Liberal Democrats. Others have already detailed the colossal failures of the Government in missing self-imposed targets, but still the Chancellor maintains that all will be well because he can always squeeze those who have been squeezed before. Sadly, this means that women and less well-off folk are again in his sights.

The Chancellor's warm words about acting now to protect future generations, about shrinking inequalities and about us all being "in this together" were designed to create an image of fairness and social justice, but they do not paint an accurate picture. They do not, for instance, detail how 81% of the Chancellor's cuts, totalling £82 billion in tax increases and cuts in social security, have fallen on women. Nor do they mention the fact that the Government's policies are projected to be even more regressive than those of the coalition that went before, hitting women and lone parents disproportionately hard.

In fact, contrary to what the Chancellor would have us believe, women in Britain are now facing the greatest threat to their financial security and livelihoods for a generation. Never before has a Chancellor upset so many middle-aged women at a stroke of his red pen; the pensions issue for women born in the 1950s is just one area of their income he has attacked. An awful lot of people will remember this, should he ever realise his ambition to lead the Conservative party. He might do that, but his blindness to the anger and upset felt by women on all manner of issues will probably mean that he will not fulfil his second ambition: to win a general election.

I spoke last week to my constituent, Amey-Rose McGrogan, who manages a small but successful independent business in Stockton North. The business is about to celebrate its second birthday. As of this coming Monday, the non-domestic business rates for which the business is liable are set to rise from £157 a month to £581. The business is facing tremendous increases in costs all round. The measures announced yesterday will help a little, but they are perhaps going to be a bit late. As the North East Chamber of Commerce has highlighted, this is just another example of a Government paying lip service to stability and failing to provide businesses with sufficient detail to plan for the future.

The Chancellor is not really doing anything to help our overall economy. He is not using any of the money available to central Government to fund this planned benefit to small businesses. Instead, he is stealing it from the local authorities, which are planning their budgets based on his previous proposals for the localisation of business rates, only to find out that he has cut their income yet again. That simply places further constraints on their ability to deliver the vital services that local people need, and I have no doubt that that will create untold difficulties for local authorities as they strive to cope with cut after cut and change after change.

Bill Esterson: My hon. Friend is right to point out that the Government are giving to small businesses with one hand and taking away from local government with the other. Does he agree that these measures will take money out of the local economy that those same small businesses were relying on for part of their success, and that the overall package is far less impressive and attractive than the Chancellor has made it out to be?

## Alex Cunningham: Indeed; I certainly agree with that.

The Minister needs to tell us what assessment has been made of the impact on local economies and on local authority funding of this policy change. In my constituency, Stockton Borough Council has faced funding cuts of £52 million in the last six years, and that is set to continue with a further reduction of £21 million over the next four years. The concessions to businesses are

[Alex Cunningham]

great, but local authorities should not be suffering as a result. Instead of empowering local councils, the Chancellor is undermining their effectiveness. Authorities such as Stockton with low tax bases will lose out as the vast wealth realised by rich councils in the south will no longer be redistributed to provide vital services across the country.

Unemployment is another particularly pertinent issue. When the Chancellor spoke in the House yesterday, he chirped merrily about a labour market delivering the highest employment in our history and unemployment having fallen again. What he did not say, however, was that that is not the case across the whole country. In Stockton North, for example, unemployment has actually increased, adding to the pressures that have been created by a spate of business closures and by Government failures to do more to protect our vital steel industry and related supply chains. As recently as Friday, 40 highly skilled workers at a specialist steel foundry in Stillington in my constituency were told that their jobs would go in May. What did the Budget offer such firms? Simply nothing. This Government stood in the way of EU tariffs on steel produced in the far east and now prefers to use foreign-made steel, rather than home-produced materials, to build Navy ships.

Speaking of materials, despite the hint from the Business Secretary during departmental questions on Tuesday that we would soon hear whether the materials catapult proposed by the Materials Processing Institute would be created, we heard nothing. It is all very unfair. We need fairness for the north-east of England.

4 pm

**Huw Merriman** (Bexhill and Battle) (Con): It is a pleasure to be able to speak in this Budget debate, particularly because the topic is education. Since being elected, I have visited a school a week in my constituency, which has given me the opportunity to discuss with heads, staff and pupils what they want from their schools. I have visited almost 50 schools and must say that I do not recall academisation being a particular ask of any of them.

Of my five secondary schools, only one is an academy and it has made me somewhat open-minded about academies. When it was built only six years ago, it was decided to build classrooms, or pods, for 90 students and that students would need a microphone to ask a question. As it was situated in a ward that is ranked within the bottom 5% for deprivation, it would not have taken Einstein to work out that that would cause some pupils to shrink into themselves and for behaviour to deteriorate. The situation became so bad that thanks to our new headteacher, a visionary leader, a welcome £6 million was awarded by the Department for Education to turn the pods into classrooms for 30.

The school is being transformed under a new head, but the situation should never have been allowed to happen and the £6 million would have been better spent improving the ageing facilities of my neighbouring schools, which are ranked as outstanding despite their buildings being poster children for the 1950s. Had the school been under the governance of East Sussex County Council, I would venture that the situation would not have arisen. That is not to say that I do not recognise the virtues of schools operating outside of local education authority

control, I just happen to be an advocate of choice. I also believe that, call it a free school, an LEA school or an academy, the key is having the right leadership in place and the good times then tend to follow.

Prior to moving to East Sussex 10 years ago, I spent five happy years as a governor of the Phoenix High School in White City. There were over 50 different first languages, a high proportion of pupils received free school meals, and just 9% of its pupils achieved five grades at A to C compared with a national average of over 50%. Our new headteacher, William Atkinson, was empowered by his team of governors to transform the school and did so through strong leadership, discipline and an expectation of excellence from staff and pupils. I spent many an hour dealing with disciplinary procedures as another child was excluded for a period of time. The head transformed the school from one that a parent would not want to consider into a centre of pride. The GCSE comparison went from 9% to over 60% and the head is now Sir William Atkinson. I recall that he did not have too much time for the services offered by the LEA, and it was no surprise that our school became an academy.

I make that point because it is proof that some schools work brilliantly as academies, but they should not be seen as bullet-proof. A good leader, excellent staff, a committed board of governors, and support are key for any school to thrive. Ultimately, however, I am excited by schools having the ability to make their own decisions.

Of my five secondary schools, only one has a sixth form. Two are outstanding, but the children have to leave at 16 years old. Children at one of the schools, Claverham Community College in Battle, are required to leave the town and travel long distances to study A-levels. I would like such schools to be able to make their own decisions on expansion and not be told by the LEA that they have to fit into a wider model. If academies allow that to happen, I can see the positives. However, we should be mindful that the considerable support that a good LEA such as East Sussex County Council provides, particularly to small primary schools, will need to be found from elsewhere. I look forward to reading the White Paper.

Yesterday, I happened to meet pupils from Herstmonceux Church of England Primary School straight after the Budget and was able to tell them the exciting news that they may be required to study maths until the age of 18. I did not detect a huge amount of excitement in their faces, but I recognise the desire, fuelled by our employers, that our young people should have the basics of maths and English covered when getting ready for the workplace. Much is made of this country learning from attainment in south-east Asia, but this is not Singapore, it is Britain. As well as mastering Maths and English, I want my children to explore the creative subjects, as that has allowed their fellow countrymen and women to become global leaders, inventors, entrepreneurs, explorers and pioneers.

Time will not permit me to continue, but ultimately, I would say, as a son of a teacher, that if we could give our heads and teachers more freedom to do their jobs and inspire our children, we may surprise ourselves and find that the need to dictate becomes less of an imperative.

Madam Deputy Speaker (Mrs Eleanor Laing): I am sorry, but we have to reduce the time limit to four minutes.

Situation

### 4.5 pm

Andy McDonald (Middlesbrough) (Lab): The Chancellor hailed his Budget as being for the "next generation", so I want to focus on a nationally significant research and development, industrial and economic issue that feeds through from STEM subjects—science, technology, engineering and maths—to higher education and into our industrial base, to which I urge the Government to give their attention. Disappointingly, there was nothing in yesterday's Budget to address this matter, but I wish to address it now.

Against the backdrop of the steel closure debacle at SSI on Teesside, many deficiencies and challenges were identified in our steel industry, and several asks were made of the Government. Sadly, there was no meaningful or timely intervention from them to save the SSI plant, which employed many hundreds of my constituents, but there could have been and there should have been. Although, without doubt, the entire materials sector is still critical to the UK economy, it is also widely accepted that critically important innovation in the sector is patchy and poorly co-ordinated. The UK industry Metals Forum has said:

"A forward-thinking, collaborative approach to R&D will have embedded innovation throughout the industry, from the smallest firms to the largest, directed by customers' needs."

In the UK, the catapult concept is where we have the mechanism for innovation intervention whereby we transform our capability and drive economic growth. Sadly, there is no catapult for the metals and materials sector, but there is an opportunity right under the Government's nose and I ask them to seize it. The proposal is a joint one from the Materials Processing Institute, the Institute of Materials, Minerals and Mining, and The Welding Institute—TWI—which jointly propose to meet that very need by establishing a new national materials catapult, as a not-for-profit partnership. The partners have letters of support from leading universities, which show this to be a major concern for the development and upscaling of fundamental research. There is widespread support for the proposal across industry. In a short period, more than 50 letters of support have been received from employer associations, trade associations, industry, small and medium-sized enterprises, universities, the public sector and private consultants.

The beauty of the proposal is that the partners are already in play. The catapult will work with universities and the other catapults, across all the sectors, and it would be headquartered at the campus of the Materials Processing Institute in Redcar, in close proximity to TWI in Middlesbrough and Teesside industry. Of course, the proposed location for the catapult would also enable the Government to deliver on the commitment they made in the Tees valley city deal, signed by the Secretary of State for Communities and Local Government, the right hon. Member for Tunbridge Wells (Greg Clark), to encourage Innovate UK to establish this catapult at the Tees valley innovation and commercialisation hub.

The concept of a materials catapult was raised by the CBI in 2014 and has been reaffirmed in its Treasury submission in advance of yesterday's Budget. Support has also been expressed by UK Steel and FSB, but, sadly,

that was not reflected by the Chancellor yesterday. With the partners having collectively more than 300 years of experience, world-leading facilities and an immediate national presence, the catapult presents excellent value for money. There are minimal start-up costs and because it is proposed to use existing buildings there is no leadin time for construction activity. The ask is for £5 million per annum of revenue support and £2 million per annum of capital, under the normal catapult funding model, and an initial capital award of about £10 million to fund equipment for core projects. The catapult will leverage recent and secured future investments that have been used to upgrade materials research and support facilities in Rotherham, Port Talbot and Cambridge, as well as on the two sites in the Tees valley.

**Alex Cunningham:** This must be an organisation worth backing because this week it actually started a new steel production facility on Teesside.

Andy McDonald: My hon. Friend is absolutely right about that, and it shows the value of these initiatives. I regret to say that sometimes we have to keep on pressing and repeating these requests. We are talking about a major contribution to our economy and it should be grasped, because, based on previous studies, a benefit of £15 per £1 of Government spending would be expected, giving a gross value added benefit of £75 million per annum.

The catapult is needed by industry nationally and could be delivered immediately. It would give some credibility to the much-vaunted but singularly absent northern powerhouse. The catapult is an entirely appropriate response to the steel crisis and builds on existing capabilities and expertise. It is cost effective and would have an immediate positive impact on UK companies. As well as that fifteenfold return, it could be a beacon for inward investment, and there is the real potential for a £300 million project to come to the catapult.

The catapult would improve productivity in the materials sector, strengthen manufacturing supply chains and drive growth by supporting new and growing technology-based small and medium-sized enterprises. It would improve international competitiveness by addressing the UK's relative disadvantage in materials innovation compared with Germany, the USA and Japan.

I urge the Secretary of State for Business, Innovation and Skills not to block this proposal, because I am convinced that it is vital for our industrial base and will provide immediate and significant research and employment opportunities. It will be readily achievable and make a huge contribution to our economy.

## 4.10 pm

**Bill Esterson** (Sefton Central) (Lab): I congratulate the hon. Member for Bexhill and Battle (Huw Merriman) on his excellent speech. He and a number of other Conservative Back Benchers gave the Government fair warning that the proposals in the White Paper will not be accepted without a great deal of scrutiny and challenge. He raised some very serious and correct concerns.

I am a parent of two children who are at secondary schools in my constituency, and a community governor of a primary school, which is also in my constituency. I must say that the primary schools in particular work [Bill Esterson]

extremely closely not just with other primary schools, but with the local authority. They view the education proposals with growing horror, as they see the flaws in what is being put forward.

Let us examine the Government's record on education since 2010. One of their first actions was to cut the Building Schools for the Future programme and to make other cuts in capital spending, with a disastrous effect on the then recovery—yes, it was a recovery, which was happening as a result of the actions of the outgoing Labour Government.

When the Exchequer Secretary responds to the debate, I am sure that, as a former member of the Education Committee, he will want to comment on the Government's education plans. Over the past nearly six years, we have seen cuts in sixth form college funding, with a third of colleges facing an uncertain future, the forced academisation programme with a likely price tag of half a billion pounds and an extra £500 million cost for extending the school day, which is on top of £4 billion of cuts over the next four years. I have been asked: what will happen to special schools and to children with special educational needs?

**Mr Steve Reed:** Does my hon. Friend share my view that it is hypocritical of the Government to claim that they support localism while forcing schools to academise whether they want to or not?

Bill Esterson: Absolutely.

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Just before anyone else gives way or intervenes, it must be noted that there is only a certain amount of time for this debate and that Members who are at the end could be squeezed out altogether. Giving way and adding an extra minute to somebody's speech does not add any more minutes to the time in a day.

**Bill Esterson:** I was going over the Government's approach over the past six years. They scrapped compulsory work experience, with the knock-on effect on the economy. The education and business partnership in my borough is a great success, but it has been consistently undermined over that six-year-period. It had established very good working relationships with businesses and employers generally, and there is a profound economic effect of that policy, as there is with the undermining, and almost destruction of, the careers service.

Turning to forced academisation, we have many good and outstanding schools in the maintained sector. We have parents, children, staff and communities that value the partnership between schools and the local authority. We have academies that are successful, so why are the Government hell-bent on making changes?

In an intervention earlier, I referred to the White Paper and the section on removing the requirement to have parents on governing bodies. Parents will be ignored in the forced academisation process, despite the words from the Secretary of State in her foreword expressing confidence in parents and calling on them to join in the process to improve standards, but clearly not so much that the Department wants parents to be involved in the governance of schools in future.

All that is done in the name of localisation. I think not. This is centralising to the Whitehall desk of the Secretary of State and her Ministers, as is the land grab—the biggest land grab since Henry VIII ransacked the monasteries—with the Government taking ownership of all the land. When the Treasury Minister responds, he will have to demonstrate to me that that is not the case. That is what is proposed by transferring ownership of the land to the Secretary of State.

We have a centralising Secretary of State and a centralising Government who do not trust local people, parents or school leaders. At a time when we have a shortage of staff and a great lack of confidence in Government, all they can do is force schools to do things against their wishes. That is not the way education should be run.

4.16 pm

17 MARCH 2016

Cat Smith (Lancaster and Fleetwood) (Lab): Growth has been revised down last year, this year and for every year of the forecast. Business investment has been revised down last year, this year and for every year of the forecast. In this Budget the Chancellor has failed to provide a future for the next generation.

I have some fantastic schools in my constituency and I have been privileged recently to visit two of those schools which have improved their Ofsted results, Fleetwood High School and Carter's Charity Primary School in Preesall, both coastal schools which, with strong leadership and under the headships of Richard Barnes and Brendan Hassett, respectively, are showing great signs of improving, with the support of the local authority. But all this is at risk from the Chancellor's reckless plans to force all schools to become academies, whether they want to or not. Parents must have a say in the future of local schools, and it is wrong for this Government to impose a one-size-fits-all solution on schools. That will take away the national curriculum, accountability to local people through councils, and the ability of parents and of the community to obtain information to find out what is going on through freedom of information requests.

How does removing local authorities' role from our schools put power in the hands of local people? Michael Wilshaw, the chief inspector of schools, has written to the Secretary of State, highlighting to her the serious weaknesses in academy chains, but this Government have failed to listen to the evidence.

I have great concerns for my constituents about the future of museums. Although I welcome the announcement in the Budget of support for museums, that is of little comfort to my constituents, who are worried about the future of Fleetwood Museum, the Maritime Museum in Lancaster, the Judges' Lodgings and the Cottage Museum, all of which are supported by Lancashire County Council, but after budget cuts year after year, the council is unable to provide that support and we risk losing our northern museums.

On disability, I pay tribute to my constituent Graeme Ellis who, until yesterday, had been a lifelong Conservative party member. He felt that the choices made by the Chancellor to hit disabled people to give tax breaks to the rich was a step too far. He resigned in style.

I welcome the principle of the sugar tax as a positive step towards encouraging people to make healthy choices. As an MP with a heavy dairy-farming constituency, I welcome the decision to remove milk-based drinks from the levy. The situation in the dairy industry is far from good right now. Average dairy farm incomes are forecast to fall by half in 2015-16 and arable incomes are expected to be down by almost a quarter. Sadly, there is little comfort for the 90% of UK farm businesses which are unincorporated and therefore will not be beneficiaries of the Chancellor's continued focus on reducing corporation

Three months on from Storm Desmond, the Chancellor's announcement of £700 million for flood defences is welcome for the parts of the country that benefit from it. I was concerned to see that Lancashire was not included, and it is little comfort to my constituents around the River Cocker and in Winmarleigh and Thurnham, who suffered so badly in the flooding.

One of the biggest issues, which fills my inbox every week, is the effect of council cuts and losing local services, but there is nothing in the Budget that helps councils. This Budget fails local government.

Rather than investing in building new homes to fix Britain's broken housing market and cut housing benefit costs, the Chancellor has slashed housing investment by 60%, and housing benefit has risen by more than £4 billion a year in cash terms.

This Budget is a failure, it lacks any fairness and it offers nothing for the future. If anything it only amplifies the question: how can we trust the Chancellor to get it right for the next four years, when he has not had it right in the last four months?

### 4.20 pm

Sue Hayman (Workington) (Lab): Yesterday, in his Budget announcement, the Chancellor made much capital out of the economic recovery and the rate at which unemployment was falling, but he needs to understand that not every part of Britain is enjoying this economic recovery. In my constituency, not only do we have above-average unemployment, but the latest figures from the House of Commons Library show that unemployment recently increased for the third month in a row. The Chancellor says he wants to put the next generation first, but youth unemployment remains stubbornly high in my constituency, at nearly twice the national average.

The Chancellor says all schools have to become academies by 2020. While I wish the schools in my constituency that are already academies every success, there is simply no evidence that forcing all schools to become academies will deliver higher educational standards and more qualified teachers. I am also concerned that removing accountability to local authorities may put children with special educational needs and disabilities at risk of losing the vital support they need. Schools are also still struggling financially, and we have a particular problem in my constituency with recruiting and retaining teachers, which puts huge strain on our schools' ability to meet the educational needs of our children.

We struggle to recruit skilled professionals in not just education, but healthcare, and that is in part down to our poor transport infrastructure. It is all very well the Chancellor announcing money for the northern powerhouse and talking about High Speed 3, but that does nothing for people in Cumbria, who have totally inadequate road and rail infrastructure. To get people to come to west Cumbria, we need to be accessible from the outside world. Simply upgrading the A66 between Scotch Corner and Penrith does not help west Cumbria or our recruitment crisis. I have been calling for investment in the crucial A595 artery, which will be heavily relied on following the new investment in the nuclear new build at Moorside.

To be honest, people in west Cumbria are fed up with the usual warm words and rhetoric from the Government. It is about time Ministers recognised that the north extends beyond Lancashire. With the nuclear new build at Moorside, Cumbria will physically put the power into the northern powerhouse.

The money announced yesterday for flood defences is welcome, because it is important we do everything we can to ensure we do not see a repeat of the devastation caused by Storm Desmond. My constituents need safe, secure homes and businesses, and I understand from the Treasury today that money will be available for the village of Flimby in my constituency, but there is no mention of Workington or Cockermouth.

The Budget documents talk about investing in Her Majesty's Revenue and Customs, yet the Government want to close the office at Lillyhall in my constituency and to centralise operations in Manchester and Newcastle—more than two hours away. That means not only that my constituents will lose any access to face-to-face interaction, but that hundreds of people will lose their jobs.

My constituents are absolutely fed up with being left out of the Government's plans. Just because west Cumbria is remote, that does not mean we should be forgotten. We have huge potential—given the right tools to make things happen. I urge the Government to look again at how west Cumbria can be properly incorporated into the northern powerhouse so that all our people can have a future.

### 4.24 pm

17 MARCH 2016

Patricia Gibson (North Ayrshire and Arran) (SNP): George Osborne's Budget yesterday was nothing more than an attempt to—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. The hon. Lady has to say "the Chancellor of the Exchequer" or "the right hon. Gentleman".

Patricia Gibson: The Chancellor's Budget yesterday was nothing more than an attempt to confirm that austerity is king for this Government. Ideology has blocked the path of any attempt to ease the burden on the backs of the less well-off. Even setting aside the cuts to welfare and capital spending, the OBR estimates that between 2009-10 and 2019-20 Westminster funding for day-to-day public services is forecast to fall by the equivalent of about £1,800 per head. Chillingly, the Institute for Fiscal Studies predicts that the scale of the cuts to departmental budgets and local government will reduce the role of the state to a point where it will have "changed beyond recognition", with £3.5 billion of new cuts in this Budget. That is an additional £3.5 billion of cuts for 2019-20 that will once again hit unprotected Departments. The Chancellor of the Exchequer has not specified where that money will come from, either.

