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HOUSE OF COMMONS
OFFICIAL REPORT

PARLIAMENTARY DEBATES

(HANSARD)

Monday 11 July 2016

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11 July 2016

THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE SECOND SESSION OF THE FIFTY-SIXTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 18 MAY 2015]

SIXTY-FIFTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 613**

THIRD VOLUME OF SESSION 2016-2017

House of Commons

Monday 11 July 2016

The House met at half-past Two o'clock

PRAYERS

[Mr Speaker *in the Chair*]

Oral Answers to Questions

WORK AND PENSIONS

The Secretary of State was asked—

Disadvantaged Families and Children: Life Chances

1. **Sir David Amess** (Southend West) (Con): What steps his Department is taking to improve the life chances of the most disadvantaged children and families. [905748]

11. **Oliver Colvile** (Plymouth, Sutton and Devonport) (Con): What steps his Department is taking to improve the life chances of the most disadvantaged children and families. [905760]

20. **Lucy Allan** (Telford) (Con): What steps his Department is taking to improve the life chances of the most disadvantaged children and families. [905769]

The Secretary of State for Work and Pensions (Stephen Crabb): The Government are committed to tackling disadvantage and extending opportunity so that everyone has the chance to realise their full potential. Our life chances approach will focus on tackling the root causes of poverty, such as worklessness, educational attainment and family stability.

Sir David Amess: While I welcome my right hon. Friend's recognition that strong and stable families make an enormous impact on children's life chances, will he spell out to the House precisely what his Department is doing to ensure that those relationships are fostered and strengthened, particularly in a coastal town such as Southend?

Stephen Crabb: My hon. Friend is exactly right: family stability is a really important part of our mission to tackle entrenched disadvantage. That is why we have doubled funding for relationship support to £70 million and are significantly expanding support for parents. In addition, through our local family offer, we are working with 12 local authorities, including his own in Essex, to learn how best to strengthen the support they offer to families.

Oliver Colvile: As my right hon. Friend might know, there is a 12-year difference in life expectancy between one side of my city of Plymouth and the other. What advice would he give to improve chances and life expectancy in Plymouth?

Stephen Crabb: My hon. Friend is right that such inequality is unacceptable in Britain today, and that is why our life chances approach includes a set of statutory and non-statutory indicators that will drive action to tackle the wide range of complex and deep-rooted factors that can trap people in poverty, damaging their health and preventing them from making the most of their lives.

Lucy Allan: I would like to thank the Prime Minister for his amazing work on the life chances strategy. I hope that every Member, on both sides of the House, will continue to pursue this aim.

The troubled families programme has been a huge success, but does the Secretary of State agree that it could more positively be labelled the "supported families" initiative?

Stephen Crabb: I agree very much with my hon. Friend's point about the leadership role that my right hon. Friend the Prime Minister has played—it has been critical in driving this agenda forward—and I am delighted

that the future Prime Minister also shares his commitment. My hon. Friend is also right about the troubled families programme. It is important that we stay positive about the changes and that we do not stigmatise any particular communities, families or households.

Alison McGovern (Wirral South) (Lab): The Secretary of State has mentioned support for working parents several times, but those hit hardest by the Government's cuts to in-work support for parents are single parents—those who least deserve it—so, on this issue and that of helping single parents, will he think again?

Stephen Crabb: I share the hon. Lady's passion for helping single parents. The current statistics all demonstrate and underline that when lone parents are supported back into work, they can achieve remarkable things in bringing children in those households out of poverty. The trends are moving in the right direction. She should welcome initiatives such as universal credit and our support for childcare costs.

Ms Margaret Ritchie (South Down) (SDLP): Does the Secretary of State agree that efforts to improve the life chances of disadvantaged children and families will be undermined by neglecting the importance of current income levels?

Stephen Crabb: I have always been very clear that income levels are important—a regular income is vital for families in difficult circumstances—but it is important that we look beyond that and, for the first time as a nation, start to tackle the underlying root causes of entrenched poverty.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): Last year, child poverty increased by 200,000 as a direct result of the Government's tax and social security policies, with two thirds of these children living in working households, and it is estimated that by 2020 more than 3.6 million children will be living in poverty. There is overwhelming evidence that child poverty has a direct and negative impact on children's social, emotional and cognitive outcomes and ultimately on their life expectancy. Given the catastrophic consequences of Government policy implemented on scant evidence, will the Secretary of State do the right thing and repeal the damaging effects of the Welfare Reform Act 2012 and the Welfare Reform and Work Act 2016, which threaten the life chances of these children?

Stephen Crabb: I welcome the hon. Lady to her new position on the Front Bench. Given her work in the Select Committee, I am sure she will do an excellent job in the shadow role.

The 200,000 figure that the hon. Lady mentioned exactly points to what was wrong with the previous relative income approach, which her previous Government took to tackling poverty. When real wages grow, poverty rates increase, despite people's incomes not falling. It is much more important to tackle the underlying causes of poverty—worklessness, educational failure, family stability, problem debt and addictions.

Chloe Smith (Norwich North) (Con): My right hon. Friend will know that Norwich is challenged by social mobility as per the social mobility index of earlier this year. Does he agree with me that it takes all parts of the community to come together to address these kind of problems, including the private sector and the third sector, and that constituency MPs can also play a key role in leading these things?