[Patricia Gibson]

Scotland faces a £1.5 billion cut in its funding for public services, which means that between 2010-11 and 2019-20 Scotland's fiscal departmental expenditure limit budget has been reduced by an eye-watering 12.5% in real terms.

I listened earlier to this Government lauding their support for young people, but we have already witnessed the slashing of student maintenance grants for some of the poorest students and their being converted into loans. Housing benefit for unemployed 18 to 21-year-olds has been scrapped, which will create enormous hardship for young people. Student fees will continue to rise. Student nurses will no longer receive grants, but loans instead. All calls for the reintroduction of the post-study work visa in Scotland have gone unheeded.

Of course we welcome the support for the oil and gas industry—as far as it goes—but what is really required is a strategic review of the whole tax regime for oil and gas. The SNP called for a such a review ahead of the Budget, but again that went unheeded. The freeze on fuel duty is to be welcomed. This is a victory for small businesses and rural communities such as Arran in my constituency, and it will also be welcomed by families with stretched budgets across the UK.

More than anything, this Budget bolsters and consolidates inequality across the United Kingdom. Increasing the personal tax allowance is a very expensive approach and it badly targets help for the low paid. That is the view of the Child Poverty Action Group, and the Government should take note. It is not a social justice measure when 85% of the £2 billion that the Treasury spends goes to the top half and a third goes to the top 10%. For every £1,000 by which the personal tax allowance goes up, basic tax rate payers gain £200, but universal credit rules will claw back 65% of that gain from the low paid, leaving them gaining only a maximum of £70 a year. Child poverty campaigners have concluded that this Budget sets the next generation up to be the poorest for decades. Yet there is still money—between £15 billion and £100 billion—to be found to renew Trident. Disability rights groups have warned that these changes will be a devastating blow to disabled people. This is a Budget of missed opportunities.

## 4.28 pm

**Imran Hussain** (Bradford East) (Lab): With time not permitting me to go further, I will focus my remarks on the northern powerhouse schools strategy.

Bradford lies near the bottom of the school league tables, as I have mentioned several times in this place. From what I have seen in the few paragraphs of the Chancellor's Red Book, I tentatively welcome some aspects of the strategy to improve education in the north, as it is clear that we cannot carry on as we are, but the proposal needs a greater level of detail. I hope that the report from Sir Nick Weller in the next six months will provide that detail. I also want to point out that I am extremely cautious of other aspects.

Schools that are classed as vulnerable and coasting are often those in the most deprived areas, and that is the case in my constituency. They are the schools that are most in need of funding to get them on the road to recovery and to provide the standards of education that

we expect and need for our children. We need to support those schools, so I will be interested to see how the Department for Education plans to implement the funding boost for turnaround activity in coasting and vulnerable schools.

I also note the intention to look at ways of recruiting and retaining the best teachers. The situation is close to crisis, particularly in Bradford, and it was recently highlighted by a damning report by the National Audit Office. I hope that the Department for Education will carefully consider that report and that it recognises the problems with teacher recruitment and retention. I look forward to its response to the report.

I cannot help feeling that I have seen some of the measures before. They look very much like the London challenge, which achieved extraordinary results in London, but the Government scrapped it in 2011. They also happen to look like the Bradford or northern challenge, which I have called for repeatedly. The Government appear to have finally seen sense, accepted the results the previous scheme achieved and decided to bring it back in another form.

Unfortunately, however, the Chancellor's proposal appears to be an academised version of the London challenge. Despite the promise shown by some of the other measures, I am unsure about the Government's plans to invest in expanding academy chains, as I see little evidence to suggest that academies are the best way forward.

I am also perplexed as to how the academisation of all schools fits in with the Government's devolution agenda, as it will take responsibility for education out of the hands of local authorities and centralise it in the Department for Education. As well as removing the ability to focus on and scrutinise school performance, the proposal leaves me questioning what the role of local authorities will be after they have had huge funding cuts and responsibility for education taken away from them.

I await the publication of Sir Nick Weller's report in the next six months, and I hope the Government will finally deliver solid recommendations for an effective strategy for improving the state of education in the north once and for all.

4.32 pm

**Ian Blackford** (Ross, Skye and Lochaber) (SNP): It is a pleasure to follow the hon. Member for Bradford East (Imran Hussain).

What a dismal failure of a Budget from a failing Chancellor. We heard yesterday that there are to be additional spending cuts of £3.5 billion in 2019-20, as austerity is forecast to still be with us 12 years after the financial crisis. Yet we hear that, among other measures, capital gains tax is to be cut. Let us contrast those two measures: tax cuts for the wealthy, and ongoing austerity for everyone else. That demonstrates once again that austerity is no more than a political choice by this Government.

Chris Stephens (Glasgow South West) (SNP): I agree with my hon. Friend. Does he agree that this Budget contains more cuts than a Bates motel shower curtain?

1196

**Ian Blackford:** Indeed it does. This Government have missed an opportunity to create hope for a better future, with investment in our economy and people.

When the OBR tells the Chancellor that growth forecasts are below expectations, he finds room for tax cuts and balances the books with further spending cuts. He said yesterday,

"nor as a nation are we powerless. We have a choice."

No kidding! He is choosing to punish the poor again with the choices he is making. He also said that

"productivity growth across the west is too low".—[Official Report, 16 March 2016; Vol. 607, c. 951.]

He made no analysis of why that is, and he did not reflect on why productivity in the UK, which we were told was central to the long-term economic plan, has been flatlining for so long.

There is no long-term economic plan. It is a myth and a meaningless soundbite from a Chancellor who does not have a plan to deliver sustainable economic growth. His only plan is to move out of No. 11 and into No. 10 Downing Street as soon as possible. Without a plan to drive productivity, we cannot drive sustainable economic growth.

Let us look at what the Chancellor is changing in the pensions world. We need predictability and a high degree of certainty if we are to encourage savings in this country and make sure that people have security and dignity in their old age, but the Chancellor carries on fiddling with the arrangements and undermines confidence in pension savings. The Chancellor's abandonment of radical reform of tax relief in the Budget was a missed opportunity to rebalance the system and instil fairness at the heart of pension savings. The current pension tax relief regime is regressive, because it benefits higher-rate taxpayers exponentially, while modest earners miss out. The *Financial Times* last week ran a story with the headline:

"How to double your money instantly using pension tax breaks",

adding:

"Welfare for the wealthy has rarely been so generous in the LIK"

That is the reality from this Conservative Government. The SNP support the offering of incentives through tax relief, but we want that to be done in a way that supports equity and fairness.

It is wholly remarkable and unacceptable, when we are told that welfare must be cut—when the poor have to pay the price—that pension tax relief, which is skewed towards helping higher tax-rate pensioners, is left untouched. Just where are the Government's priorities? We are incentivising the wealthy and squeezing the poor; that is the Chancellor's Britain.

The Chancellor has sat on his hands on tax relief in the week in which the Select Committee on Work and Pensions has published its report on the communication of state pension age changes. It is worth highlighting that the report's conclusions and recommendations state:

"We recommend that, if the Government is subsequently able to allocate further funding, it should commission an independent assessment of the merits of the following options: slowing the increase in the state pension age to 66; revising the timetable for increases in the state pension age to reach 65 by April 2019 and 66 by April 2021...and a transitional pension benefit."

Why has the Chancellor not reflected on that in the Budget, and why is he refusing to do something about frozen pensions? I tabled an early-day motion asking that we look at the issue of frozen pensions, because 550,000 foreign pensioners have paid into Britain, but their frozen pensions mean that they cannot benefit fully from that. The Government have to answer this charge. We are going into a European referendum. If the Brexiters win the day, an additional 400,000 British citizens will lose the automatic uprating of their pensions. That is something that the House must address.

Why does the Chancellor not look at redirecting some of his funds from pension tax relief to benefit the women born in the 1950s who are suffering inequality? This is a Budget that could do far better than it has done.

4.37 pm

Kate Green (Stretford and Urmston) (Lab): We heard in the Budget yesterday the story of a record of failure, which was highlighted by my hon. Friend the shadow Chancellor this afternoon. Growth has been revised down. Investment has been revised down. Debt—both public debt and household borrowing—is rising. Productivity has been revised down. The welfare cap has been breached, and it will be in every year in this Parliament.

The Opposition welcome increases in the employment rate, although we should acknowledge that such rises have not been seen everywhere—particularly not for young people, as my hon. Friend the Member for Workington (Sue Hayman) pointed out—but the scandal of in-work poverty is one that Conservative Members really should attend to. I say to the right hon. Member for North Somerset (Dr Fox) that it is not enough just to create the jobs; they need to be secure, sustainable and adequately remunerated to ensure that work really lifts families out of poverty. The Government's strategy does not do that. Indeed, secure jobs and a secure economy are made all the more vulnerable by the Tory chaos over Europe.

We heard from the Chancellor yesterday that this was "a Budget for the next generation"—[Official Report, 16 March 2015; Vol. 607, c. 995.]

and we heard from the Secretary of State for Education earlier today about the detail of the policies that would give effect to the Chancellor's intentions. Concerns have been expressed by many of my hon. and right hon. Friends, including my hon. Friends the Members for Huddersfield (Mr Sheerman), for Enfield North (Joan Ryan), for Oldham West and Royton (Jim McMahon), for Sefton Central (Bill Esterson) and for Croydon North (Mr Reed). It is fair to say that there is real concern among Members on both sides of the House about the policy of forced academisation in the teeth of a report by the head of Ofsted, Sir Michael Wilshaw, that is at best ambivalent about the performance of academy institutions.

The proposals are against the wishes of teachers—the Secretary of State herself said that we ought to treat them as professionals—and they ignore the fact that some, indeed many, local authority schools, especially primary schools, around the country perform extremely well. That was said by my right hon. Friend the Member for East Ham (Stephen Timms), the hon. Member for

[Kate Green]

Bexhill and Battle (Huw Merriman) and, indeed, by the Tory chair of the Local Government Association children and young people board.

There is no guarantee that failing academy chains will not expand their failure by absorbing more schools into their academy structures. My right hon. Friend the Member for East Ham specifically asked about that, but he received no reply from the Secretary of State. There is a lack of clarity, although the Secretary of State made a welcome commitment to look at the particular situation of co-operative schools, which was raised by my hon. Friend the Member for Harrow West (Mr Thomas). There are real worries that the proposals ignore the wishes of parents, who will no longer have the right to be on school governing bodies.

**Michael Tomlinson:** I understand what the hon. Lady is saying about academies, and she will have heard the points I made. Will she say whether Labour Members are now in favour of fairer funding for our schools, as they were when they were last in power?

**Kate Green:** Of course we are in favour of fairer funding, but as we have always said, the devil is in the detail. It is particularly important to ensure that it does not create a situation in which schools serving a large number of disadvantaged students lose out. That will be a challenge for the Government to address if they are not prepared to put in funding where it is most needed and make sure that that funding is sufficient.

We have heard several right hon. and hon. Members express the concern that the Secretary of State's proposal for academisation will in fact replicate the massive top-down reorganisation we saw in the NHS. In particular, the hon. Member for Gainsborough (Sir Edward Leigh) made that point. The proposal was not in the Conservative party manifesto, and we have not had the opportunity to put it to the electorate, but now it is being forced on us. [Interruption.] It is not Labour policy to force academisation on any successful school. The Under-Secretary of State for Education, the hon. Member for East Surrey (Mr Gyimah), really ought to get the detail correct before he intervenes from a sedentary position.

We have heard real concerns about the crisis in teacher retention and, as my hon. Friend the Member for Bradford East (Imran Hussain) said, in recruitment. The target for teacher recruitment has been missed in each of the past four years. In particular, there are recruitment issues in mathematics, an area that the Secretary of State wishes to expand. We heard no mention of how rising class sizes and the crisis in school places is to be addressed. There was no mention of the cuts to further education and sixth forms, and no acknowledgment of the need not just to increase the number of apprenticeships, but to improve their quality.

The proposals do not form a coherent and complete strategy for education for young people, and we must also remember that the Government's failure of young people goes further than failing them in their education. I was particularly struck by the passionate speeches of my hon. Friends the Members for Lewisham, Deptford (Vicky Foxcroft) and for Croydon North, who highlighted the slew of policies that have been or have the potential

to be extremely threatening to the wellbeing of young people—from cuts to Sure Start and child protection to cuts to youth services.

My hon. Friend the Member for Barnsley Central (Dan Jarvis) highlighted the IFS's projections about the very worrying rise in child poverty during the course of this Parliament, and many colleagues have also raised concerns about young people's lack of access to housing. We of course agree that many young people aspire to own their own homes, and we wish to see measures to support them to do so. It is very disappointing that, alongside that, the Government are not prepared to support young people who are renting, whether from choice or necessity. Indeed, the situation of those young people has been made significantly worse by cuts to housing benefit. Members from right around the House acknowledge that the fundamental problem in housing is the lack of supply. The central part of this Budget should have been about building more houses.

Inequality in the Budget stretches beyond young people. We heard again and again about the disproportionate burden of the cuts to tax credits and benefits and the tax changes that have fallen on women, and there does not seem to have been much progress in negotiating away the tampon tax. My hon. Friends the Members for Ynys Môn (Albert Owen) and for Stockton North (Alex Cunningham), and the hon. Member for Ross, Skye and Lochaber (Ian Blackford), spoke about how the needs of women pensioners born in the early 1950s have been overlooked.

The Labour party is appalled at the further cuts to benefits for disabled people, which will shred the dignity of those who need help with dressing or using the toilet. We are also concerned about the geographic unfairness inherent in many of the measures announced by the Chancellor, which have been highlighted by my hon. Friends the Members for Kingston upon Hull North (Diana Johnson), for Croydon North, and for Stockton North. In particular, given that the business rate cuts that will help small businesses are not being funded by central Government, they will place a significant burden on local authorities—[Interruption.] Well, I am glad to hear that, but we did not hear that from Ministers earlier. [Interruption.] I am pleased to acknowledge it if I am in error, but the issue was raised earlier and not challenged by Ministers. I would expect them to be more on the ball in defending their policies.

My hon. Friend the Member for Lancaster and Fleetwood (Cat Smith) highlighted the need to ensure that the extra support for communities devastated by flooding reaches those communities, and my hon. Friend the Member for Middlesbrough (Andy McDonald) highlighted the need to ensure industrial investment in his constituency. Overall, this Budget will benefit the better off at the expense of the poorest. The Resolution Foundation stated that 80% of changes to income tax will benefit the 20% richest people in the country, and capital gains tax changes will certainly benefit the better off. The TUC says that workers are on average £40 a week worse off than they were before the recession. This Budget does not deliver fairness, prosperity or a secure future for the next generation. It is a hotch-potch of excuses, revisions, disguises and failures driven by ideology. That is not fair to today's young people, or to the next generation.

4.47 pm

The Exchequer Secretary to the Treasury (Damian Hinds): Today's young people can look forward to some of the most exciting opportunities that a generation has ever faced, but also to a much more uncertain world. They face a changing world order, where the economic and political dominance of the west is increasingly challenged by developing and emerging economies. They face a changing labour market, with a growing premium on high value added jobs and the knowledge economy. They are unlikely to stay in the same job for life, they are much less likely than their parents to have a defined benefit pension, and they face much higher house prices, albeit that those are greatly mitigated by the low interest rates that have come about from our sound economic stewardship.

That comes on top of long-standing issues that the Government inherited in 2010 but that, to be fair, have existed for much longer. There is a productivity gap between the UK and other major global economies, an educational gap between rich and poor and between different parts of the country, and a lack of financial resilience in many parts of the population, without even the cushion of a small savings account.

The Government have been facing up to those structural issues through our educational reforms, the revolution in apprenticeships and the national living wage. This Budget puts the next generation first. It builds up our young people's skills, and builds the infrastructure for a modern economy and higher productivity. Alongside all that is rightly being done to increase housing supply, it also helps young people to save for their retirement and for owning a home, with all the security that that can bring. For many, the Budget makes possible a rainy-day savings cushion for the first time.

The Budget also commits £1.6 billion extra over this Parliament to education in England. Academies are a key part of our education reforms, as the Education Secretary outlined earlier, and research from the OECD, the European Commission, and others, has repeatedly shown that more autonomy for individual schools can help to raise standards.

The right hon. Member for East Ham (Stephen Timms), my cloakroom neighbour, rightly talked about the performance of London schools and the London challenge. Many factors have gone into improving the performance of London schools. In fact, the improvement in performance predates the London challenge—the year the London challenge started is the year that the GCSE performance in London caught up with that of the rest of the country—but one of the factors in London's outperformance was the school mix, including the disproportionate contribution to improvement made by academy schools.

Alex Cunningham: I am grateful to hear the lovely compliments for my right hon. Friend the Member for East Ham (Stephen Timms). The Secretary of State could not tell us where the extra money was coming from to fund the forced academies programme. Can the Minister do so?

**Damian Hinds:** The money announced in the Budget comes on top of what was announced in the spending review.

The right hon. Member for East Ham asked how the national funding formula would be done. We will consult on the principles through which it will work, but the intention is to ensure that it is fair and that it reflects need, unlike the rather arbitrary system we can have currently.

### **Stephen Timms** rose—

**Damian Hinds:** I am sorry but I am going to make some progress.

A number of hon. Members, including my hon. Friend the Member for Bexhill and Battle (Huw Merriman), talked about post-16 maths. There is a massive premium on the study of maths and maths qualifications, as the report by Professor Alison Wolf identified. Maths will become more important as time goes on, but it is right that we ask the question and work out the best way to have further maths study, including by taking into consideration the questions that a number of hon. Members raised.

Hon. Members, including my hon. Friends the Members for Mid Dorset and North Poole (Michael Tomlinson) and for Taunton Deane (Rebecca Pow), raised the importance of sport in school. My hon. Friend the Member for Faversham and Mid Kent (Helen Whately) rightly mentioned in an intervention that the difference in opportunity in sport and other extracurricular activities is part of the gap in opportunity between children in state schools and children in public schools. It is therefore very important for social mobility.

A number of right hon. and hon. Members talked about the levy on manufacturers and importers of sugary soft drinks. My hon. Friend the Member for Chippenham (Michelle Donelan) movingly spoke of her own family and reminded us of the health benefit that is at the centre of the policy, which was also mentioned by my hon. Friends the Members for South West Wiltshire (Dr Murrison) and for Faversham and Mid Kent, and the hon. Member for Barnsley Central (Dan Jarvis). Of course, we would rather not collect that much of that tax. The reason for the delay before it is introduced is to allow the manufacturers to change the formulation of their drinks or change their marketing so that they are pushing and promoting more the lower-sugar variants and products. We hope they will do so.

Rightly, a number of times in the debate, the important subject of the support that is given to people with disabilities has come up. I reassure the House that real-terms spending on the personal independence payment and its predecessor, the disability living allowance, has increased by more than £3 billion since 2010. The PIP budget will continue to increase from now until 2020. The reforms announced last week will bring spending closer to the level forecast in November and ensure that increased spend is targeted on those who need it most.

## Catherine West rose—

**Damian Hinds:** I am sorry but I will not give way.

We are exempting disability benefits from the uprating freeze and exempting recipients of them from the benefits cap. We are aiming to halve the massive employment gap between those with disabilities and those without. Over the past year, the number of disabled people in employment has risen by 150,000, but there is much

[Damian Hinds]

more to do, hence the increase in the Budget for the Access to Work programme, the expansion of the Fit for Work scheme, and the increase in funding for dedicated employment advisers in IAPT— improving access to psychological therapies—services, among other programmes.

As today's theme is education and young people, I should mention the replacement—it comes from the previous Parliament—of statements for children and young people with special educational needs and disabilities with educational health and care plans, which for the first time bring together the care, health and education needs of some of our most vulnerable young people from the age of zero right up to 25. It is too early to measure the full effect of the programme, but most hon. Members would welcome it—I hope so.

On some of the other issues raised in today's debate, the hon. Member for Middlesbrough (Andy McDonald) talked about the catapult proposal. I am not in a position to comment on that in detail, but I am very happy to hear more about it. My hon. Friend the Member for Gainsborough (Sir Edward Leigh) talked about tax simplification. We have eliminated the carbon reduction commitment part of the tax system, and there is also the zero rating of petroleum revenue tax. We are making the filing of taxes easier and making sure there are more people in HMRC call centres to take calls.

On the carer's allowance, raised by the hon. Member for Banff and Buchan (Dr Whiteford), the spend has increased by almost half since 2010. My hon. Friend the Member for Mid Dorset and North Poole rightly mentioned the increased funding to deal with homelessness and the attention being given to provide second stage accommodation for people leaving hostels and refuges.

The hon. Member for North Ayrshire and Arran (Patricia Gibson) and the hon. Member for Stretford and Urmston (Kate Green)—it is a pleasure to speak opposite the hon. Lady from the Dispatch Box for what I think is the first time—suggested that inequality was rising due to the Government's policies and the Budget. Inequality is actually coming down. The simple fact is that, if we look at the effect of policy over the period, the pattern of how public spending goes to different income groups in society remains broadly flat, while the incidence of taxation has shifted towards the top end.

My right hon. Friend the Member for North Somerset (Dr Fox) and my hon. Friend the Member for Faversham and Mid Kent reminded us of the Government's employment record. I remind the Opposition that the bulk of those jobs have been in full-time and higher-skilled occupations. My hon. Friends the Members for Congleton (Fiona Bruce), for Reading West (Alok Sharma) and for Tamworth (Christopher Pincher) reminded us that only business can create the wealth that gives security to families, and affords us the excellent schools and our world-leading national health service. We are therefore right to reform small business rate relief; fuel duty, which is an important cost for many businesses; and corporation tax to make sure that investment is incentivised, while at the same time introducing a further £8 billion package on tax avoidance by multinationals. We say that we are going to have a very competitive tax system and that we want to attract investment to this country, but when companies operate in this country we expect them to pay the full tax that is due.

Yesterday, my right hon. Friend the Chancellor was candid with the House about the challenges facing the global economy. They are challenges from which no economy is immune, particularly a globally connected, trading economy such as ours. That is why it is so important to make Britain fit for the future, whatever challenges may lie ahead. It is why we focus on stability, employment, enterprise, innovation and opportunity. It is why we put in place policies helping people at every stage in their lives: from early-years childcare, to financial security and dignity in old age.

The reforms in education announced in this year's Budget take that agenda forward. They help our aim of creating a society where everybody can achieve their aspirations and fulfil their potential—for children to get the best start in life, regardless of background; for them to be able to go to work in businesses as committed and skilled employees, companies that are incentivised towards productive capital investment; for young people to get on to the housing ladder; for our towns and cities to prosper, and to attract investment; for families to save for their retirement; and for everyone in our society to have a stake in the prosperity that, through this Budget, this Government are continuing to deliver.

#### Catherine West rose—

Madam Deputy Speaker (Mrs Eleanor Laing): If the hon. Lady wishes to speak, she may.

Catherine West: Thank you, Madam Deputy Speaker. I thank the Minister for being very quick in his remarks and allowing a little time. I just wanted to know what he thought of Councillor Edgar, from his own authority, who stated that he was very angry with the Chancellor about the proposals brought forward yesterday for academisation. He almost sounds ready to rip up his Conservative card, so upset is he about the fact that all schools—[Interruption.] He is a local authority man who is very proud of his schools and who would like to reiterate his dedication to education—

Madam Deputy Speaker (Mrs Eleanor Laing): Order. The hon. Lady has made her point, but a response is not possible. Things are rather in the wrong order.

5 pm

The debate stood adjourned (Standing Order No. 9(3)). Ordered, That the debate be resumed on Monday 21 March.

### **Business without Debate**

### ADJOURNMENT (EASTER, WHITSUN, REFERENDUM RECESS, SUMMER, CONFERENCE RECESS, NOVEMBER AND CHRISTMAS)

Motion made, and Question put forthwith (Standing Order No. 25)

That this House:

(1) at its rising on Thursday 28 April 2016, do adjourn until Tuesday 3 May 2016;

(2) at its rising on Thursday 26 May 2016, do adjourn until Monday 6 June 2016;

- (3) at its rising on Wednesday 15 June 2016, do adjourn until Monday 27 June 2016;
- (4) at its rising on Thursday 21 July 2016, do adjourn until Monday 5 September 2016;
- (5) at its rising on Thursday 15 September 2016, do adjourn until Monday 10 October 2016;
- (6) at its rising on Tuesday 8 November 2016, do adjourn until Monday 14 November 2016; and
- (7) at its rising on Tuesday 20 December 2016, do adjourn until Monday 9 January 2017.—(Guy Opperman.)

Question agreed to.

# **School Places (Barking and Dagenham)**

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

5.1 pm

Jon Cruddas (Dagenham and Rainham) (Lab): I want to make several points regarding school places and school funding in the London borough of Barking and Dagenham. I will not use all my allotted time so that my right hon. Friend the Member for Barking (Dame Margaret Hodge) can also contribute before the Minister responds.

From the outset, I should say that our local authority appreciates the work carried out between the Education Funding Agency and local authority officers and that the need to meet additional demand has been recognised by the Government. My concern today is to ensure that this recognition translates into genuine action and appropriate funding arrangements over the years that lie ahead. I want to go into some detail regarding the challenges we face that are difficult for national allocation formulae and systems fully to understand, in the hope of ensuring that the Treasury grants the Department for Education the money it needs.

To set this in context, there are obvious London-wide pressures on school places. London Councils' "Do the Maths 2015" analysis shows that London's pupil population is set to increase by a further 146,000 between 2015 and 2020; that London needs to create 113,000 new school places over the course of this Parliament; and that it needs £1.5 billion of basic need funding by 2020 to create the new places required. Even set against that capital-wide challenge, the challenges facing Barking and Dagenham are unique in terms of demographic change, pressure for school places and an ageing school estate.

When I was first elected, the borough would have been characterised as a relatively stable community with a slightly ageing population. This picture of stability was reflected in the school numbers: between 2000-01 and 2005-6, primary school numbers actually fell by 150. In contrast, over the last 10 years, the borough has become one of the fastest-changing communities in Britain. We have to deal with demographic changes the likes of which we could never have imagined back in 2001, let alone 2005, driven by the fact that we remain the cheapest housing market across Greater London.

We saw a 43% increase in primary pupil numbers between 2009-10 and 2014-15, and this is likely to rise to 48% by 2016-17. At 48%, this will be the highest increase in England. Between 2009 and 2013-14, the headcount rose by 7,421. Those areas with a higher headcount were Birmingham, Bradford, Hertfordshire, Manchester and Surrey—none comparable in terms of the size of the community. Barking and Dagenham remains a relatively small London borough. This year—in a single year—we saw a 12.7% increase in the number of year 6 children applying for secondary school places next year, which is the highest in London by over 3%. The proportion of children under 19 in the population is expected to reach at least 33% before 2020. This is 10% higher than the average for England and around 8% higher than the average for London.

All those increases are before the significant increases we expect owing to increased housing units across the borough. For example, we are looking at development sites across Castle Green, Barking Riverside, Barking [Jon Cruddas]

town centre, Creekmouth, Thames road and Beam park and the old Ford stamping plant, which amount to some 29,300-plus units over the next decade or more.

Dagenham)

Already, the borough has committed to support the London Mayor by providing 5% of the planned growth in housing for London—some 75% higher than we might have expected on a pro-rata basis. This will go a long way to meeting London's housing crisis, but we must make sure that it does not fuel a deepening school places crisis locally. The latest estimates from the LEA are of a further 5,500 increase in the primary school population by 2021-22 and a 7,700 increase in the secondary school population. Overall, we are witnessing a unique population surge. Just after the 2020 election, the school population will be over 50,000—virtually double the headcount compared with when I was first elected in 2001.

Let us now consider some of the funding implications. Based on our place projections for up to 2021, a total of 20 additional forms of entry will be needed at primary level, which is equivalent to around seven new schools, costing approximately £63 million. At secondary level, we anticipate 41 extra forms of entry, which is about the size of four large secondary schools, costing about £100 million. We will also need to expand our special educational needs provision, while early years numbers are also rising.

I have just alluded to an awful lot of money, but we are talking about an awful lot of children. Within these estimates, and given the record of our borough, our capital costs per place are well below the median for the region—and below our immediate neighbours—for both expanding and new school places. To add to the picture, we cannot forget how we as a borough lost out badly with the end of both the Building Schools for the Future and the primary schools capital programmes.

BSF covered all nine secondary schools in the borough. In the event, only two schools, Sydney Russell in the Barking constituency and Dagenham Park in my Dagenham and Rainham constituency, were covered by the residual BSF programme. Those two schools cost roughly £50 million. The BSF programme was valued at some £250 million, so the investment gap stands at about £200 million. Since BSF, capital spending on Eastbury, Eastbrook and the Riverside schools has reduced this investment shortfall to about £105 million, according to the latest estimate. Given that the primary capital programme never happened in any significant way, money to improve the structure of existing buildings has had to be spent on addressing our primary places shortfall. Obviously, things do not stand still, and programme cancellations have contributed to a growing need for capital repairs and minor works to keep the school estate functioning.

Basically, we receive £4 million from the Government for this, but estimate that we need £32.5 million for secondary school condition improvement and £40 million for primary school condition improvement. Why? Well, unlike much of the London schools estate, many of our schools were built during the 1921-1935 period and now require major infrastructure repairs.

Two of our largest and most popular secondary schools, Barking Abbey and Robert Clack, missed out on both the Building Schools for the Future programme and the more recent bid rounds for the priority schools building programme. We also have some schools that require significant investment to make them 100% accessible—with the growth in pupil numbers, our schools are serving many more children with special education needs and disabilities. Cumulatively, given the exceptional demographic growth, the investment shortfall and deteriorating estate, we face extraordinary funding problems.

Barking and Dagenham has been allocated £162 million between 2011-12 and 2017-18, yet we need to expand our primary provision at the same time as needing to meet the growth in demand reaching our secondary schools. This is simply not enough to build the quality of schools that our children deserve. Overall, we need to use revenue funding to supplement capital costs and maintenance—vital money that is needed to improve outcomes and meet the needs of a very mobile community.

We also have to factor in how the Government wish to create a national funding formula, but we hope this will not further disadvantage students in our borough. We will obviously respond in detail to the national funding formula consultation, but fear it will impact on the revenue available to support our schools in meeting this huge population increase.

On a more positive note, I can say that, despite all those challenges, Barking and Dagenham has a strong track record of delivering sufficient places. We have opened, on time, a higher number of school places than any other borough in the country, but if we are to continue to achieve that, we shall need sufficient long-term funding commitments. We have invited Lord Nash to visit the borough so that he can see at first hand the state of the buildings and the pressures on space. He has acknowledged that the borough has taken a pragmatic approach to securing school places, working with the EFA. We should like to extend, again, that invitation to view schools and meet headteachers, officers and local politicians to discuss the issues.

Despite needing to manage a huge increase in population, our schools are improving. Over the past five years, we have closed the gap between ourselves and others in good Ofsted outcomes by some 30% at primary level. In November 2014, Ofsted said:

"A good quality education for all and improving academic standards are at the heart of Barking and Dagenham's ambitious vision. The local authority is facing significant demographic changes and challenges, such as an increasing population, increasing population mobility, greater ethnic diversity and increasing poverty. None of these is accepted by officers and elected members as a barrier to educational achievement.

Senior officers and elected members provide strong leadership. The impact of the local strategy is fewer schools causing concern and rising standards across all phases of education that now match or exceed national averages.'

As I have said, we appreciate that we are recognised as a special case by the Government, but that is not enough. During the Budget debates yesterday and today, we have heard a lot about school structures, but very little about the kinds of pressures we are facing locally.

Literally within the last hour, the Department has sent LEAs the 2018-19 allocations. We welcome the allocations of some £5 million in 2018-19 and £17 million in 2017-18, which increase our capacity to start planning in advance of some of the changes to which I have referred. We hope that longer-term allocations will be available, as secondary schools cannot be built bit by

bit, and need to be planned several years in advance. The figure is lower than we hoped, given the cost of building a new secondary school, but it is a contribution, along with the allocation of free school places to the borough.

I assume that the Minister's response will be to acknowledge the pressures and challenges that I have described. May I suggest it is now time to move beyond mere acceptance, and towards detailed discussions of the actions and funding that are required to secure continued school expansion and improvement in the years that lie ahead?

# 5.12 pm

Dame Margaret Hodge (Barking) (Lab): I congratulate my hon. Friend the Member for Dagenham and Rainham (Jon Cruddas) on securing the debate, and on selecting this issue.

I will not give all the figures, but Barking and Dagenham has experienced the greatest increase in school numbers in the country over the last five years, a massive increase of 48%. Although the increase will slow down a bit over the next five years, it is still huge. The growth in primary school figures is now hitting the secondary school estate, which will experience a 57% increase over the next five years. It is predicted that a third of the borough's population will be under the age of 19. I think that we face a problem of huge proportions, and I hope that the Government will accept that.

I want to add two comments to what my hon. Friend has said. First, the current estate, especially the secondary estate, is horrific in some instances. Barking Abbey, a secondary school in my constituency, teaches to really high standards in atrocious buildings, all of which are portakabins. When I took the Public Accounts Committee down to see the borough during our an inquiry into school places, we saw dangerous wires coming out of some parts of the building. There are not enough science classrooms, and the entire sixth form is being taught in portakabins; yet the school has been asked to accept more young people. That is an impossible ask when the current conditions are so atrocious.

Gascoigne primary school, which is also in my constituency, is the largest primary school in the country. We are constructing a new building for it some distance away. I am always very sceptical about the ability of a headteacher to manage two buildings that are not on the same site. When I last visited that school, it had lost practically all its playground space. In a week when the Government are talking about encouraging school sports, I have to tell the Minister that the places are simply not there. It has also had to lose its library, which has moved into a portakabin, and it will be impossible for it to meet the aims of the anti-obesity strategy that the Government have spelled out. I just want to draw to the Minister's attention the reality of people's lives as they try to manage, given the insufficient number of school places.

I get endless cases of this nature, and I am sure that my hon. Friend does as well. One involves a young girl who is looking for a secondary school place. She has not been given a place at either of her first two choices of school. She wanted to go to Sydney Russell school, where her older sibling is, but she is being sent instead to a school right in the east of my hon. Friend's constituency, a 45-minute bus ride from where she lives. Another involves a young boy who has also not been given a place at either of the schools he wanted to go to. He wanted to go to the new school, Riverside school, which is a 15-minute walk from his home, and we should be able to cater for his needs. However, he has been given a place at Eastbrook school, which involves a 40-minute journey on two buses. I hope that the Minister agrees that that is unacceptable. It is not what any responsible Government should be providing, which is the very best start in life for our young children.

# 5.16 pm

17 MARCH 2016

The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah): I congratulate the hon. Member for Dagenham and Rainham (Jon Cruddas) on securing this debate. I also congratulate him and the right hon. Member for Barking (Dame Margaret Hodge) on speaking so passionately about the educational opportunities available to young children in their constituencies. This debate is timely as it allows me the opportunity to set out clearly the Government's position on the provision of sufficient quality school places across the country as well as, more specifically, in Barking and Dagenham. I agree with the right hon. Member for Barking that this is about not just the availability of places but the quality of the school buildings.

First, I want to take the opportunity to reiterate that ensuring that every child is able to attend a good or outstanding school in their local area is at the heart of the Government's comprehensive programme of reform of the school system. We know that our growing population means that new school places are needed in many parts of the country, so the Government are absolutely committed to providing capital investment to ensure that every child has a place at a school.

We have already shown the strength of our commitment to ensuring that good quality places are available, and we are investing a further £7 billion to create new school places between 2015 and 2021. We are also investing £23 billion in school buildings to create 600,000 new school places, open at least 500 new schools and address essential maintenance needs. This is on top of the £5 billion we allocated to local authorities to invest in school places in the last Parliament, which was over double the amount spent in the equivalent four-year period between 2007 and 2011. Today, we released new data showing that nearly 600,000 additional pupil places were created between May 2010 and May 2015, with many more delivered since then and in the pipeline; 150,000 places were delivered between 2014 and 2015

The hon. Member for Dagenham and Rainham mentioned the Budget, and referred to the absence of commentary on school places. I want to draw his attention to an announcement that we have made today. We are announcing £1.1 billion of funding for local authorities in 2018-19 to create the school places needed by the 2019-20 academic year. I know that he is concerned about that matter. This is part of the £7 billion that I referred to earlier and, alongside our investment in 500 new free schools, we expect this to deliver a further 600,000 new places by 2021. In making these allocations, the Government are continuing to target funding effectively, based on local needs, using data we have collected from local authorities about the capacity of schools and 17 MARCH 2016

[Mr Sam Gyimah]

forecast pupil projections. Those are the announcements that we have made today, and I will definitely ask the hon. Gentleman and the right hon. Lady to look at the detail.

Returning to the central point of the debate, ensuring that every child has access to the benefits of a good-quality education is a fundamental responsibility of everyone across the education system. As the hon. Member for Dagenham and Rainham knows, the statutory duty for providing school places rests with local authorities. Our financial commitment is therefore a concrete demonstration of the level of importance that the Government attach to the provision of places and of our wider commitment.

Our manifesto referred to the creation of 500 new free schools, and 40 applications have been approved since the election in May, with many more entering the process. We continue to encourage businesses, cultural and sporting bodies, charities, community groups and parents to come forward with their proposals for new schools, adding to the nearly 400 schools opened since 2010 and the more than 190 currently in the pipeline.

It is important that local authorities across the country seek to capitalise on the opportunities presented here. The free schools programme is working alongside local authorities to create the school places we need in order to provide a good education for all our children, and many authorities are choosing to work actively with the Government to meet the challenge. I pay tribute to all those in authorities and in schools who have helped to deliver the significant progress of recent years. The task is not yet done, however, as the increase in the number of pupils moving through the primary phase is now beginning to be felt at secondary level. Local authorities and schools must rise to that additional challenge. We should not pretend that that will be easy, which is why we are committed to helping through funding and through establishing new schools directly under the free schools

London's situation is unique, and the unsurprising surge in pupil numbers has been mentioned. As a thriving global city, London has a large part to play in meeting that challenge. Some 34% of new places delivered by 2015 were in London, and the capital will clearly have a big part to play in coming years. As the hon. Gentleman will know, the London borough of Barking and Dagenham has played its part in that regard. The local authority has effectively created places to meet demand, but it will face, as he pointed out, further challenges as pupil numbers continue to rise and larger primary cohorts transfer into the secondary sector. Rising pupil numbers in neighbouring local authorities will also reduce the number of pupils able to take up places outside Barking and Dagenham, further increasing the challenges to be managed.

The way we provide funding for new places is based on local authorities' assessments of the number of pupils that they expect to have, taking local factors into account. That approach has helped the Government to allocate Barking and Dagenham a further £6 million, taking the total to £167 million in funding for school places from 2011 to 2019, on top of more than 3,300 places in free schools that we have funded centrally. The funding

has been put to work. By May 2015, there were 7,450 more primary places and 4,450 more secondary places than there were in 2010, with plans to create many more when they are needed in the coming years. Barking and Dagenham has four open free schools, including an all-age special school. In addition, it has a university technical college and a further secondary school is due to open in 2017.

Of course, providing sufficient quality places is about not only capital investment, but ensuring that revenue money for schools gets to where it is needed most. The hon. Gentleman was bang on the money when he talked about the likely consequences of the national funding formula for Barking and Dagenham. In the spending review, we delivered on our manifesto pledge to maintain per pupil funding for the core schools budget for the duration of the Parliament, providing an overall real-terms protection. That includes protecting the extra funding for our most disadvantaged children through the pupil premium, worth over £2.5 billion this year. Next year, we will be providing over £40 billion of schools funding, the highest ever level of any Government.

We also committed in the spending review to introduce a national funding formula for schools and for pupils with high needs from 2017 to ensure that funding reaches the places where it is needed. I believe these reforms will be transformative and the biggest step towards fairer funding in more than a decade.

The current funding system is unfair and out of date. It means that a primary pupil with low prior attainment in Barking and Dagenham attracts £800 to his or her school, but in neighbouring Newham the same child would attract nearly £1,800. The situation is similar for pupils with high needs—funding is not correlated to need and there is wide local variation in the way children's needs are assessed. Earlier this month, we launched the first stage of our consultation on proposals to end this postcode lottery and to put in its place a funding system that gives every pupil the same opportunities in education; where children with the same characteristics and the same needs are funded at the same rate, wherever they live; and where there is one, consistent, fair formula, instead of 152 local variations.

Across all our proposals for a national funding formula, we want to deliver three key priorities: to allocate funding fairly and get it straight to the frontline; to match funding to need, so that the higher the need, the greater the funding; and to make sure that the transition for such significant reforms is smooth. The proposals in our consultation include arrangements for funding schools with significant growth in their pupil numbers, and I look forward to the response to the consultation from the Barking and Dagenham local authority. This Government are committed to long-term investment in education. We have already protected revenue funding for this Parliament and we are acting now to make sure this money is allocated equitably for all pupils, wherever they are in the country. I am grateful to the hon. Member for Dagenham and Rainham for raising this important issue today.

Question put and agreed to.

5.26 pm

House adjourned.

# Westminster Hall

Thursday 17 March 2016

[Mrs Cheryl Gillan in the Chair]

#### **BACKBENCH BUSINESS**

# Cabin Air Safety/Aerotoxic Syndrome

1.30 pm

**Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): I beg to move,

That this House has considered cabin air safety and aerotoxic syndrome.

It is a pleasure to serve under your chairmanship once again, Mrs Gillan. I thank the Backbench Business Committee for granting this debate, and I thank my hon. Friend the Member for Brent Central (Dawn Butler) and the hon. Member for Altrincham and Sale West (Mr Brady) for joining me in my application.

I said in my application to the Backbench Business Committee that I am always willing to approach issues of industrial safety with an open mind and a willingness to consider the concerns of the workforce. The reason for that can be summed up in one word: asbestos. We have a terrible legacy of asbestos and mesothelioma in my constituency, and no one would wish to find themselves on the wrong side of history when it comes to a potentially serious health issue in the workplace. From the outset, I acknowledge that I understand and appreciate that aerotoxic syndrome is not yet a recognised medical condition, but it is something of considerable debate, hence our having this debate today.

I am not a medical professional, and I am not saying that it should be down to us as MPs to decide what is a recognised medical condition. However, aerotoxic syndrome has attracted a great deal of attention, both from passengers and, crucially, from those working in the airline industry, which is why it is right for us to have this debate today. Workers are worried, and we have a responsibility to treat the issue seriously. Everybody deserves to have confidence that the air they breathe in the workplace is clean and safe. Many people have got in touch with me since I secured the debate, and they are extremely grateful that their concerns are being raised in the House today. My aim is to present the concerns that have been raised and to make some requests of the Government, which I hope the Minister will listen to and accept.

I will now provide some background for those following the debate who may not be well versed in the topic. The key factor is the use of bleed air to provide a pressurised air supply to the cabin during flights. Bleed air is compressed air from the jet engines, and it is used by the vast majority of passenger aircraft in operation today. The problem arises when faults with engine seals cause seepage into the cockpit and cabin, which in turn can lead to contaminated fumes containing toxins being digested by people on board the plane. It is worrying that the long-term and short-term effects of exposure to contaminated air containing such toxins is not fully known, nor has enough work been done to establish the link between contaminated air and aerotoxic syndrome.

Aerotoxic syndrome affects the peripheral and central nervous systems and the brain. Symptoms include migraines, fatigue, difficulty thinking, numbness, aches and pains, breathing problems and digestive problems. Furthermore, there has been a significant rise in the number of cases, which simply cannot be ignored. It is significant that the Unite trade union tells me that it is currently acting on behalf of 61 individual cases. There is evidence pointing to aerotoxic syndrome being an illness to which cabin crew, not to mention passengers, may be exposed, and it must be treated seriously.

One of the aims of today's debate is to raise the profile of cabin air safety and aerotoxic syndrome. Until recently I was not particularly aware of aerotoxic syndrome. Today's debate has caught the attention of the national press and has brought the issue to wider prominence, which can only be a good thing. The issue came to my attention in a briefing for MPs organised by the Unite trade union, of which I am proud to declare myself a member. Unite has been doing some fantastic work on the issue and is doing exactly what a good trade union should do, which is representing the interests and concerns of the workforce. The Government's attitude towards trade unions can often be quite negative, as evidenced by the Trade Union Bill, but they would be wrong to dismiss this issue raised by the trade unions. We should all agree that representation of the workforce to ensure a safe and healthy environment is a right for all working people.

The briefing was attended by the father of Matthew Bass, which struck a chord with me and other Members present. Matthew, known as Matt to his friends, was a British Airways flight attendant who sadly died in January 2014, having been in the job for almost a decade. He loved his job, and it was a shock to his friends and loved ones when he passed away. He was just 34 years of age. The cause of his death has not been established, but he kept himself fit and healthy. In the last six months of his life, he frequently complained of tiredness and occasionally suffered mild bouts of trembling. After his death, postmortem tests ruled out Crohn's disease but failed to establish an alternative cause of death. His family still have many questions, not least as to whether aerotoxic syndrome had some responsibility. My sympathies, and surely those of the whole House, are with Matt's family and friends as they search for answers. We owe it to him and them to help to find those answers and to take the issue seriously.

Furthermore, the senior coroner for the county of Dorset wrote to the Civil Aviation Authority last year regarding his concerns about the death of British Airways pilot Richard Westgate. He wrote that organophosphate compounds, which are present in aircraft cabin air, were found in Mr Westgate's system and presented a risk to health. Worryingly, there is no real-time monitoring to detect such compounds. The coroner also added that, in his opinion, there is a risk that future deaths will occur unless action is taken.

Jessica Morden (Newport East) (Lab): I am grateful to my hon. Friend for securing this debate, which is relevant to the organophosphate poisoning campaign run by the Sheep Dip Sufferers Support Group, with which I have worked on behalf of my constituent, a farmer, Stephen Forward. This is obviously a Department for Transport debate, but does my hon. Friend agree

[Jessica Morden]

that the debate is equally relevant to the Department for Environment, Food and Rural Affairs and the Department of Health and that we need the Government to be far more active in addressing these issues?

Jonathan Reynolds: I am extremely grateful to my hon. Friend for putting that point on the record. I was not aware of the DEFRA angle until she informed me of it, which further reinforces the case and people's concerns. I would be particularly interested if the Minister addressed that point and the coroner's letter regarding the British Airways pilot.

By raising this issue I am in no way seeking to do down the British aerospace industry, which I am sure is true of everyone here today. The aerospace industry is a vital part of the UK's manufacturing output, and I am proud that that is particularly the case in north-west England—and long may that continue. I also have no desire to do down the UK's successful aviation industry and this country's world-class airports, which are another vital part of the UK economy. Like many Members present, I have a strong relationship with my local airport in Manchester.

Airlines have a duty of care to their staff, as do all workplaces, and I am sure they would want to reassure their staff on safety. I will be writing to the UK's major airlines to find out exactly what they are doing on this issue. I dare say that pressure from the Government would strengthen that campaign. Many concerns have been raised by Unite and by cabin crew, and we have a duty of care to those people to reassure them and, if necessary, to protect them.

**Kirsten Oswald** (East Renfrewshire) (SNP): I echo what the hon. Gentleman says about the duty of care. I imagine that no one here would feel comfortable working in an environment where we and our customers may possibly be exposed to the risk of breathing in contaminated fumes.

Jonathan Reynolds: I am extremely grateful to the hon. Lady for coming along to the debate and making that point. She is absolutely right. By addressing issues where concerns exist, it only strengthens an industry if it can reassure its workers and service users that their safety is guaranteed. I am sure we would all echo that point.

No one disputes that fume events, where toxins enter the cabin, occur. Estimates suggest that fume events happen at least once in every 2,000 flights. Given the number of flights in the UK every day, that weighs on the mind. It should be of great concern that no aircraft currently flying has any form of detection system fitted to warn crews when cabin air has become contaminated. Furthermore, there is a lack of training and crew awareness of the possible adverse consequences of contaminated air exposure in the cockpit and cabin. There are even examples of crews saying that they felt they became impaired or incapacitated in-flight as a direct consequence of exposure.

I have two requests that I would like the Minister to consider and to which I hope he will refer in his speech. First, I would like an independent inquiry to be set up to consider the risks and hazards associated with

contaminated aircraft cabin air. Setting up an inquiry has a lot of support both from unions and cabin crew, and it is the right thing to do. I do not believe that adequate work has been done on the issue yet, and such work would answer a lot of questions. I seriously urge the Minister to consider making that happen. If not, I would appreciate a reply as to why it is not possible now.

Secondly, I would like appropriate cabin air monitoring and detection systems to be installed in aircraft that operate using bleed air. I am told that the technology exists to do that, and it seems to make sense to do so. The Government could consider legislation to make that happen or, at the very least, they could begin discussions with airlines and our European counterparts. Just as it is now commonplace for homes and workplaces to install simple carbon monoxide detectors to prevent tragic deaths from carbon monoxide poisoning, so we must ensure that it is the norm for aeroplanes to be fitted with devices that can detect air bleed events.

Matthew Pennycook (Greenwich and Woolwich) (Lab): This issue was brought to my attention not by Unite but by a constituent of mine, Alessia Iacovone, who was a colleague of Matt Bass. Does my hon. Friend agree that this is not only about the desire for an explanation of why colleagues die; it is about the fact—this is precisely the point he made—that cabin crew working for BA and other airlines do not know at present whether or how frequently they are at risk, because there is no monitoring on board aircraft?

Jonathan Reynolds: I am extremely grateful to my hon. Friend for making that point. That is exactly my perspective in bringing this debate. From what I have seen, there is enough concern out there to warrant a serious attempt to reassure people that their safety is secure. That can only be an asset to the UK aviation and aerospace industry.

To bring my remarks to a conclusion, I thank the Backbench Business Committee again for granting us the time to debate this issue. I thank my fellow sponsors, Unite for the help it has given me in my office and the many cabin crew workers who have assisted Unite and contacted me directly to bring the issue to greater prominence. I appreciate that aviation issues tend to lend themselves to international solutions and that the matter is being discussed in several other countries too. It is significant that the new Boeing Dreamliners do not operate the bleed air system, and I understand that that may eventually become the industry standard. In the meantime, however, a clear majority of aircraft still operate the bleed air system, so the issue will not go away.

Out of respect for the many thousands of cabin crew who work in this vital industry, let us take action to ensure that we know everything we can about cabin air safety. By arming ourselves with greater knowledge, we can better place ourselves to guarantee them the safe working conditions that we expect for all workers.

1.41 pm

Henry Smith (Crawley) (Con): It is a pleasure to serve under your chairmanship, Mrs Gillan. I congratulate the hon. Member for Stalybridge and Hyde (Jonathan Reynolds) on securing this debate, and I add my thanks to the Backbench Business Committee for allowing time for the important issue of cabin air and aerotoxic syndrome to be discussed properly. I start by associating myself with all the words of the hon. Member for Stalybridge and Hyde and agreeing with what he said. Matt Bass was my constituent, and I dedicate my remarks as a tribute to him and all the other individuals who have been affected by possible aerotoxic syndrome.

I first became aware of the issue only a year ago, when, as right hon. and hon. Members of all parties will know, we were busy engaging with our local communities. Whether I was meeting constituents in Ifield ward or on the other side of my constituency in Maidenbower, people were raising this matter with me. It is perhaps not surprising, as Gatwick airport is in my constituency. I am fortunate that my constituency contains the headquarters of Virgin Atlantic and many charter companies, such as TUI Travel. It is also the airport with the largest operations anywhere of easyJet, and of course British Airways flies from there, as do many other airlines. Therefore, unsurprisingly, many people in my constituency work in the aviation industry. What struck me clearly was that this issue was of huge concern to them.

On fortunately, being returned to this place at the last general election, one of the first things that I sought to do was raise the issue of toxicity in cabin air. I was pleased to secure a debate on the Floor of the House in July 2015, and I followed it up with a letter to the Secretary of State for Transport and raised the issue with the Minister with responsibility for aviation, my hon. Friend the Member for Scarborough and Whitby (Mr Goodwill). I have been grateful for the replies that I have received.

As the hon. Member for Stalybridge and Hyde clearly outlined, the vast majority of aircraft fly at a very high altitude and must force the intake of air for passengers and crew. That usually takes place through the engines, right next to where lubricants are often used for the operation of those engines. In the all too many incidents that have been reported to me, it can cause contamination of cabin air. I suspect that that contamination has caused some of the awful illnesses that a number of aviation crew have experienced.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): Does the hon. Gentleman agree that some of the symptoms can be confused with other illness and are therefore misdiagnosed? Worryingly, although the effects of short exposure are usually reversible, cabin crew who may be exposed more regularly could suffer permanent neurological damage and, as we have heard, it could be fatal.

Henry Smith: Yes, I think that is a distinct possibility. As the hon. Member for Stalybridge and Hyde said, most Members of Parliament are not doctors and are not necessarily medically trained, although there are some notable exceptions, so it is not for us to seek to diagnose. What I was hinting, in the strongest possible terms, is that the symptoms that affect many cabin crew can be confused with other conditions such as Crohn's disease, which has been mentioned. Also, it seems highly likely to me from the research that I have done on the issue that aerotoxic syndrome is a real health outcome of prolonged exposure to toxic air. The issue therefore deserves the attention of Parliament and of the Department for Transport.

Ronnie Cowan (Inverclyde) (SNP): The issue was brought to my attention by two of my constituents, Jakki Purdon and Lynn Perkins, who are both cabin crew on long-haul flights. To the best of my knowledge, "aerotoxic syndrome" was first suggested as a medical term in 1999. Does the hon. Gentleman agree that given the passage of time, it would be a travesty if an investigation were not convened at the earliest possible opportunity?

Henry Smith: Yes. The evidence that I have found is that the issue started to be spoken about slightly before 1999, in the mid-1990s. It is now about 20 years since the issue first started to be identified, which means that we should not lose any more time in having a proper investigation into the issue.

As the hon. Member for Stalybridge and Hyde said earlier, the Boeing 787 Dreamliner is the latest type of aircraft not to take in cabin air through the engines, which is welcome. I am pleased that airlines operating from Gatwick airport, such as Thomson and Virgin Atlantic, have ordered 21 Boeing 787 Dreamliners. That is positive for the working environment of cabin crew and pilots on the flight deck, not to mention passengers. However, of course, the vast majority of aircraft on long-haul or short-haul flights still take in air through the engine, so the issue, as well as having grown more current over the last two decades, will be around for a long time unless it is addressed properly.

As I said earlier, I am very grateful to the aviation Minister for the responses I have received from him, and I am encouraged that both the European Aviation Safety Agency and the Civil Aviation Authority are looking into this issue. I understand that they have said that they aim to report on their findings later this year. I encourage the Department for Transport to ensure that both EASA and the CAA follow through on their research into this issue, so that we maintain the pressure on the industry to take it very seriously.

George Kerevan (East Lothian) (SNP): On precisely the issue of the CAA, I will say, briefly, that this matter was brought to my attention by one of my constituents, Mr Dominic Moynihan, whose nephew, Matthew Bass, a long-standing cabin crew member with easyJet, died in 2014 in circumstances that seem to imply aerotoxic syndrome. Does the hon. Gentleman agree that the CAA has been rather dilatory in researching, approaching and regulating this matter? I agree with him that the CAA must report back to the public and Parliament as quickly as possible, so that we can move forward and clear up this whole issue.

Henry Smith: I am grateful for that intervention, and I agree with the hon. Gentleman. Given the number of suspected incidents that have been reported—as I have already said, even though I am not medically trained I am increasingly convinced about them—and given the length of time that this issue has been known about, I do not think we can lose any more time before we investigate it properly. Therefore, I reiterate what I said a few moments ago, namely, that the CAA and the DFT need to follow up on this issue. It is incumbent on all of us here in Westminster Hall today, and on right hon. and hon. Members across the House, that we remain very focused and diligent, to ensure that this issue is followed up.

[Henry Smith]

I know that many other people want to speak, Mrs Gillan, so, without wanting to take up any more time, I again thank the Backbench Business Committee for allowing this debate; I thank the hon. Member for Stalybridge and Hyde for securing it; and I look forward to hearing the remarks of my hon. Friend the aviation Minister. I encourage him to continue the efforts that he has begun making to ensure that this matter is properly investigated, so that no more of my constituents, or indeed anyone who works in the aviation industry around the country or around the world, need suffer the dreadful effects that I believe aerotoxic syndrome has caused.

# 1.53 pm

Liz McInnes (Heywood and Middleton) (Lab): It is a pleasure to serve under your chairmanship, Mrs Gillan.

First, I will declare an interest, having been a Unite rep in a previous existence; I remain a member of the union. I thank my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds) for securing this debate, and for his very measured opening speech.

My background is in science; I used to work as a biochemist for the NHS. So I am very wary about jumping to any conclusions; we need to weigh up the evidence. However, I support the request for an independent inquiry into this issue. The evidence is quite compelling and we need to progress. The employer's duty of care has been talked about, and it is absolutely key to this issue that we assess the evidence that is available, examine the incidents that have occurred and try to establish whether there is a causative effect. We really need to take some action, and I hope that that is what we decide to do at the end of this debate.

Both my hon. Friend the Member for Stalybridge and Hyde and the hon. Member for Crawley (Henry Smith) have already talked about cabin air and where it comes from. It is quite significant that the new Boeing 787 uses a different method of supplying cabin air. The air is supplied by electronically driven compressors that take air directly from the atmosphere so there is no contact with the engines; there is no possibility of a seal failing and contaminants from the engine oil getting into the cabin air. One of my constituents, who is an air steward, has suggested to me that this new plane has been developed because it has been recognised that there are issues with the old system of bleed air. Again, however, that is speculation.

The Minister of State, Department for Transport (Mr Robert Goodwill): I asked precisely the same question of my officials: was it done for that reason? They said, no, it was done for other reasons, not because of the air quality issue. Obviously, however, the effect is that air does not have to pass through the engine. The aircraft was designed for efficiency and that change was one way of making the aircraft more efficient; it was not made in reaction to this bleed air quality issue.

**Liz McInnes:** I thank the Minister for that intervention; that is very useful information. It reinforces the point about speculation and causative effects. Obviously, cabin crew say that the air issue was the reason why the 787 was developed with that system. If there is a public inquiry on this matter, I hope that information about that system will form part of the evidence.

My hon. Friend the Member for Stalybridge and Hyde said that some statistics showed that fume events occurred in one flight in 2,000. One of the statistics that I pulled out is from the Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment. COT reported in 2007 that fume events occur on one flight in 100, so again there is some dispute over the incidence of these events. There is also anecdotal evidence that fume events occur even more often than that, but they are not being reported. The really surprising thing about all of this is that there are no chemical sensors in the aircraft. The noses of the cabin crew are the only detectors.

My constituent asked me not to give her name, but she was quite happy to talk to me about her experience as a cabin crew member. She described these fume events to me. She said that she has been in cabins when fumes have entered. She has flown for four different airlines and fume events have happened in planes from all four of them. She said to me, "Fumes come in. You smell the oil. It's not being acknowledged by managers and higher officials in the airline industry when these incidents are reported." When I spoke to her, she compared the effect of fume events with Gulf war syndrome. With Gulf war syndrome, we had soldiers coming back to the UK with massive neurological problems and it took a very long time for any investigation to be made and for it to occur to somebody that these problems were happening too often to be a coincidence. It is interesting that she made that comparison.

My constituent said to me that all cabin crew want is for this problem to be recognised and acknowledged. Until we have a full investigation, cabin crew will not feel that their employers are doing everything they can to safeguard them while they are at work.

**Chris Stephens** (Glasgow South West) (SNP): Is part of the issue the lack of training for cabin crew to deal with these incidents when they occur?

Liz McInnes: I thank the hon. Gentleman for that intervention. From the research I have done and from the comments of people I have spoken to, I know that that is probably true. My constituent told me, "Smoke hoods are there in the plane if there is a fire or fumes on board." Until recently, those smoke hoods had been used very rarely, but she told me that crew members were starting to use them because of their concerns about fume events on flights. Again, that is anecdotal evidence, but it shows the real concern out there and highlights an issue with training. These things should not be used, but they are used because crew are fearful for their health. He makes a good point, and I am grateful to him for raising that issue.

My hon. Friend the Member for Stalybridge and Hyde and various other Members have spoken about when the incidents started to be reported. My constituent said that she first heard of it 1998, when she started working for an airline. She said that cabin crew were talking about fume incidents even then.

Several hon. Members have mentioned the cases in which deaths unfortunately occurred, possibly as a result of aerotoxic syndrome. I, too, first became aware of the issue at a Unite briefing, where the parents of Matt Bass described what happened to their son. His symptoms appeared to be fairly non-specific, but it was reported that he was fatigued. He went down to rest and tragically he never woke up. There is a feeling that his symptoms

George Kerevan: It is worth informing the Chamber that Matthew Bass had been an air worker for 15 years, so the effects were probably cumulative.

**Liz McInnes:** That is an important point. While the average member of the public goes on a flight perhaps twice a year—luckier people might fly more frequently than that—cabin crew have constant exposure. Working as cabin crew is a hard job. The hours are unsocial and it is a difficult environment to work in. I think most of them would probably expect not to feel 100% well most of the time. That colours the whole issue with the health of cabin crew. Some of the symptoms of so-called aerotoxic syndrome are non-specific and could easily be put down to the stresses and strains of the job, and that has served to confuse the issue.

The other prominent case, as has already been mentioned, was the pilot Richard Westgate, who sadly died in 2012. The coroner who dealt with Richard's case issued a report that detailed five concerns, which I will go through because they are relevant to the debate. Those concerns were: that organophosphate compounds are present in aircraft cabin air; that the occupants of aircraft cabins are exposed to organophosphate compounds with consequential damage to their health; that impairment to the health of those controlling aircraft may lead to the death of occupants; that there is no real-time monitoring to detect such compounds in cabin air; and that no account is taken of genetic variation, which may render humans susceptible to exposure. That final point is important. There is a school of thought that not everyone is susceptible to organophosphate compounds and that there may be an element of genetic variation and genetic susceptibility, and I hope that that will be covered in any independent inquiry.

Kirsten Oswald: I am interested in the hon. Lady's comments on the coroner's report. When I looked into the issue, I noted that the responses of British Airways and the Civil Aviation Authority to the report have not been made public. Does she agree that it would be useful if that information was made public, because what is clearly lacking in this whole picture is facts?

Liz McInnes: Like the hon. Lady, I could not find any responses to the coroner's report. She is absolutely right. We are here to establish the facts, to bring them together, to weigh up the evidence and to come to a scientific conclusion.

I want to talk a little more about Richard Westgate's case. He was treated by Dr Michel Mulder, a specialist aviation doctor. He believes that Richard Westgate fell into the category for aerotoxic syndrome. Richard became a commercial pilot in 1998. He voluntarily grounded himself in 2011 after suffering whiplash in a car crash, but by that time he had already become concerned about his health and his memory. He was suffering from persistent headaches, chronic fatigue, loss of confidence and mood swings. Like many pilots, he failed to tell his employer for fear of losing his job. That is a key issue. We have to encourage our cabin staff and airline pilots to speak up if they are concerned about their health.

I can understand the fear of losing their job, but I am sure most airlines are good employers, and we need to give all staff the confidence to express concerns without fear of any punitive measures being taken against them.

Richard sought private medical advice so that he would avoid any blemishes on his health record, and he was treated by Dr Mulder. Interestingly, Dr Mulder said that Richard had been misdiagnosed with depression.

"So many pilots are misdiagnosed because there is so little awareness of aerotoxic syndrome."

Dr Mulder obviously believes that aerotoxic syndrome exists, and I hope his evidence would form part of any sort of independent inquiry.

I want to touch on organophosphate poisoning. My hon. Friend the Member for Newport East (Jessica Morden) is no longer in her place, but she made comparisons between aerotoxic syndrome and organophosphate poisoning caused by sheep dip chemicals, which is quite common in farmers. It is interesting that the described symptoms of aerotoxic syndrome and sheep dip poisoning are similar. That link was discovered by Dr Peter Julu, an autonomic neurophysiologist, when he was doing some work on sheep dips for the Ministry of Agriculture, Fisheries and Food. Coincidentally, he had several pilots referred to him at the same time who were suffering from unexplained illness. Dr Julu said:

"To my amazement, the kind of symptoms and findings I was getting from farmers was very similar to the pilots, yet occupationally they couldn't be more diverse."

I found it interesting that those two completely different jobs have a common link. The issue with organophosphates is that they attack the autonomic nervous system, including the brain stem. That part of the nervous system deals with emotion and short-term memory. Significantly, it affects an important group of neurotransmitters, including serotonin, and that explains the incidence of depression.

I reinforce the points that my hon. Friend the Member for Stalybridge and Hyde made. Unite is pursuing 60 health and safety cases related to toxic air. There is dispute over the causative link between health problems and the quality of cabin air, and we need further evidence to confirm a causative link. There is insufficient research into the matter. I also echo his requests for an independent public inquiry, enforced monitoring and testing of exposure levels and, finally, mandatory reporting of fume events.

2.9 pm

**Jeremy Quin** (Horsham) (Con): It is a great pleasure to serve under your chairmanship, Mrs Gillan.

I congratulate the hon. Member for Stalybridge and Hyde (Jonathan Reynolds) on securing this debate and on the fine way he set out and shaped the discussion. He explained a lot of the technical detail and referred very appropriately to the coroners' reports. He also highlighted, as did the hon. Member for East Lothian (George Kerevan) and my hon. Friend the Member for Crawley (Henry Smith), the fact that at the heart of the matter are a lot of personal tragedies of which people around the Chamber will be aware. Like my hon. Friend, I have a close interest in Gatwick airport, which borders my constituency of Horsham. As the Minister knows from other discussions, that can occasionally be a mixed blessing, but I am delighted to say that it means a large number of aircrew and retired aircrew live in my constituency. It is a great pleasure to represent them.

[Jeremy Quin]

I knew nothing of this issue prior to my election to Parliament, but I have been shocked by the number of people coming forward, some with very obvious medical issues, who have apparently suffered from aerotoxic syndrome. It comes as no surprise to hear that Unite is currently dealing with some 61 cases. I am fortunate to have in my constituency Captain Tristan Lorraine, who over 15 years has devoted a lot of study to this worrying condition. I am grateful to him for his support and willingness to share his findings.

Like other Members, I am no GP, but it seems apparent that there is significant evidence that aerotoxic syndrome exists and is a real condition. One constituent

"I was exposed to contaminated air. These exposures were notified to the Government regulator. I presented my medical reports to the Civil Aviation Authority...the CAA accepted the reports and revoked my medical certificate to fly without asking for any further opinion. British Airways retired me on ill-health

Given that that is what is happening in practice to those who have suffered from contaminated air, and that that is the reaction of those in the know, I am mystified as to why successive authorities have consistently not found any long-term effects from contaminated air. I am no conspiracy theorist and I understand that the Government and others have in good faith relied on academic work on the impact of the relevant chemicals. Nevertheless, as we are all aware, we are talking about complex and varying combinations of chemicals.

After earlier reports of contaminated air in cabins, the Countess of Mar asked the then Minister, Lord Davies of Oldham:

"What exposure standards currently apply to any synergistic effects of simultaneous exposure to numerous chemicals which may be experienced by aircraft passengers and crew during a contaminated air event in a reduced pressure environment?"—[Official Report, House of Lords, 25 October 2005; Vol. 674, c. WA167.]

The Minister replied: "None." That parliamentary question was asked and answered more than 10 years ago. I believe that since then, four reports have been sent to the independent Committee on Toxicity. The Civil Aviation Authority found,

"no positive evidence of a link between exposure to contaminants in cabin air and possible acute and long term health effects.'

As my hon. Friend the Member for Crawley said, the European Aviation Safety Agency is due to present a report on in-flight cabin air measurement in the autumn, and we look forward to seeing and studying it. Notwithstanding all the reports, aircrew in particular, and others, appear to suffer ill effects as a result of engine bleeds, which have been linked by coroners' reports and others to the circumstances we are discussing. Aside from hard-working crew members who are clearly at regular risk, I am concerned that the travelling public, the unborn and the young are being exposed to a complex cocktail of chemicals about which there is clearly an element of doubt. I do not for one second question the integrity of the reports or, indeed, of those who have received them, and unlike the hon. Member for Heywood and Middleton (Liz McInnes) I am certainly no biochemist, but we are all acutely aware of substances in the workplace-including tobacco, asbestos and organophosphates—for which it took years to establish that positive link to ill health to which the CAA refers.

The hon. Member for Stalybridge and Hyde referred to international solutions, and he is of course right. He also referred to the Boeing Dreamliners, and I was delighted to hear the Minister's intervention on the hon. Member for Heywood and Middleton, because if the Dreamliner solution not only solves this problem but is more efficient, that is a very positive solution indeed. We all know that engine bleeds happen, and that the technology exists to prevent them. This is a genuine, ongoing source of concern. Does the Minister agree that we have every right to assume that the precautionary principle should apply in this area?

2.14 pm

Dawn Butler (Brent Central) (Lab): I should declare that I have a few friends in the airline industry, and I also take the occasional flight, so toxic air on planes is of interest to me. I am also a member of Unite and GMB. I thank my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds) for his excellent opening

One of my friends who works in the airline industry consistently has hay fever-like symptoms all year round, even when there is no pollen in the air. Having listened to the debate so far, I wonder whether some of that might be a symptom of his working environment. I, too, am no expert on this issue, but I have read through some of the paperwork and information that was presented to me. A 2011 report by Cranfield University for the Department for Transport found that there were no pollutants in aircraft exceeding the available health and safety standards, but those standards are measured differently. They are measured with regard to those of us on the ground and do not take into consideration people in an aircraft at high altitude, where pollutants will obviously have a different effect. It worries me that there is no proper measure of what exactly is going on in aircraft.

As has been mentioned, the European Aviation Safety Agency will be reporting in October 2016 on the suitable implementation of measures to tackle the problem. It is great that we have heard from the Minister that the Boeing 787 Dreamliner's new design is not only to avoid contaminating the air supply. As I understand it, the bleed-free design was introduced in the '50s and '60s because it delivered a considerable reduction in fuel consumption. It was considered good for the overall environment because it used less fuel to fly.

It is strange that the cumulative effect of pollutants in aircraft on those working in the industry has yet to be measured, because employers have a responsibility to their employees, as is established in law. Cabin crews and pilots deserve to be working in the best possible environment. After all, they ensure that we get from A to B safely and make our journey as pleasant as possible. The least we can do in this House is to ensure that they have a safe working environment.

Margaret Ferrier: One possible solution that has been suggested by the Aerotoxic Association is for less toxic oil formulations to be used. That would lead to improvements in cabin air quality. Does the hon. Lady agree that although that would not fully address the issue, it should be considered as a measure to be taken while an inquiry is undertaken?

**Dawn Butler:** I absolutely agree. It might be a case of asking what we can do to restrict the poisonous fumes and toxic air that are coming into the plane. The airline industry should look into that.

We know that toxins such as carbon monoxide are invisible and odourless, so the only way we can really find out what is going on in an aircraft is to measure what is going on in real time, not after the plane has landed. I do not think that would be too costly. Instead of all the inconclusive reports that have been written, it probably would have made more sense to measure the air on planes in the first instance and do a report based on the findings.

Big industry normally does a cost analysis of how much something costs versus how many people might die as a consequence of certain events. However, the issue is not only the people who tragically die after toxic air situations but those pilots who, as we heard from my hon. Friend the Member for Heywood and Middleton (Liz McInnes), end up losing their licence. Having dated a pilot, I know that the constant threat of being tested and the fear of losing their licence is frightening.

The British Airline Pilots Association sought to attract UK airline support for the completely independent US multimillion-dollar Occupational Health Research Consortium in Aviation—a bit of a mouthful—but was given a runaround on the report and was told to go to the Department for Transport. It is strange that the Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment produced a report without taking any independent evidence or evidence from Bupa, which initiated the drive for the report. Will the Minister commit, under the Freedom of Information Act, to make public the action that has been taken to address the responses to the report, of Bupa, the Transport and General Workers Union and Unite? We need transparency. We all surely want the same thing: a safe environment for crew members and travellers. It would therefore be a good thing to disclose under the Freedom of Information Act everything that has happened.

Previous Governments also failed on this issue, but given that experiences are being shared online and on social media, the situation has become urgent. As we have heard, Unite is pursuing several cases. Employers have a duty of care to their employees, which means that they should not just address whether such substances exist but, as has been said, prevent leakages into the air cabin.

Much has been said about the Boeing 787 Dreamliner. It is great that the technology is moving forward. The Dreamliner does not use the bleed-air system, so this problem will not occur. The Government cannot force people to purchase such aeroplanes, so what can we do to make the work environment safer until all airlines roll out aeroplanes that do not use the bleed-air system?

I call on the Minister to ensure that the UK stipulates that a cabin air monitoring and detection system must be installed in any aircraft with bleed technology. Airline companies should be obliged to release the data unedited, so that the problem can be fully investigated. I am concerned about the health of cabin crews, pilots and friends and family members who fly.

## 2.22 pm

**Rachael Maskell** (York Central) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mrs Gillan. May I also congratulate my hon. Friend the Member

for Stalybridge and Hyde (Jonathan Reynolds) on opening this debate so well? All the contributions have been incredibly positive in addressing this important issue. I, too, was at the meeting. It was humbling to hear from Mr Bass in January, when he presented us with a moving account of what happened to his son Matt, who died so tragically at the age of just 34. He deserves answers; he deserves action.

I, too, declare an interest as a member of Unite and a former national official of the union, but I also had a dual career. I was a clinician and worked in the interface between respiratory and neurological medicine, so I very much understand the clinical presentations that have been described by many cabin crew staff.

Matt had spent 10 years as a flight attendant. He was a young man. Following a shift, he had gone out to socialise with his friends, like so many others. He was fatigued, so he went to rest on the sofa. He never woke up. In fact, the organophosphates that he was exposed to during his career had caused him to feel unwell for some time. He was not to know why; he was not to know that they could kill him. The job he loved could have been slowly poisoning his system. We know this is true for the 61 cases that Unite is currently pursuing. As the hon. Member for Crawley (Henry Smith) said, this could well be a global issue; therefore, the number of cases is unknown.

Margaret Ferrier: Does the hon. Lady agree that, in addition to needing greater evidence-gathering, we should perhaps develop routine blood testing to measure the effects on cabin crew?

Rachael Maskell: It is important that proper screening is introduced—obviously the methods of screening need to be determined—thereby ensuring that cabin crew staff have proper occupational health support. The availability of those health services is vital.

We have also heard how long these symptoms have been recognised in the aviation industry. Indeed, my research showed that it was realised in 1954 that using air in this way with jet engines can result in gases escaping and coming into planes' air systems, so we can establish that this has been recognised as a long-term issue, whatever date that was first known. We have also heard today about the report from the senior coroner, who has clearly established, as a matter of fact, that organophosphates are present in aircraft cabins and therefore can have a detrimental impact on the health of those who occupy that space.

It is important to understand who this issue could affect. We have talked about the cabin crew staff, but pilots and frequent fliers could also be exposed to the cumulative risk from such gases. Also, we are talking not just about the civilian airline industry, but about what is happening with military aircraft, where people are already putting their lives on the line. Could there be a risk for our service personnel as well? It would be interesting to know what work is being done to protect members of the RAF.

Before moving on, I want to thank the Unite the union health and safety reps, who are at the forefront of taking forward these issues, many in their own time, but all serving their fellow colleagues day in, day out, asking very difficult questions of their employers. It is to be regretted that they have been unable to find an industrial

# [Rachael Maskell]

solution to this problem or get a direct response from the airline industry. That is why it is so important that they brought to the attention of parliamentarians the plight of people working in the industry. It is absolutely right that we support them in that. Indeed, the way in which this serious issue of concern was raised and presented to parliamentarians shows—if I may say so in this debate—a really responsible use of the political levy, which is what unions continually do. We should note that the current attack on the trade union political levy is totally inappropriate, because without it we might not be having these kinds of debate in this House.

I will now return to the matter under consideration. What is really shocking about this debate is that we are talking about a safety-critical industry—one that works to ensure the greater safety of those who work in and use it. In such a safety-critical industry, where lives could be put at risk, we therefore need to ensure that measures are taken as a matter of urgency. I know there has been a long, drawn-out debate, but this is a matter of urgency, because it may only take a pilot to be poisoned during a journey for there to be fatalities. We already understand that lives have been lost, but how many more need to be taken before action is taken? Therefore, I urge that we move forward in addressing

We know that there are poisonous gases that we experience in all sorts of places in our environment. The complete, holistic impact that has on our lives is not yet understand, but what has been brought to the fore is the fact that these fume events are occurring frequently. I, too, had the statistic of one in 100 instances, which I share with my hon. Friend the Member for Heywood and Middleton (Liz McInnes), but the research suggested there could be even more. None of us know, because we do not have the detection systems to give us that information. What we do know is that the impact is very serious indeed.

The toxicity of organophosphates inhibits enzymes. That inhibits the neurotransmitters in our nervous system and at the neuromuscular junctions from operating fully, and that is the reason for some of the symptoms we see, such as drowsiness, along with some of the neurological impact and the impact on the autonomic nervous system. Our red blood cells, too, are affected, so exposure, as we would expect, will affect people in different ways, whether because of their genetic make-up, or even their body mass index or other factors. The important thing to do is to carry out research so that we have a good understanding of why people experience the different symptoms.

The symptoms can range from nausea and other gastroenterological conditions, through respiratory problems to the fatigue-type syndromes—the sickness syndromes that are typically experienced. Often, people would not relate that to their work environment, and might think that they just feel under the weather, but continual exposure to such risk can build up toxicity over a period of time, thereby causing neurological injury.

We know—we have heard about this in quite a lot of detail—how those gases come into aircraft cabins, but what stood out for me was that it is often because of the failure of the seals on aircraft. Therefore, it is important that we ensure that the maintenance programmes of these aircraft are brought into check, because we have

also heard how developments in the 787 Dreamliner aircraft have shown that that does not have to be the case with new designs.

I want to conclude by listing some of the things that I believe could be done to improve the aircraft environment for staff and public. First, as we have heard, there is monitoring. Monitoring devices would not be an expensive way of getting information and also ensuring that staff are kept safe as they go about their daily duties of keeping us safe in aircraft. I make a plea that we should put proper monitoring devices on aircraft, but also ensure that there are proper alerts when fume events happen, so that cabin crew can take the appropriate action to safeguard themselves and, obviously, the people they are there to serve.

We have also heard about reporting, which is so important. We know that it is absolutely at the centre of health and safety legislation, so that we can understand the prevalence of an issue. I would therefore ask that reporting be put at the forefront. We have also heard about the independent inquiry—which is so important as well—and the need for research into the impact of toxicity on individuals. I would also like to ask about the opportunities for greater engineering development. We know that filtration systems can be developed to filter out such air, so I would urge the Minister to make resources available for research into this area, to develop filtration systems that can provide the protections we need on existing aircraft, but also to look at the design of future aircraft.

I have already mentioned the need for good health checks and making sure that occupational health support is made available for staff, but we also need to ensure that the public are aware of the risks as they take their flights, so that they are conscious, if they detect any symptoms themselves, of what support they need, should such an occurrence arise. Finally, we know that the oxygen supply in cabins comes mixed with cabin air, which could well be toxic. Is it possible to look into how to get cleaner air into that oxygen supply, so that, should there be a serious escape of fumes, we know that we have a safe source of air to inhale during the flight?

Matt Bass was one of so many people in the airline industry who put our lives ahead of their own, day to day, serving us. Tragically, he lost his life. I do not want there to be another like Matt Bass, so I urge positive action today.

# 2.35 pm

Grahame M. Morris (Easington) (Lab): It is a pleasure to serve under your chairmanship again, Mrs Gillan.

I thank the Backbench Business Committee for the debate and all Members who supported the application for one. I pay tribute to my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds) for the professional and comprehensive way he put forward the case, and to the contributions of both Government and Opposition Members, in particular that of the hon. Member for Crawley (Henry Smith), who I suspect has not got the credit he deserves for raising the issue. The proposals and suggestions have been extraordinarily helpful, and I hope that the Minister will respond positively.

I must declare my interest as chair of the Unite group in Parliament. I am a proud member of Unite and I feel, as my colleagues do, that this is an important

part of the work we do for our members and their families. I also pay tribute to Matt Bass's parents, Charlie and Fiona, who might be listening to the debate today. I had the great privilege of meeting them and some Unite members who are air crew. At a meeting in Parliament, they relayed to us their personal experiences and concerns.

I thank my trade union, Unite, for its excellent and detailed briefing on such an important issue, and a number of Members have emphasised some specific aspects. It is important to recognise the valuable work of Unite in investigating concerns and protecting passengers and cabin crew from toxic fume events. I am concerned that airlines, regulators and, with due respect to the Minister, Governments do not seem to be terribly active in considering contaminated cabin air.

It would be remiss of me not to remind people—the general public who are listening to the debate or reading it in *Hansard*—that Unite has established a fume event register and a helpline, which are available through the website. Given the lack of any official reporting, I hope that when air crew and members of the public who are frequent flyers feel that there has been such an incident, they will use the Unite register to report it. We need the evidence and an objective assessment. We need public and cabin crew affected by fume events to come forward and identify them.

If we are not successful in convincing the Government to take action and to investigate the matter fully, we will need evidence because the only other option for people is to seek legal redress. As my hon. Friend the Member for Heywood and Middleton (Liz McInnes) mentioned, Unite is taking up the case of 61 of our members in relation to this issue. Earlier in the debate, the hon. Member for Horsham (Jeremy Quin) suggested that there was not a causal link between symptoms and exposure, but I am old enough to remember the arguments made against any causal link between smoking and lung cancer, or exposure to asbestos and the development of mesothelioma and asbestosis. I fully understand the reluctance of the industry to have an investigation, because of the potential costs involved, but it is beholden on us and the Minister in particular to look into such a link with all seriousness.

Jeremy Quin: I think I might have misheard the hon. Gentleman, but, if not, I would not want the record to suggest that I think there is no causal link—I am concerned that there might be. The hon. Member for Stalybridge and Hyde (Jonathan Reynolds) referred to asbestosis and we have also heard about organophosphates. I think there may be a causal link, and I am keen that the precautionary principle applies until we get really hard evidence that there is not. Like the hon. Gentleman, I am genuinely concerned.

Grahame M. Morris: I am grateful for that intervention; I did not mean to misrepresent the hon. Gentleman's position. It is important that we look at evidence. Considerable pressure is building to have a proper investigation and to make an objective assessment as to whether there is a causative link between the symptoms, which are wide and various—I do not propose to go into them again because other Members have already done that—and exposure to toxic air fumes that have come from engines through bleed air systems.

Other Members have referred to the new generation Boeing 787 Dreamliner, which uses bleed-free systems. Those systems are not an industry standard, nor does Boeing's decision seem to mark the beginning of a transition to a safer system. I echo the comments of my hon. Friend the Member for Stalybridge and Hyde, because, apart from anything else, Unite has a substantial number of members involved in the aviation industry—not just flight and aircraft maintenance crew but those working in the manufacture of aircraft components and engines. I do not seek to damage confidence in the industry, but it is important that we ensure that this safety-critical industry enjoys complete confidence and we have those necessary assurances and investigations.

#### Chris Stephens rose—

**Grahame M. Morris:** I will give way to my friend, the hon. Member for Glasgow South West (Chris Stephens).

Chris Stephens: Is there not also confusion about which body is responsible for occupational health and safety? It seems to be split between the Civil Aviation Authority and the Health and Safety Executive, and that is confusing in terms of the Control of Substances Hazardous to Health Regulations 2002—the hon. Gentleman will be familiar with them—which the CAA has denied responsibility for.

**Grahame M. Morris:** That is a good point. I hope that the Minister will reflect on it and perhaps refer to it in his response.

I am afraid that we do not have a lot of information on the frequency of these events in the United Kingdom. The much-criticised UK Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment estimated that smoke and fume events are reported by pilots in one in every 100 flights—I think that was previously mentioned—but those are conservative estimates. If there is under-reporting, as many seem to believe anecdotally, that might be another reason why many fume events are not being investigated. As my hon. Friend the Member for Brent Central (Dawn Butler) mentioned, it is important to monitor in real time rather than bring portable equipment on to aircraft when they have landed.

I understand that UK fleet figures are not available—if the Minister does have such figures, I am happy to take an intervention from him to put them on the record—but what was initially thought to be quite a rare event anecdotally seems to be happening far too often. Figures available from the United States are quite alarming, although they have many more aircraft and flights. Clearly exposure to contaminated bleed air can have a serious impact on health, particularly for cabin crew, who are at greater risk of exposure and of cumulative effects.

We have already heard about the coroner's letter following the sad death of pilot Richard Westgate and the regulation 28 report, so I do not intend to go into that. However, it seems to be an omission that there is nothing on the public record. We have heard quotes from the Civil Aviation Authority response to that letter, but we have not seen the full response. The CAA said that

"there is no positive evidence of a link between exposure to contaminants in cabin air and possible acute and long-term health effects".

[Grahame M. Morris]

Although it did conclude that "such a link cannot be excluded."

I am not sure what good that is. It seems to me that this issue is crying out for some further research and evidence so that we can either establish a link or rule it out.

I am prepared to concede that there is a knowledge gap, but the industry and regulators are relying on a system of denial rather than fitting the detection systems required to collect evidence on the true number and concentration of fume events. I do not believe that the industry—or the Government for that matter—would deny the existence of fume events. Again, the Minister can correct me if I am wrong, but I believe they also accept that fume events are detrimental to health. While they may disagree on the extent of such impacts, I ask the Minister to support calls for an independent inquiry into the risks and hazards associated with contaminated air.

We need monitoring and detection systems for cabin air to be introduced so that we can ascertain the true extent of the problem. We also need a better system to diagnose, treat and compensate workers whose health and wellbeing has been compromised and damaged by fume events. Finally, all future aircraft should be designed to be bleed-free. If there is a shred of doubt about there being cumulative, long-term adverse effects on health, surely that is a sensible way to proceed when drawing up design specifications. In the meantime, it is possible to mitigate any effects, perhaps by looking at maintenance schedules, because aircraft that are not maintained to such a high standard are more likely to be subject to fume events as seals go—that is the nature of a mechanical design. Things could therefore be done; indeed, engine oils and hydraulic fluids could be reformulated to minimise potential adverse effects on health.

Ultimately, we need airlines to step up to the plate and accept their responsibilities and duty of care to employees and passengers. If not them, regulators need to demand changes, and detection systems should be fitted to seek further evidence on fume events. If not the airlines or the regulators, the Minister and the Government must take charge. Until such time, I do not believe any of us—the travelling public or indeed air crew—can say with confidence that air travel is completely risk-free and that fume events are not a risk to public health.

Mrs Cheryl Gillan (in the Chair): I do not think that any other Members are seeking to catch my eye, so we will move to the wind-ups.

## 2.48 pm

Gavin Newlands (Paisley and Renfrewshire North) (SNP): It is a pleasure to serve under your chairmanship once again, Mrs Gillan. I start by giving credit to the hon. Members for Stalybridge and Hyde (Jonathan Reynolds), for Brent Central (Dawn Butler) and for Altrincham and Sale West (Mr Brady) for securing the debate on this important issue. I think it has been a real eye-opener for many Members, including me. Despite having an interest in the aviation industry and having Glasgow airport—UK airport of the year—in my constituency, I was not aware until those hon. Members appeared before the Backbench Business Committee that the air we breathe in aircraft cabins is compressed air supplied from the engines.

We have heard some interesting and substantive points from many Members. The hon. Member for Stalybridge and Hyde, who led off, compared the safeguards put in place for asbestos with the lack of safeguards for aerotoxins and indeed the lack of official recognition of health repercussions. He also listed the symptoms involved and said that one purpose of the debate was to raise the issue's profile. He praised Unite's work on this issue over many years and spoke about the lack of detection systems on board aircraft. I think we can all agree that such systems should come into force in the next few years.

The hon. Member for Crawley (Henry Smith) paid great tribute to his former constituent, Matthew Bass. The hon. Gentleman outlined his work in trying to get this issue a much higher profile than it has had until now and he supported calls for an inquiry. I would like to hear the Minister's response to that.

The hon. Member for Heywood and Middleton (Liz McInnes) asked us to assess all the available evidence and come to the obvious conclusion that there should be an independent inquiry. She spoke keenly about the safety of the crew on board aircraft, and my hon. Friend the Member for Glasgow South West (Chris Stephens) made the point that training in this area was perhaps lacking. The hon. Member for Heywood and Middleton listed the five concerns noted by the coroner in relation to the death of the pilot Richard Westgate, and my hon. Friend the Member for East Renfrewshire (Kirsten Oswald) called for both the responses from the CAA and British Airways to the coroner's report to be made public, because they do not appear to be public at the moment.

The hon. Member for Horsham (Jeremy Quin) spoke about his lack of awareness of the issue before being elected. However, he said that due to his constituency's proximity to Gatwick, a number of current and retired aircrew have been in touch, and he set out one such constituent's case. He also said that he was looking forward to the European Aviation Safety Agency's report, which is due shortly.

The hon. Member for Brent Central mentioned the Cranfield University report that claimed that safe limits were not exceeded, but said that there were real problems with the work, as it tested effects at ground level, not in a pressurised altitude setting.

## [Mr David Hanson in the Chair]

The hon. Member for York Central (Rachael Maskell) perhaps understands better than most Members present the health issues involved, given her background. She reminded us that this was a safety concern as far as back as the '50s and raised the Government's attack on the trade union levy.

The hon. Member for Easington (Grahame M. Morris) paid tribute to the work of the hon. Member for Crawley and that of Unite, which offers information and assistance to those in need of it. He also rightly complained that fume events are not recorded.

Other Members have contributed and raised concerns from constituents, including my hon. Friends the Members for East Renfrewshire, for Inverclyde (Ronnie Cowan), for Rutherglen and Hamilton West (Margaret Ferrier) and for East Lothian (George Kerevan).

The 8.7 million passengers who fly through Glasgow airport annually place their trust in the pilots and airline crew. The staff who work in the air industry perform an important job and it is only appropriate that we pay tribute to the work that they do. As well as securing the safety of our passengers, it is vital that we provide safety to the thousands who work in our airline industry. We acknowledge and are deeply concerned about the health problems that have been reported by cabin crew and pilots due to the potentially toxic air that can be present in commercial aircraft during so-called fume events.

I have received a number of emails from local constituents who work as cabin crew, airline staff and pilots, and they have alerted me to some of the health effects that have been caused to some of their colleagues, including blurred vision, vomiting, shortness in breathing and seizures, among many other health issues. Despite the excellent work of the Aerotoxic Association, there is still very little information and awareness of aerotoxic syndrome.

We have heard about the following process from Members, but it bears repeating: an aircraft cabin has to be pressurised with sufficient air pressure to allow passengers to breathe comfortably at the altitudes at which jet airliners fly. For that, a supply of warm compressed air is required, which is supplied by the engine. The danger arises when there is an engine oil seal failure and substances from an aircraft's engine oil supply leak into the cabin through bleed air from the engine, causing so-called aerotoxic syndrome. That is said to affect one in every 2,000 flights and despite the relatively low numbers, aerotoxic syndrome could potentially affect anyone—pilots, cabin crew or passengers.

The Aerotoxic Association stated that not enough is being done to protect those who are affected when a fume event occurs. I have been advised that airlines are supposedly not providing adequate safety measures to those who are in a cabin when the cabin air has been contaminated. The drop-down masks are not useful in providing any form of protection when a fume event occurs, as we have heard.

The lack of awareness of this issue would suggest that there is conflicting evidence on aerotoxic syndrome. However, the Aerotoxic Association stated that numerous scientific studies provide clear evidence on contaminated air being the cause of chronic health problems. In addition, the most recent UK Government report on this issue, from the Committee on Toxicity, stated that contaminated air is a serious problem that can cause severe health implications for those affected. That was supported by the House of Lords Science and Technology Committee when it claimed that an illness, whether caused by toxicity or nocebo effect, can be severely disabling.

It would appear that there is growing acceptance of the health problems that contaminated air can have on those exposed to it. Naturally, the question that we should now be asking is: what is being done to address the problem? The Government appear to want to commission further evidence into the issue of contaminated air and if possible, look at tackling the issue on an international level. I welcome the fact that the Government, through the CAA, have outlined their intentions to continue to monitor the situation; however, there is only so much time that we can continue to monitor the effect of contaminated air without taking proper action against it.

I have great sympathy for the calls being made by Unite and others, who are demanding that an independent public inquiry is commissioned to look into cabin air safety and the potential health effects. The Government's committing to that would send a strong message on how concerned we are about aerotoxic syndrome, and any recommendations from such a public inquiry would carry stronger weight for further action to be taken. If the Government are unwilling at this stage to acquiesce to such an inquiry, may I ask the Minister if they could, at the very least, make this a much higher-priority issue than it appears to be at the moment?

Mrs Gillan, we owe it to the cabin crew and pilots to take proper action—[Interruption.] Mr Hanson, I do apologise—this is what happens when you read out a speech and don't look up! We owe it to the cabin crew and pilots to take proper action to understand fully the health problems that can arise from being exposed to contaminated cabin air. We also owe it to the memory of Matthew Bass who, as we have heard, unfortunately passed away in January 2014 as a result of chronic exposure to organophosphates.

We all travel by air—following this debate, I am heading to Gatwick—and we place great trust in the airline staff. We owe it to those working in the industry to offer that same level of safety to them, and I trust that the Government will take the appropriate and just action to limit the effects of aerotoxic syndrome.

# 2.56 pm

Richard Burden (Birmingham, Northfield) (Lab): Mr Hanson, I welcome you to the Chair. I add my congratulations to my hon. Friend the Member for Stalybridge and Hyde (Jonathan Reynolds) on securing the debate, as well as to my hon. Friends the Members for Altrincham and Sale West (Mr Brady) and for Brent Central (Dawn Butler), who supported him in his application to the Backbench Business Committee. I thank that Committee for granting this very important debate.

I also thank all hon. Members from both sides of the House who have contributed today. I counted 12, taking into account interventions and speeches, which shows the importance that Members attach to this issue. We heard speeches from the hon. Members for Crawley (Henry Smith) and for Horsham (Jeremy Quin), as well as from my hon. Friends the Members for Heywood and Middleton (Liz McInnes) and for York Central (Rachael Maskell), who both brought scientific expertise to the debate, which was very welcome. My hon. Friend the Member for Brent Central spoke with a lot of personal knowledge of this issue from her involvement in the aviation industry. My hon. Friend the Member for Easington (Grahame M. Morris) spoke with a great deal of passion. Like my hon. Friend the Member for York Central, he emphasised the importance of trade unions being able to bring these kinds of issues to the House's attention and talked about that being an important part of democracy.

The aviation industry and the aviation sector is a key pillar of our economy, but it is more than that, even though that is important enough in its own right; travel by air has made our world a smaller place. It fosters direct face-to-face contact and understanding between peoples across the globe in a way that no other mode of

# [Richard Burden]

travel ever has. That is why it is right that we pay tribute today to those who work in the civil aviation sector, on the ground as well as in the air.

However, this debate really does raise genuine welfare concerns, particularly for cabin crew and pilots: some of the people on whom we rely to get comfortably and safely to our destinations. Their work, as many hon. Members have said, is far from easy. Fatigue is regularly among the top concerns of staff in the air, and we know that that is an underlying but ever-growing problem. We also appreciate the impact that their work can have on their family life.

Despite all those pressures, however, what is clear is that air crew do the job because they love it, and two such people were Richard Westgate and Matt Bass. I want to join the tributes to their families and to Unite. I declare myself a proud member of Unite and draw attention to my entry in the Register of Members' Financial Interests. It is right to recognise that parts of the media have tried to move the issue up the public agenda. It has received attention from, for example, BBC's "Victoria Derbyshire" programme and ITN's "Tonight" programme.

All those people and institutions are right in saying that key unanswered questions remain: on research into air fume events, monitoring and detection systems, and awareness, education and diagnosis of symptoms. The Government's responsibility is to do all they can to ensure the safety of passengers and crew alike. The existence of regulators is important, but does not take away that overall responsibility. As my hon. Friend the Member for Stalybridge and Hyde said, we know from the asbestos issue that what authorities often believe for a long time to be the case does not always turn out to be correct.

We know that many modern aircraft use bleed-air systems—that has been referred to many times in this debate—to supply air to the cabin, but we also know that faults with engine seals and seepage can lead to contaminated fumes containing toxins. What is not crystal clear is the implication of short and long-term exposure to contaminated air and its links to aerotoxic syndrome which, given the range of systems, is clearly difficult to diagnose. However, there are some things we already know. The coroner's report on the death of Richard Westgate recognised:

"symptoms consistent with chronic exposure to organophosphates."

We know that Matt Bass shared similar symptoms. The inquest into his death is ongoing. We also know that Unite is pursuing some 61 individual cases. The question is real: is aerotoxic syndrome an occupational illness?

A number of Members today have drawn attention to reports and position papers produced by the Committee on Toxicity and how its findings have been interpreted. There is a clear distinction between saying there is no evidence of aerotoxic syndrome, as some suggest, and saying that there is not enough evidence to prove that link. As Professor Alan Boobis, the Committee's chair, said in his interview on ITN's "Tonight" programme last year:

"We made proposals for research that could be pursued...as far as I know, no one came back."

The Association of Flight Attendants also called for further research in its critique of the committee's 2007 report, in which it stated that

"there is a need for a large scale sampling study."

My hon. Friend the Member for Stalybridge and Hyde rightly called for an independent inquiry to get to the bottom of these things, and that call has been echoed by others. The Minister will no doubt say that the UK is supporting an international approach for research through the European Aviation Safety Agency. That is important, and I understand that the agency will publish a preliminary report in the autumn. It is also important to know exactly what that is about and who is doing it. I understand that the agency has contracted out the work; in that context, will the Minister confirm the independence of the bodies commissioned to do that study and who was consulted on the choice of contractor? If he does not have the information now, I understand, and perhaps he will write to me.

Mr Goodwill: I thank the hon. Gentleman for raising that. I follows on from four pieces of research in the UK, most notably that by Cranfield University, so it is not as if we have not already carried out a lot of work in the UK.

Richard Burden: I am grateful to the Minister for that information, but I want to press him on EASA's study and its remit. His letter in November 2015 to the Chair of the Transport Committee suggests that EASA is currently looking at what equipment should be put in place to undertake cockpit and cabin air measurements in future and will report in the autumn. That is important, and I will come back to it in a moment. I shall be grateful if the Minister will confirm whether the current EASA project has any remit to survey existing evidence from inquiries and studies—he mentioned some of them—whether from the UK, from other parts of Europe, international or in, for example, Australia.

Those inquiries and studies of air cabin safety have happened already. If the EASA does not have a remit to look at those other studies and can look only at monitoring for the future, should the Minister not ensure that someone is doing that work already? If it is happening, that is great, but it would be useful to know who is doing it. If it is not happening, why not? A number of hon. Members have mentioned the importance of the precautionary principle, which we need to apply in this case. The state has a duty of care.

On research, I have been told that no toxicity studies have reflected the real-life atmospheric pressure and temperature levels of planes at altitude. My hon. Friend the Member for Brent Central made this point. To me, that says that we simply do not know the synergistic effects and impact of prolonged exposure. Understanding that is critical if we are to establish whether this is an occupational disease. Will the Minister tell me whether I am right and, if I am, who will do that study and who will put in place those tests on aircraft in flight?

Whatever else is or is not being done, it seems from what the Minister said in his letter to the Chair of the Transport Committee in November 2015 that EASA is looking into the use of monitoring equipment, and that is important. It is vital to improve the data available for research. There are already legal requirements for cabin air to adhere to set levels of, for example, carbon

do to ensure that that happens from now on?

No one denies that the fume events occur, but we do not know the true extent to which contaminated air incidents happen, as we have heard time and again today. Without monitoring, it is up to aircraft crew to report incidents. As was also said today, it is down to the noses of air crew. That makes it equally important that they receive adequate awareness training to detect leaks, whether by smell or other means. It is not unreasonable to suggest, as various hon. Members have, that pilots and cabin crew may be reluctant to report, particularly in the highly competitive environments in which airlines now operate, what they suspect could be minor instances, especially given the possible implications for airlines and perhaps for their own professional interests.

The 2008 ASA critique of the Committee on Toxicity also noted that the rate and reliability of reports coming in were flawed. So what steps are the Government taking with the regulators to ensure that awareness training is in place and that reporting is expected and enforced?

Finally, on the types of aircraft, what guidance does the Minister have on whether certain aircraft are particularly susceptible to fume events? In line with the precautionary principle that Members from all parties have said we need to adopt, where there is now bleed-free architecture available, what steps can we take to ensure that all future aircraft built adopt that technology? I am glad that the Minister asked his civil servants whether there was any link with cabin air in the design of the 787 Dreamliner. They told him that the design was about efficiency, not cabin air. I am sure it was partly about efficiency, but will the Minister go back to them and ask them to check whether representations were made and whether the Federal Aviation Administration talked about air quality in cabins being a factor in the design of bleed-free engines?

I hope the Minister will address the questions that all hon. Members have raised today. We owe it to Richard Westgate and Matt Bass, and to their families. We owe it to cabin crews and pilots themselves. Because all of us are in this category as well, we owe it to the travelling public, the passengers. We need to get to the bottom of this without further delay.

### 3.12 pm

The Minister of State, Department for Transport (Mr Robert Goodwill): It is a great pleasure to serve under your chairmanship yet again, Mr Hanson. I congratulate the hon. Members for Stalybridge and Hyde (Jonathan Reynolds) and for Brent Central (Dawn Butler) on securing this debate about cabin air safety and aerotoxic syndrome. I should also declare an interest as a member of a union that has members who have been involved with OP toxicity issues. As a member of the National Farmers Union, I have dipped many thousands of sheep and used chemicals at many thousands of times the concentration of the ones we are talking about in this debate. Also, I have two friends who have suffered the sorts of symptoms that we have heard described today: chronic fatigue and sickness and so on.

Grahame M. Morris: The Minister is making a good point. In fact, the issue was raised by my hon. Friend the Member for Newport East (Jessica Morden). Does he accept that the problem is the regular, continuous exposure to various levels, whereas sheep dipping, even though it was done without proper protection initially—he can correct me if I am wrong—would presumably be for a limited period? It would not be every day in someone's working life on the farm.

Mr Goodwill: I will go on to describe the levels that those in aircraft cabins are likely to be exposed to under normal operations when a fume event has not taken place. However, as I was saying, neither of my two friends who are suffering from career-finishing symptoms—they are not able to work—had been involved in either the aviation industry or in agriculture. I suspect that if they had been involved in agriculture, I would have been asking questions about whether their exposure to sheep dip or to other agrochemicals may have been to blame. Similarly, if they had been in the aviation industry, I would perhaps be asking the same questions.

The Government take the health and air safety of passengers and crew extremely seriously. The United Kingdom is recognised throughout the global aviation community for its high standard and excellent record of safety in commercial aviation. I must make it clear that the Government must always act on evidence and we have over the years worked hard to collect evidence, as did the previous Government when the problem first came to public awareness. There has been much public debate about the issue as so many people are aware of the problem.

There are currently two inquests into deaths where the relatives of the deceased are trying to establish whether contamination by cabin air could have been the cause of death. Both inquests are still open, and in both cases the CAA rather than my Department has been named as an interested party. Both of the deceased were employed by the same airline, and so far the evidence that has been gathered does not support the view that the deaths were connected to contamination of cabin air.

In the case of Richard Westgate, the Dorset coroner's January pre-inquest review has been adjourned to 30 March 2016 to allow time for medical experts' reports to be submitted, but he did release a prevention of future deaths report in 2014, which some have taken as a signal that the death might be attributed to contamination of cabin air. However, there was no evidence to suggest that this was the case, and we await the full inquest verdict with a great deal of interest.

In the case of Matt Bass, who has been mentioned during this debate and whose case is before the Berkshire coroner, the January pre-inquest review has been adjourned until 15 June 2016 to allow time to locate medical samples and to instruct the experts. I offer my deepest sympathies to the families and friends of the deceased, but, as the two inquests have not been concluded, it would not be appropriate for the Government to comment in further detail.

**Dawn Butler:** The Bournemouth coroner, in respect of Mr Westgate, issued a regulation 28 report to prevent future deaths under the Coroners (Investigations)

[Dawn Butler]

Regulations 2013 in relation to both British Airways and the CAA on 16 February 2015. In it he states:

"In my opinion urgent action should be taken to prevent future deaths and I believe that your organisation has the power to take such action."

Is that part of your consideration?

Mr Goodwill: As I said, the inquest has not been finalised and no verdict has been reached. In many ways, the precautionary principle may have prompted the coroner to issue that advice at that time, but the case is still before the courts. Similarly, if the case was before a criminal court, one would not want to comment before the verdict. It would be inappropriate for the Government to do so and my legal advice is that we should not comment before the verdict. In at least one of the cases we will not have long to wait for the verdict, and we will look very carefully at the scientific evidence brought before the inquest and how that is interpreted.

**Kirsten Oswald:** I am interested to hear the Minister say that the Government want to look carefully at the evidence; I appreciate the sentiment behind that. Would it be useful to also look very carefully at the responses to the report referred to by British Airways and the Civil Aviation Authority, because this information will help us to decide how best to move forward?

Mr Goodwill: Certainly the CAA is involved in this. I meet regularly with the unions involved, particularly BALPA, so it is not something that we are trying to shuffle away, but we need to wait for the result of the inquest before we report on these particular cases. I will go on to present various pieces of evidence and show where we are on this important matter. I will talk about what work has already been done and what work we believe needs to be done.

The safety of cabin air is an issue that has been a matter of public debate over several years—in fact, over a decade now. This continues to be the case, and I, together with my noble Friend Lord Ahmad of Wimbledon, have received a considerable amount of correspondence and responded to several parliamentary questions on cabin air quality. As background, some crew and passengers have expressed concerns that they have suffered long-term health impairment, which they contend is due to exposure to organophosphates present in small amounts as additives in aviation engine oils and hydraulic fluids.

As ever, we have to be careful to have regard to whether there is evidence to support the link between the illnesses and cabin air. That is why the concerns have been investigated at length over a number of years. In 2006 the previous Government arranged for the Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment—an independent advisory committee of toxicology experts—to review evidence from the British Airline Pilots Association. At the time, the Committee on Toxicity considered that it was not possible to conclude whether cabin air exposures in general, or following incidents such as fume events, cause ill health in commercial aircraft crews. It recommended further work to ascertain whether substances in the cabin environment could potentially be harmful to health.

A second inquiry was held by the House of Lords Science and Technology Committee, which looked into this issue as part of a wider inquiry in 2007, and published its findings in a report called "Air Travel and Health". In that report, the findings of the Committee on Toxicity were supported. Following the recommendation in 2007 by the Committee on Toxicity, the Government commissioned a series of scientific studies as part of a research programme on cabin air. The principal research study, which was carried out by Cranfield University, was published in 2011. It found that, with respect to the conditions of flight experienced during the cabin air sampling, there was no evidence of pollutants occurring at levels exceeding health and safety standards and guidelines. Levels observed in the flights that formed part of the study—I stress that they did not include an instance of an oil seal failing—were comparable to those typically experienced in domestic settings. No higher levels of exposure were found than, for example, we would experience in this Chamber.

In addition to the principal study, three further research studies were commissioned and published by the Government. Those four published studies were formally submitted to the Committee on Toxicity for consideration in 2012. The Committee considered the research reports, as well as other research published in the scientific literature since 2007, and subsequently published a position paper on cabin air in December 2013.

I have recently written to several Members of Parliament regarding the findings of the Committee's position paper. In that letter, which was also placed in the Libraries of both Houses, I summarised the advice the Committee gave and its conclusions. In short, the paper recognises that contamination of cabin air by components or combustion products of engine oils does occur, and that episodes of acute illness have occurred shortly after such episodes. However, it found that levels of chemicals in bleed air would need to occur in far higher concentrations than those found during the studies to cause serious toxicity, and that the symptoms that have been reported following fume events have been wide-ranging, and less specific than those that typically occur from chemical toxicity.

**Grahame M. Morris:** I am grateful to the Minister, who is being characteristically generous in giving way. Is there not a basic flaw in that suggestion, if we do not count incidents? Could it be that in some older aircraft that may not be maintained to such a rigorous standard, air fume events are more frequent? Is that not a possibility, if we do not do a proper investigation, in situ, in real time?

Mr Goodwill: That is a very reasonable point to make. The findings have been made by professional toxicologists, whose job it is to analyse the effects of toxic compounds in a variety of locations, including the workplace. I shall come on to talk about the number of so-called fume events, and I have some evidence from the CAA to put it in context.

**Richard Burden:** I understand the reports that the Minister refers to. I do not know whether he saw, as I did, the interview that Professor Boobis gave to the "Tonight" programme, when he was at pains to say that the Committee on Toxicity was not saying that cabin air was safe when the incidents occurred. He went on to say

that it had made proposals for further research that could be pursued; as far as he knew no one came back to the committee. Has that been followed up?

Mr Goodwill: Research is ongoing, not least through the European Aviation Safety Agency, but the levels of OP concentration in situations where no fume event has occurred—which have been measured widely—have been found to be no greater than they are in this Chamber or any domestic location. They are very small background levels, as one would expect. Particularly given the sensitivity of some of the testing that can now be carried out, it is not difficult to find OPs almost anywhere.

As a toxic mechanism for the reported illnesses was found to be unlikely, a nocebo effect was considered a plausible alternative explanation for the symptoms. A nocebo effect can be defined as a detrimental effect on health produced by psychological or psychosomatic factors—for example where a subject develops symptoms as a reaction to a situation that he or she perceives as dangerous or hazardous. However, neither option could be proved beyond doubt given the available data; but we know that the nocebo effect happens in other circumstances. I hesitate to give this example from my own experience, but when I was a child my mother would serve us a cooked breakfast and after we had finished she would say, "I hope those sausages were all right. They were well past their sell-by date," and one felt a feeling in one's stomach. It is not the same thing, but it shows how psychological effects can pass into physical effects. That is one of the theories put forward by the scientists looking at the matter. The nocebo is an established psychological and medical situation.

**Rachael Maskell:** The Minister is being generous with his time this afternoon. What I want to know is what is behind the research. What about the cumulative impact of constant exposure to instances of gases being released into the cabin?

Mr Goodwill: I am going to come on to the frequency of fume events. I think none of the toxicologists or other scientists involved in the projects consider that there is a risk in the normal background level of chemicals in an aircraft cabin. As I have said, those are similar to the levels found in any other setting in the UK. The fume events are what we need to look at, and I will be discussing a little more evidence that I have been given about the frequency of those events.

As a toxic mechanism could not be categorically ruled out as the cause of the symptoms, the Committee concluded that more research would be beneficial. It stated, however, that it would be necessary to balance the likelihood that the further research will usefully inform further management of the problem against the costs of undertaking the research. There are various aspects of the issue to take into consideration, including the results of the research that has been undertaken and the unpredictability and rarity of the fume events. I said I would have some information on that. The Civil Aviation Authority operates a mandatory occurrencereporting scheme and, contrary to what we may have heard during the debate, the CAA is determined that every type of occurrence should be reported. Indeed, if airlines do not report instances, questions are asked about whether their culture is a good one.

When I was a member of the Select Committee on Transport we visited the CAA and were given a list of the sorts of reports that came forward, which included things that people might not see as relevant, such as both pilots eating the same sandwich. That would be an issue if there were a food poisoning incident. Even what might seem trivial and unimportant incidents must be reported, and there is a culture of reporting in the airline industry, not least in the case of fume events, which people are well aware of.

Jonathan Reynolds: The Minister is being very generous. How does the CAA envisage the compulsory reporting of incidents being carried out, when there is not the monitoring available to find out whether one has occurred or not?

Mr Goodwill: I am advised that if a fume event occurs it is apparent to everyone on the aircraft. The smell of the oil is absolutely apparent to people. As I mentioned, there is a culture of reporting in the CAA and the aviation industry—which, incidentally, we would like to spread to the health service, where near misses and potential accidents are often not reported. Its reporting culture ensures that the aviation industry is one of the safest in the world.

**Rachael Maskell:** That is the crux of the debate. The reality is that it may be possible to detect a serious fuel event; but what about a minor one, where there is slight leakage into the cabin?

#### Dawn Butler rose—

**Mr Goodwill:** I will also give way to the hon. Member for Brent Central before I respond.

**Dawn Butler:** To pick up on that point, there are also some toxins that one cannot smell, so is not the way to gather the empirical evidence, as has been said, just to monitor what is going on in the aircraft at the time? The Minister is absolutely right: the airline industry has a culture of reporting the errors or mistakes that people make, so that it can improve its system. However, that is exactly what is not happening with these incidents, because they are not being monitored.

**Mr Goodwill:** A lot of air quality monitoring has been carried out on aircraft. The problem is that fume events are relatively rare and therefore there has not been the ability to pick one up during one of those monitoring situations.

Under the CAA's mandatory reporting scheme, the trigger for a report is an event that is considered by the crew to be a

"safety-related event which endangers or which, if not corrected or addressed, could endanger an aircraft, its occupants or any other person."

None of the flights where fumes and smells were reported in post-flight questionnaires met those criteria; they are the ones that we actually tested. However, I have some data from the CAA on the number of those reports where smells have been reported in the cabin. We heard from the hon. Member for Stalybridge and Hyde that he had been given the figure of about one in 2,000 flights. We heard from the hon. Member for Heywood

[Mr Goodwill]

and Middleton (Liz McInnes) that it is about one in 100. The evidence that I have is that in the last decade we have seen annually between 282 and 471 reports of smells or fumes in the cabin. The last year that we have report numbers for is 2014, when there were 426.

However, it must be emphasised that up to now, reports of fumes have included all causes of smoke, odour or fumes, both internal and external, and not just incidents of bleed-air contamination. The CAA estimates that a maximum of 10% of those incidents reported are regarding bleed-air contamination—in other words, less than one a week—and therefore it has not been possible as yet to have testing equipment on an aircraft when one has happened. I hope that that puts into context the frequency with which these situations occur.

Rachael Maskell: I would like to press the Minister a little further on this issue, because it is very important. The fact that detection equipment is not available or not placed on aircraft means that we are moving to subjective measures of whether an incident has occurred. Is it not vital that we first do the correct monitoring in order to understand how big, small or frequent these incidents are, and then go on to take action? I do not think that the reports to which the Minister is referring are satisfying us that that empirical evidence is available.

Mr Goodwill: I could not agree with the hon. Lady more. I am laying out what research has been done and what information we have to date. That is why it is very important that EASA makes further progress. Indeed, we are keen to find out what research is happening around the world. Because of the international nature of the aviation industry, it is the Government's view that an international approach to any future research investigations would be appropriate.

Chris Stephens: Will the Minister comment on the occupational health and safety aspect and look at this issue again? It seems to me that air cabin crews' Health and Safety Executive protections apply only when they are on the ground and outside the aircraft. Things such as Control of Substances Hazardous to Health Regulations seem to be falling through the net between the CAA and the HSE.

Mr Goodwill: My advice is that the CAA is the body responsible for the safety of crew and passengers in this case, and the CAA, as I have said, takes this very seriously. We are working with international bodies such as EASA to try to progress some of the research. The opportunity to collect data from a broader sample base than is available in the UK—

Chris Stephens: The Minister has been most generous in accepting interventions. My understanding is that COSHH regulations would apply to much of this, but that the CAA has said that COSHH regulations do not apply to it. Could the hon. Gentleman go away and look at that, in terms of the health and safety protections that should apply to these workers?

Mr Goodwill: I am certainly happy to interrogate the CAA on its interpretation of the rules on COSHH. I am well aware of the operation of the regulations; as a

former road tanker driver, I know all about COSHH regulations. But of course aviation is an international business and aircraft are not necessarily within our jurisdiction as they are flying, so it is important that we have international agreements. Indeed, many aircraft that carry British nationals are flagged to other countries around the world, and therefore we need to ensure that their standards are as high as ours and that work can be progressed internationally.

Richard Burden: I will add to the interventions now, so that the Minister can get them out of the way in one go. Could I press him a little more on the business about EASA? If I understood him correctly just now, he was saying that EASA was looking at the research that is available. The letter that he sent to the Transport Committee, as I understood it, suggested that EASA was looking not at that, but at the future of monitoring equipment. That is very important, but my question stands: who is looking at the body of research that is already there, nationally, in Europe and internationally, pulling it all together and seeing whether any action can be taken on the basis of what we already know?

Mr Goodwill: Certainly the UK has looked at the studies that have already taken place. Indeed, many of those were initiated in this country by the previous Labour Government. But we are obviously very keen to look at how we can work to get further information. In terms of the EASA research, the hon. Gentleman is absolutely right. In fact, due to the unpredictability and rarity of fume events and due to the international nature of the aviation industry, it is the Department's view that an international approach to any future research investigations would be appropriate. The opportunity to collect data from a broader sample base than is available in the UK alone would lead to a higher probability of more meaningful evidence being collated. The Department therefore wrote to EASA with those views in March 2014.

EASA did launch in the spring of 2015 a preliminary in-flight cabin air measurement campaign. That will develop a methodology and put in place adequate equipment to perform cockpit and cabin air measurements. The results of that campaign, which will be used to prepare for an envisaged large-scale project in the future, are expected in autumn 2016. The Department will follow with interest the progress of that work; indeed, I will update the hon. Gentleman when I get further information.

At national level, the aviation health unit within the medical department of the CAA will continue to monitor issues relating to cabin air, as part of its wider role as specialist adviser to the Government on aviation health issues

As I said, EASA has launched preliminary work, and we hope to carry that further. I point out that the UK is not the only country in the world conducting research in this field. For example, the German authorities, as well as the country's biggest airline, Lufthansa, have conducted similar research projects to the ones mentioned here, and they have arrived at the same conclusions. That is not to say that the industry is complacent—far from it. New technologies for improving the filtration and monitoring of cabin air are emerging all the time, and as we have discussed, there is a particular aircraft type, the new Boeing 787 Dreamliner, that uses a different

source of air, although it must be noted that the equivalent Airbus aircraft, the A350, uses the conventional bleed-air system for cabin air sourcing.

The aviation industry is aware of the concerns that have been raised and is continuously reviewing the current practices, as well as developing options for future improvements. The Government are working together with the industry to support that momentum. The joint Government and industry funded aerospace research and development programme, supported by the Aerospace Technology Institute and Innovate UK, is supporting projects in related areas, including air and oil systems, electronic technologies and system health monitoring, all of which will lead to enhanced cabin air quality as one of the outcomes. The Aerospace Technology Institute is currently working with industry to launch further projects in these areas.

In 2013, industry and Government, working together through the Aerospace Growth Partnership, made a joint funding commitment worth £2.1 billion in total for aerospace research and development over seven years. That was protected, and extended by an additional £900 million over six years to 2025-26, in the spending review in 2015. The industry has committed to matching the investment from the Government in this area. The industry certainly understands the importance of research and development aimed at improving overall safety. However, for the industry to drastically change the way the aircraft are air-conditioned or, indeed, to change the lubricants, there would have to be clear evidence that shows that cabin air quality is harmful to crew and passengers. The current practice of using air from the compression stage of the engine—bleed air—has been shown to be an effective, fuel-efficient and reliable way of providing air to the cabin.

I hope that I have demonstrated that the issue is taken seriously by all parties involved. However, as it is a complex issue with little evidence to show that a change is needed, it will take time to find new and innovative solutions that would be accepted by all. We certainly need to co-ordinate international research and I will raise that with the CAA at our next meeting. I will also discuss the issue with the British Airline Pilots Association, although I have to say that the issue has not necessarily been very high on its agenda at some meetings I have had with it. Maybe debates such as this will further raise awareness among those who work in the industry.

Finally, I urge a note of caution on the precautionary principle. I was a member of the European Parliament's Committee on the Environment, Public Health and Consumer Policy and, very often, the precautionary principle was used as a way of taking action on something for which there was no supporting evidence. I cite the case of phthalates used as a softening substance in PVC for medical uses and for things such as babies' bottles. The outcome of making a change based on no evidence other than some very limited migration evidence actually resulted in products that were not as suitable and could have jeopardised people's treatment. We need to be very careful about using the precautionary principle. We need to look at the actual evidence. I am pleased that research has been carried out, and more research will be carried out.

Once again, I stress how seriously I take the issue and how important it is that we get more evidence. I thank the hon. Members for Stalybridge and Hyde and for Brent Central, and my hon. Friend the Member for Altrincham and Sale West (Mr Brady) for securing the debate and for providing us with the opportunity to discuss this important and, to many, very personal issue

3.41 pm

Jonathan Reynolds: Mr Hanson, thank you for the opportunity to summarise the debate. I reiterate my thanks to the Backbench Business Committee for awarding us the time. I am extremely grateful for the support of colleagues in the debate, which has been well attended, particularly as we are in the second day of the Budget debate. I particularly thank the hon. Members for Crawley (Henry Smith) and for Horsham (Jeremy Quin), who obviously stressed that this is a cross-party issue. I was remiss in my introduction not to specifically thank the hon. Member for Crawley for his existing parliamentary work on the topic. It was the first thing that I looked at when addressing the issue. That is much appreciated and I am grateful to be able to do that.

I am grateful to my hon. Friends the Members for Newport East (Jessica Morden), for Heywood and Middleton (Liz McInnes), for Brent Central (Dawn Butler), for York Central (Rachael Maskell), for Easington (Grahame M. Morris) and for Greenwich and Woolwich (Matthew Pennycook) for their support for the debate and for the points that they raised.

In addition, I thank the hon. Members for East Lothian (George Kerevan), for Rutherglen and Hamilton West (Margaret Ferrier), for Inverclyde (Ronnie Cowan) and for Glasgow South West (Chris Stephens). I am, of course, grateful for the contributions of the Front-Bench spokesmen, the hon. Member for Paisley and Renfrewshire North (Gavin Newlands) and my hon. Friend the Member for Birmingham, Northfield (Richard Burden), who made an excellent speech, and, indeed, for the Minister's response.

In my opening speech I said that I felt I had seen and heard enough to warrant the call for an inquiry into the issue. That view has only been strengthened by listening to the testimony and speeches of colleagues who have come along to the debate today. I wanted to bring a specific point to the Minister's attention—and my hon. Friend the Member for Birmingham, Northfield echoed this—which is that I have copies of the American Federal Aviation Administration's presentations on the new Dreamliner, suggesting that cabin air was among the design considerations for the new 787. I would be happy to send those to the Minister, although I am sure he has the means to obtain them himself.

Notwithstanding the very good speech the Minister made presenting his position and the seriousness with which he took the issue, it seems unlikely that the controversy will diminish. I think it is reasonable to say that the studies he mentioned have not reassured many people working in the industry to date, and that must be our primary concern.

I echo what my hon. Friend the Member for Easington and the hon. Member for Horsham said, which was that, until we can rule out an adverse effect on health, it is reasonable to consider the precautionary principle. I certainly intend to continue my interest in the issue and to call for a full inquiry, and I urge hon. Members present to continue to do the same.

447WH Cabin Air Safetyl Aerotoxic Syndrome 17 MARCH 2016 Cabin Air Safetyl Aerotoxic Syndrome 448WH

[Jonathan Reynolds]

3.44 pm

Question put and agreed to.

Sitting adjourned.

Resolved,

That this House has considered cabin air safety and aerotoxic syndrome.

#### 44WS

# Written Statements

Thursday 17 March 2016

#### **CABINET OFFICE**

#### **Electoral Law**

The Parliamentary Secretary, Cabinet Office (John Penrose):

It is a long-standing feature of electoral law that if third parties wish to engage in campaigning at an election, they should report their expenditure to ensure transparency, and that there should be spending limits on that expenditure to ensure a fair and level playing field and prevent undue influence.

Part 2 of the coalition Government's Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014 amended those limits to stop third parties engaging in "distorting" activity during elections; updated the definition of controlled expenditure to include canvassing, events and rallies, as well as election literature; and regulated how spending was applied in individual parliamentary constituencies.

The Government continue to believe that the legislation is a necessary check and balance to ensure free and fair elections, and open and accountable campaigning at elections. The checks just ensure not just fairness for political parties' candidates, but also between rival third parties—especially on strongly contentious topics.

At the 2015 general election, 68 organisations were registered with the Electoral Commission as third party campaigners. Organisations that spent money campaigning at the general election included the likes of trade unions, the National Union of Students, the Campaign for British Influence in Europe, 38 Degrees, London First and CND.

As required by section 39 of the Act, Lord Hodgson of Astley Abbotts was appointed last year to conduct a review of the operation of third party campaigning provisions, in relation to the 2015 general election. The Chancellor of the Duchy of Lancaster has today laid Lord Hodgson's report before Parliament.

The Government are grateful to Lord Hodgson for his comprehensive and balanced report. We are pleased that he recognises the need for effective regulation of those campaigning at general elections to prevent undue influence and the need for transparency about who third party campaigners are and what they are spending.

The package of recommendations proposes tightening some rules and relaxing others. For example, it suggests ending the exclusion for supporters (as opposed to members) of an organisation and requiring campaigners at an election to register with the Electoral Commission if they intend to spend more than £5,000 in any one constituency. It also recommends that campaigners should provide more detailed information about the political issues on which they are campaigning, which would be published by the Electoral Commission. Equally, it advocates clearer guidance by the Electoral Commission to address some misunderstandings about the actual provisions of the legislation.

We will now carefully consider the package of proposals. Some involve changes to the existing regulatory regime, some changes to primary legislation and some are recommendations to the Electoral Commission.

It can also be viewed online at:

17 MARCH 2016

http://www.parliament.uk/business/publications/ written-questions-answers-statements/writtenstatement/Commons/2016-03-17/HCWS627.

[HCWS627]

#### TREASURY

# **Convergence Programme**

The Financial Secretary to the Treasury (Mr David Gauke): Article 121 of the treaty on the functioning of the European Union (TFEU) requires the UK to send an annual Convergence Programme to the European Commission reporting upon its fiscal situation and policies. The UK's Convergence Programme will be sent to the European Commission by 30 April. This deadline was set in accordance with the European semester timetable for both Convergence and National Reform Programmes. The Government support the European semester which plays an important role in EU level co-operation on economic and fiscal policy.

Section 5 of the European Communities (Amendment) Act 1993 requires that the content of the Convergence Programme must be drawn from an assessment of the UK's economic and budgetary position which has been presented to Parliament by the Government for its approval. This assessment is based on the Budget 2016 report and the most recent Office for Budget Responsibility's economic and fiscal outlook and it is this content, not the Convergence Programme itself, which requires the approval of the House for the purposes of the Act.

Article 121, along with article 126 of the TFEU, is the legal basis for the stability and growth pact, which is the co-ordination mechanism for EU fiscal policies and requires member states to avoid excessive Government deficits. Although the UK participates in the stability and growth pact, by virtue of its protocol to the treaty opting out of the euro, it is only required to "endeavour to avoid" excessive deficits. Unlike the euro area member states, the UK is not subject to sanctions at any stage of the European semester process.

Subject to the progress of parliamentary business, debates will be held on 23 March for both the House of Commons and the House of Lords, in order for both Houses to approve this assessment before the Convergence Programme is sent to the Commission. While the Convergence Programme itself is not subject to parliamentary approval or amendment, I will deposit advanced copies of the document in the Libraries of both Houses tomorrow and copies will be available through the Vote Office and Printed Paper Office.

The UK's Convergence Programme will be available electronically via HM Treasury's website prior to it being sent to the European Commission.

#### COMMUNITIES AND LOCAL GOVERNMENT

# **Boosting Mobile Connectivity**

The Minister for Housing and Planning (Brandon Lewis): I wish to set out, along with my hon. Friend the Minister for Culture and the Digital Economy, how the Government will support digital connectivity to provide the opportunity for everyone to connect to the information superhighway and boost our economic prosperity.

"Fixing the foundations: Creating a more prosperous nation" (Cm 9098) set out our commitment to support market investment and streamline legislation to make it easier to roll out the mobile infrastructure that this country needs.

Views on how this could best be achieved were sought through the call for evidence: "Review of how the planning system in England can support the delivery of mobile connectivity" published on 10 July 2015. The review also sought evidence on the effectiveness of planning freedoms introduced in 2013.

The Government are firmly committed to ensuring there is sufficient capacity to meet the growing demand for mobile connectivity. The majority of respondents recognised that digital connectivity is an essential service that communities and business want and need. There was support for the Government's ambition to maximise coverage and for commercial investment.

Importantly, it has been recognised that there are opportunities to support mobile connectivity while ensuring local communities retain their role in influencing the visual impact of new infrastructure.

This Government intend to bring forward provisions in England to provide greater freedoms and flexibilities for the deployment of mobile infrastructure. The changes outlined below are vital for our continued economic prosperity and social inclusion for all. They will help ensure that mobile operators have the confidence to invest in their network coverage and boost capacity for both voice and data.

Where a site is already used for telecommunications infrastructure, we will extend permitted development rights to allow taller ground-based masts to be built. The threshold for new ground-based masts will increase from 15 metres to 25 metres in non-protected areas and a new permitted development right allowing new masts of up to 20 metres will be introduced in protected areas. To ensure that there is appropriate community engagement a prior approval will apply where a new mast is being built, meaning consideration will always be given to how to minimise the visual impact of masts.

Operators will also be able to increase the height of existing masts to 20 metres in both non-protected and protected areas without prior approval; between 20 metres and 25 metres in non-protected areas with a prior approval; and have a new automatic right to upgrade the infrastructure on their masts in protected areas to align with existing rights in non-protected areas. There will be a height restriction of 20 metres on highways and residential areas to accommodate vehicle lines of sight and pedestrian access.

In addition, we will lift restrictions on the number of antennae allowed on structures above 30 metres, while removing the prior approval requirement for individual antenna greater than 6 metres in height in non-protected areas and for two small cell antenna on residential premises in both non-protected and protected areas as the visual impact is limited.

We will also grant rights so small cell antenna on residential and commercial premises can face highways, and increase from six to 18 months the right for operators to be able to install emergency moveable transmission equipment.

To complement these changes, we will work with the industry and interested parties to strengthen the sector-owned code of practice to ensure best practice is always applied when it comes to the siting and design of mobile infrastructure.

The Department for Culture, Media and Sport will be consulting key stakeholders for six weeks commencing 17 March on changes to the Electronic Communications Code (Conditions and Restrictions) Regulations 2003 to complement planning legislation. These changes will apply to the whole of the UK.

The code regulations deal with the operational aspects of the way in which telecoms operators exercise their permitted development rights and include requirements to consult with planning authorities. These requirements will be revised to ensure that there is consistency in how operators consult planning authorities where there is no prior approval.

We intend that the planning changes will come into effect from summer 2016 and will apply to England only. The changes to the code regulations will apply throughout the United Kingdom, as telecommunications is a reserved matter, and will also commence in summer 2016.

[HCWS631]

# **EDUCATION**

# **Educational Excellence Everywhere**

The Secretary of State for Education (Nicky Morgan): Nothing better demonstrates this one nation Government's commitment to social justice than our plans to transform the education our children receive. Since 2010, our education reforms, underpinned by the hard work of teachers and school leaders, have tackled the failures of the past and made a remarkable difference to education in this country. Record numbers of children, for example, are now taught in good or outstanding schools—1.4 million more pupils than in 2010 [i]. A record 18% of new teachers who started training in 2015 have a first class degree [ii] and 81% of teachers and senior leaders say behaviour in their schools is good or very good [iii].

However, the education we offer our children does not yet consistently compare well with education in other leading countries in the world. The excellence our reforms has unlocked in some parts of our schools system has not yet spread across the whole country. For example, 11 of the 16 English local authorities that have fewer than 60% of children attending good/outstanding schools, lower than national levels of GCSE attainment and where pupils make less than national levels of expected progress are in the north of England. Of the 173 failing secondary schools in the country, 130 are in the north and midlands and 43 are in the south [iv].

We need to extend and embed the last Parliament's reforms so that all pupils and families can benefit, wherever they live and whatever their circumstances.

Today I am publishing a White Paper which sets out our vision to achieve educational excellence everywhere, by providing a world class education to all children, regardless of where they live, or what their background is. The key elements of our approach are:

an education system that ensures teachers get the respect they deserve and that we have consistently excellent teaching in our classrooms:

support for existing leaders and help to develop the outstanding leaders of the future; an approach that allows great leaders to run more schools by removing the perverse incentives that prevent teachers from doing so;

a dynamic school-led system where every school is an academy and where pupils, parents and communities are empowered to have a more significant voice in schools, and more schools working together in multi-academy trusts (MATs);

preventing underperformance through support and autonomy, including transferring responsibility for school improvement from local authorities to those who know how to do this best: school leaders. There will also be a new focus on achieving excellence in areas where too few children have access to a good school and there are not yet enough high-quality teachers, school and system leaders, governors and sponsors to turn them around;

high expectations and a world-leading curriculum for all, so that all children receive an education that equips them with the knowledge and character traits necessary to succeed in 21st century Britain;

fair, stretching accountability that focuses on tackling underperformance; rewarding schools on the basis of the progress their pupils make; and incentivising strong leaders to take over underperforming schools; and

the right resources in the right hands: investing every penny where it can do the most good—through new, fair, national funding formulae for schools, improved effectiveness of the pupil premium and making the best possible use of resources.

We believe that the fastest and most sustainable way for schools to improve is for Government to trust this country's most effective education leaders on the frontline, holding them to account for unapologetically high standards for every child, but letting them determine how to reach them. This system will respond to performance, extending the reach of the most successful leaders and acting promptly by intervening where performance is not good enough. It will also ensure they have the necessary tools to seize the opportunities provided by greater autonomy.

Our approach will take our self-improving school-led system to the next level; building capacity and setting up schools to use their freedoms effectively, rather than just intervening in cases of failure. We are providing not just autonomy, but supported autonomy, as the best approach to improve education everywhere.

The approach outlined in this ambitious White Paper represents our best chance of achieving the educational excellence that every child and young person deserves. The White Paper has been placed in the Libraries of both Houses.

[i] Ofsted Annual Report 2014/15: Educations and Skills: https://www.gov.uk/government/publications/ofsted-annual-report-201415-education-and-skills

[ii] ITT census 2015/16:

https://www.gov.uk/government/statistics/initial-teacher-training-trainee-number-census-2015-to-2016

[iii] Teacher Voice Omnibus June 2015:

 $https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/483275/DFE-\\$ 

RR493\_Teacher\_voice\_omnibus\_questions\_for\_DfE\_-\_June\_2015.pdf

[iv] Ofsted Annual Report 2014/15: Educations and Skills: https://www.gov.uk/government/publications/ofsted-annual-report-201415-education-and-skills.

[HCWS625]

#### **School Places**

The Parliamentary Under-Secretary of State for Education (Mr Sam Gyimah): My hon. Friend, the Parliamentary Under-Secretary of State for Schools has today made the following ministerial statement.

Today I am announcing £1.15 billion of capital funding for 2018-19 to support the creation of the new school places needed by September 2019.

Ensuring that every child is able to attend a good or outstanding school in their local area is at the heart of the Government's comprehensive programme of reform of the school system and vital for delivering educational excellence everywhere. We know that our growing population means that new school places are needed in many parts of the country and the Government are committed to providing capital investment to ensure every child has a place at school. The previous Government more than doubled funding for new places to £5 billion in the past Parliament. We are committed to investing £7 billion in this Parliament, and delivering 500 new schools. By May 2015, this investment had already helped to create nearly 600,000 additional school places since 2010, with 150,000 delivered in 2014-15 alone. Many more places are in the pipeline and still to come—with local authorities already having firm plans for 260,000 more places. This progress follows a decrease of 200,000 primary places between 2004 and 2010.

Today we are announcing £1.15 billion of funding for local authorities in 2018-19. This is in addition to the £3.6 billion already announced for 2015-18, taking total investment through this Parliament to £4.8 billion. In doing so, we continue to recognise that good investment decisions require certainty. Announcing allocations for 2018-19 today means local authorities can plan years ahead with confidence, and make good strategic investment decisions to ensure they deliver good school places for every child who needs one.

In making these allocations, the Government are continuing to target funding effectively, based on local needs, using data we have collected from local authorities about the capacity of schools and forecast pupil projections.

Most local authorities are successfully delivering additional school places as the nearly 600,000 new places created since 2010 clearly demonstrates. However, where authorities are not delivering for parents, we will not hesitate to intervene.

Details of today's announcement will be sent to local authorities and be published on the gov.uk website. Copies will be placed in the Library of the House.

[HCWS628]

#### FOREIGN AND COMMONWEALTH OFFICE

# **Ministerial Correction**

The Minister for Europe (Mr David Lidington): During the debate on the urgent question on the EU-Turkey agreement on 9 March my reply to my right hon. Friend the Member for North Somerset (Dr Fox) was not worded accurately (*Official Report*, col 282). I said, "The proportion of all refugees in Germany who get German citizenship is roughly 2.2%". The correct response should have been, "The proportion of foreign nationals resident in Germany for at least 10 years who get German citizenship is roughly 2.2%".

[HCWS626]

#### HOME DEPARTMENT

### **Justice and Home Affairs Council**

The Secretary of State for the Home Department (Mrs Theresa May): The Justice and Home Affairs (JHA) Council took place on 10 and 11 March in Brussels: 10 March was the Interior day, which I attended on behalf of the UK; 11 March was the Justice day, and my noble Friend Lord Faulks QC, Minister for Civil Justice, and the Minister for Immigration, my right hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire) attended. The following items were discussed.

The Interior day commenced with a discussion on migration. The presidency introduced this discussion with a review of the main principles agreed at the 7 March EU-Turkey summit, the support needed for Greece, and the support required by others affected by the eastern Mediterranean/western Balkans route. The agreement made at the EU-Turkey summit was broadly welcomed by member states. A number of member states challenged the decision to expedite the visa liberalisation process with Turkey. I noted that Turkey's announcement on Monday committing to take back all new arrivals was a major development, and reiterated the need to work through the legal, policy and operational aspects of the arrangement to ensure it is implemented swiftly.

The Commission welcomed the agreement of the new EU humanitarian aid fund which was adopted at the 15 March General Affairs Council. The Council also heard progress on the increase to the internal security fund (ISF) and the emergency assistance elements of the asylum, migration and integration fund (AMIF). There was broad agreement from other member states that further support should be given to Greece and that efforts on relocation should be accelerated. The Government do not support relocation as it is the wrong response to the migratory pressures the EU faces. It undermines the important principle that asylum should be claimed in the first safe country and does not address the causes of illegal migration. On the subject of migratory routes, concern was voiced by many over the shifting of migratory routes, to the central Mediterranean route in particular.

The Commission undertook to produce a progress report on relocation and resettlement, and confirmed that the visa liberalisation benchmarks would have to be met by Turkey and that all laws would be respected in returning migrants. The presidency noted a readiness to examine the legality of returns to Turkey and to contribute further to EASO and Frontex. The presidency confirmed that resettlement activities would remain voluntary but suggested that all should participate, and noted consensus on the need to control secondary movements and make returns more effective.

The presidency updated Ministers on the proposed European Border and Coast Guard Agency. The presidency confirmed that they are on schedule to adopt a general approach in April, and hope to reach an agreement with the European Parliament by June. The Commission hopes that the agency will be operational by August. We are clear that the UK will not take part in the proposed agency, but we support action by Schengen states to strengthen the external border.

Discussion then turned to progress on negotiation of a revised firearms directive. There were five issues raised for discussion by the presidency: a minimum age for the acquisition of firearms; a requirement for medical testing before obtaining a license; exemptions for museums and collectors; online sales; and which types of weapons to ban. I indicated UK support for options on the minimum age, medical tests, and museums issues which give member states the greatest degree of national discretion. This was supported by a majority of member states. On online sales, most member states supported strict controls. However, the presidency acknowledged that some member states, including the UK, favoured processes that allowed for the verification of the buyer's identity. The most contentious issue was the banning of semi-automatic weapons. I argued in favour of banning the most dangerous types of these weapons, and that experts needed to conclude work on what those weapons were swiftly. A majority of member states opposed prohibition on the basis that there were legitimate uses of semi-automatic weapons, but indicated they were open to considering additional controls. The presidency concluded that it would take work forward based on majority views.

The counter-terrorism co-ordinator updated member states on the implementation of the November 2015 Council conclusions on counter-terrorism. The co-ordinator said that progress had been made, but barriers remain, and welcomed the presidency's intention to develop an information sharing action plan for discussion at the June JHA Council. The co-ordinator stressed the importance of improving the use of Schengen information system (SIS) II, allowing law enforcement access to relevant migration instruments, rapid implementation of the passenger name record (PNR) directive, development of national passenger information units, using Europol systems to full effect and providing increased resources to the Europol counter-terrorism centre.

I then presented a joint UK-France paper on data and information sharing in support of the presidency's initiative. I supported the call to improve the use of SIS II and highlighted the absence of a requirement to record expulsion or removal decisions, the legislative gap preventing the UK from sharing and accessing such data with the Schengen area, and the limited use of fingerprint data in SIS II. I also pushed for progress on systemic, proactive sharing of criminal records data. The UK-France paper drew strong support from the Commission, the presidency, the co-ordinator and other member states. The presidency concluded that efforts would continue towards the June JHA Council and that the UK-France paper would form a key building block for its forthcoming action plan.

To close the day, Germany and France presented a non-paper outlining a draft European initiative to prevent and combat organised domestic burglary. The proposed initiative will be debated in a future meeting of the Standing Committee on Internal Security (COSI).

Justice day began with the agreement of a general approach on the directive on minimum standards for terrorism offences. Member states declared broad support for the proposal during the discussion, but there was an appetite among many for greater ambition in some aspects. Several member states argued for the criminalisation of travelling for terrorist purposes to be extended to intra-EU and EU-inward travel, to fit with the recently adopted PNR directive which includes intra-EU travel. However other member states urged caution to ensure that criminal law was balanced with human rights and fundamental freedoms. The UK welcomed the new directive but noted that we will not be opting in as the UK's domestic legislation already meets the standards set out in the directive. As the UK is already compliant with UN Security Council resolution 2178 and the additional protocol to the Council of Europe convention on combating terrorism, not opting in will not undermine our co-operation with other EU member states in combating terrorism. The presidency aims to adopt this measure in June.

The presidency then gave an update on the progress of two new proposals under the digital agenda covering harmonised consumer rights for digital content and distance sales of tangible goods, and noted that the proposal on digital content had been welcomed by member states. However, many member states had asked for more time before tackling the proposal on tangible goods in order to wait for the results of the Commission's ongoing REFIT work on consumer protection. As such, the presidency will first take forward work on digital content, with the aim of the Council agreeing a position on the key parts of the package at the June Council. The Commission agreed with the presidency's proposed approach, but stressed the importance of not losing sight of the proposal on tangible goods and confirmed that they anticipated the necessary data gathering exercise from the REFIT work being completed in the summer.

On the European Public Prosecutor's Office (EPPO), the Council discussed the provisions of the draft EPPO regulation concerning expenditure. Most member states supported the position that the costs of investigative work should be met by member states, with a small number arguing for EPPO to meet the costs. A third group suggested that this cost could be subsidised by the EPPO in exceptional cases where it is prohibitively high. The UK intervened to emphasise that while the UK does not participate in this measure, we support the shared objective with the EU to tackle this type of crime and welcome the acknowledgement that the EPPO regulation would not impose obligations on Eurojust. Furthermore the UK underlined the need to avoid nonparticipating member states financing EPPO, which was supported by other non-participating member states. The presidency indicated the issue would be brought back for discussion at a technical level.

On the EU-US umbrella agreement, the Commission updated Ministers on two separate data exchange negotiations with the US. The law enforcement focused umbrella agreement and the exchange of data between commercial controllers under the proposed "Privacy Shield". The umbrella agreement had been initialled, and with the signing of the Judicial Redress Act by President Obama at the end of February, the EU's final requirement had been met. The Commission suggested that signatures to conclude the agreement could take place at the beginning of June. On the Privacy Shield

agreement to replace the invalidated Safe Harbour decision, the Commission informed Ministers that the draft text had been published on 29 February and would now be considered by the group of EU data protection authorities —the Article 29 Working Party—before being submitted to member states for agreement.

Under any other business, the presidency reported back on the conference it hosted earlier in the week on jurisdiction in cyberspace. There were practical ideas to improve mutual legal assistance processes, a call for a clearer framework for relationships with the private sector distinguishing between different types of data, and discussions around the rule of law, proportionality and transparency in the context of loss of location. The presidency will prepare conclusions for the June Justice and Home Affairs Council, to be considered first at expert level.

The Commission then updated Ministers on the proposal for the EU to accede to the Istanbul convention, which has already been signed by 25 member states and ratified by 12.

The Commission also provided an update on the dialogue with IT companies to tackle hate speech online. Following a meeting in early March concerning the type of content to be taken down and time targets, the Commission will facilitate further discussion with a view to bringing proposals for a public commitment or a code of conduct to June JHA Council.

Over lunch, the presidency facilitated a discussion on enhancing the criminal justice response to radicalisation, following the conclusions of the Council and the member states agreed in November 2015. member states discussed the challenges in respect of managing the radicalisation threat in prisons in particular, including whether extremist prisoners should be segregated or dispersed, and considered the value of member states sharing best practice.

Ministers also held an exchange of views on two new proposals for enhanced co-operation on the regulations on matrimonial properties and the property consequences of registered partnerships, following the failure to agree these proposals at the last December JHA Council. The UK had not opted in to either proposal. In the discussion, the UK argued for the removal of references to the charter of fundamental rights from the operative clauses of the two proposals for reasons of best practice in legal drafting.

[HCWS632]

# **Statutory Inquiry: Anthony Grainger**

The Secretary of State for the Home Department (Mrs Theresa May): I am announcing today the establishment by the Home Office of an inquiry, under the Inquiries Act 2005, to investigate the death of Anthony Grainger who was fatally shot by an armed officer of Greater Manchester police in March 2012.

The inquiry will be chaired by His Honour Judge Teague QC. In accordance with section 3(1) of the Act, I have decided that this inquiry be undertaken by Judge Teague alone as chairman.

Judge Teague is a circuit judge who was nominated by the Lord Chief Justice to lead the investigation and inquest into Mr Grainger's death. It has been necessary to convert the inquest to a statutory inquiry so as to permit all relevant evidence to be heard by the judge. I have agreed with Judge Teague that the inquiry will

**54WS** 

have the same scope as the current inquest, which is being adjourned prior to the setting up of the inquiry.

The inquiry terms of reference are therefore:

To ascertain when, where, how and in what circumstances Mr Anthony Grainger came by his death during a Greater Manchester police operation, and then to make any such recommendations as may seem appropriate. In particular it will investigate:

The objectives and planning of the operation;

The information available to those who planned the operation. and the accuracy, reliability, interpretation, evaluation, transmission and dissemination of such information;

The decision to deploy armed police officers and to make arrests, and the criteria applied in reaching those decisions;

The command and control of the operation, its implementation, the actions of officers during the arrest phase, and the circumstances in which the officer who fired the fatal shot came to discharge his weapon;

The suitability or otherwise of the firearms, ammunition and other munitions deployed in the operation;

Any relevant firearms policies, protocols or manuals in force at the material time, together with any subsequent revisions or amendments:

Whether—and, if so, to what extent—the judgment, reactions or operational effectiveness of any of the planners, commanders or firearms officers were compromised by extended hours of duty or by limitations in their professional capabilities;

The extent to which Mr Grainger's injuries would have incapacitated him while he remained conscious;

Whether, after Mr Grainger was shot, his life could have

The arrangements for the inquiry will now be a matter for Judge Teague. The Ministry of Justice and Home Office will provide support to him.

[HCWS629]

17 MARCH 2016

# **TRANSPORT**

# **Rail Reform**

The Secretary of State for Transport (Mr Patrick McLoughlin): In July 2015 Nicola Shaw, the chief executive of HS1, was asked to provide options for the future shape and financing of Network Rail in order to support growth and investment. Her report, published this week, confirms that the rail network should be held as a national asset and a key public service. It builds on good progress already being made by Network Rail and focuses on steps to improve performance for passengers and freight users. I welcome the report's recommendations.

The Shaw report proposes strengthening the role of Network Rail route managers to increase accountability and efficiency. It also recommends a new northern route, and a new freight route to ensure the rail freight industry can continue to contribute to growth.

My recent consultation on the role of the Office of Rail and Road (ORR) showed clear support for strong independent regulation to put customer needs at the heart of rail. To support the ORR, I will work with it to implement changes to bring greater clarity to its statutory duties and to enhance its working relationship with Transport Focus. I will also update the statutory guidance I provide.

The recent report by the Competition and Markets Authority (CMA) into competition in passenger rail services recommended open access operators could benefit passengers if important reforms are made. These reforms include fairer charges and robust protections for taxpayers and investment. While charges are for the ORR, I hope that changes to charges can be made as soon as possible. I will now explore options for potentially implementing the CMA's recommendations, including legislation if required.

I will make a fuller response to the Shaw report later this year. I am placing a copy of the Shaw report in the Library of the House.

It can also be viewed online at:

http://www.parliament.uk/business/publications/ written-questions-answers-statements/writtenstatement/commons/2016-03-17/HCWS624/.

[HCWS624]

# **ORAL ANSWERS**

# Thursday 17 March 2016

	Col. No.		Col. No.
CHURCH COMMISSIONERS	1083	ENVIRONMENT, FOOD AND RURAL AFFAIRS—	_
Cathedrals	1087	continued	
Community Engagement	1083	Flood Defence Schemes	1077
Representation of Women	1086	Flood Resilience	1070
See Potential Initiative	1084	Food Waste	1074
Sustainable Power Generation	1085	Marine Environment	1076
		Recycling Targets	1069
ENVIRONMENT, FOOD AND RURAL		Topical Questions	1079
AFFAIRS	1067	Tree Planting	1074
Air Pollution	1079		
Farming and the EU	1072	PUBLIC ACCOUNTS COMMISSION	1084
Fishing and the EU	1067	National Audit Office	1084
Thu	rsday 17	March 2016	
	Col. No.		Col. No.
CABINET OFFICE		FOREIGN AND COMMONWEALTH OFFICE Ministerial Correction	48WS 48WS
		WOLEE DED LONG CENT	40****
			49WS
COMMUNITIES AND LOCAL GOVERNMENT			49WS
Boosting Mobile Connectivity	45WS	Statutory Inquiry: Anthony Grainger	FOUND
			52WS
		TRANSPORT	
EDVICATION	ACWG	TRANSPORT	53WS
	46WS	Rail Reform	53WS 53WS
EDUCATION  Educational Excellence Everywhere School Places	46WS		53WS 53WS 44WS

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# Thursday 24 March 2016

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# **CONTENTS**

# Thursday 17 March 2016

# Oral Answers to Questions [Col. 1067] [see index inside back page]

Secretary of State for Environment, Food and Rural Affairs Church Commissioners Public Accounts Commission

# Business of the House [Col. 1089]

Statement—(Chris Grayling)

# Macur Review [Col. 1107]

Statement—(Stephen Crabb)

# **Budget Resolutions and Economic Situation [Col. 1119]**

Debate (Second day)

# School Places (Barking and Dagenham) [Col. 1204]

Debate on motion for Adjournment

## Westminster Hall

Cabin Air Safety/Aerotoxic Syndrome [Col. 413WH] General Debate

Written Statements [Col. 43WS]

Written Answers to Questions [The writtens answers can now be found at http://www.parliament.uk/writtenanswers]