Stephen Crabb: I agree absolutely with my hon. Friend. The work she has championed in Norwich is a good example of local action, showing where local MPs can indeed be the champions. Much as we might want to talk about national levels of poverty and social mobility, it is much more important to understand what is going on at a local level and to drive local action with effective partnerships.

Neil Coyle (Bermondsey and Old Southwark) (Lab): Many disadvantaged families have an older disabled relative, including 2,000 in my constituency who receive attendance allowance. The Government have said that they will scrap attendance allowance and pass funding to councils. When are the Government going to consult formally on those plans?

Stephen Crabb: The Government have not said that they are going to scrap attendance allowance. We are looking at options for devolving it to the local authority level, but we have been absolutely clear that this does not mean a cut to supporting attendance allowance. It is about looking at more effective ways of delivering it at the local level to achieve what it is intended to achieve.

UK Pensioners Abroad

2. **Mr Jim Cunningham** (Coventry South) (Lab): What assessment he has made of the potential effect of the UK leaving the EU on British pensioners living overseas. [905749]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr Shailesh Vara): There will be no immediate changes, as a result of the referendum, in the circumstances of British pensioners. Negotiations for Britain's future relationship with Europe will begin under the new Prime Minister.

Mr Cunningham: What discussions has the Minister had with European countries about the exchange rate and its effect on pensioners abroad?

Mr Vara: As I say, the negotiations proper will begin when we have a new Prime Minister. In the meantime, we have a European unit that has been set up in the Cabinet Office, and it will report to the new Cabinet in due course.

Chris Bryant (Rhondda) (Lab): But would it not make sense for the Department for Work and Pensions to do some investigative work now, when there are thousands if not millions of British pensioners living elsewhere in the European Union? Those people currently have free access, for example, to the NHS in their local areas without contributing, but they might suddenly find their finances to be in dire jeopardy and wish to return to this country. Should not the DWP act immediately? Let me gently suggest to the Minister that just waiting as if the new Prime Minister is going to be some way away might be a bit of a mistake?

Mr Vara: I can assure the hon. Gentleman that we are working closely with the new European unit set up in the Cabinet Office, to which I referred in my previous answer.

Ian Blackford (Ross, Skye and Lochaber) (SNP): This is about doing what is right. We are talking about British pensioners living overseas who have paid national insurance. Why not remove that uncertainty? Why not guarantee what they are entitled to? It is all about doing the right thing with a new Prime Minister. Let us get off on the right foot and make sure that happens..

Mr Vara: The hon. Gentleman is absolutely right, but we need to have the new Prime Minister in place before those negotiations can start proper.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Is the Minister not aware that the role of pensioners is a very sophisticated and complex one? Many of them depend for support on free access for their relatives in this country and on freedom to travel, as do young people going to places such as Spain to work. Has the Minister not already looked at this in some detail?

Mr Vara: As I said, the result of the referendum came only some few days ago, but I can assure the hon. Gentleman that detailed conversations are going on in the Cabinet unit. Let me provide him with the further assurance that Britain still remains a member of the EU. I want to reassure British people living in EU countries and those EU citizens who are living in the UK that there will be no immediate changes in their circumstances.

Workplace Pensions: Automatic Enrolment

3. **David Mowat** (Warrington South) (Con): What progress his Department has made on auto-enrolling people into workplace pensions. [905750]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr Shailesh Vara): Automatic enrolment has been a great success with nearly 6.3 million people automatically enrolled into a workplace pension by almost 143,000 employers. We will continue with our programme to get many more people enrolled.

David Mowat: Auto-enrolment has met or exceeded all initial targets. However, to maximise pensions in the long term, we need to bear down on charges. Two years ago, the Government put in place a cap of 0.75%, which is half that permitted by the Opposition when they had one for stakeholders. The Government said they would review the level of the cap, with a view to it being lower in future. Will the Minister update us on the status of that review?

Mr Vara: I am grateful to my hon. Friend for raising this very important issue. I can give him an assurance that, in 2017, we will review whether the level of the charge cap should change, and whether to include some or all transaction costs in the cap.

Andrew Gwynne (Denton and Reddish) (Lab): The Minister will know that in September last year, in evidence to the Work and Pensions Committee, the Economic Secretary said that if there was not transparency and comparability in fees, the Government would legislate. Does he think there has been transparency? If not, when will he legislate?

Mr Vara: The hon. Gentleman raises a good point. We are committed to transparency and openness, and, when opportunity allows, to putting them into place in legislation.

Jeremy Quin (Horsham) (Con): I congratulate the Minister on the successful roll-out of auto-enrolment. What more could be done to help the self-employed to engage in the process?

Mr Vara: We are working very closely with the Pensions Regulator to ensure the whole programme of auto-enrolment is easily understood, in particular for self-employed people and those who have one or two employees, so that the rules are in very clear easy-to-use language on the website and in offline literature and any other offline facilities.

State Pension Age: Transitional Protection for Women

4. **Jessica Morden** (Newport East) (Lab): If he will make it his policy to introduce transitional protection for women adversely affected by the acceleration of increases in the state pension age. [905752]

9. **Barbara Keeley** (Worsley and Eccles South) (Lab): If he will make it his policy to introduce transitional protection for women adversely affected by the acceleration of increases in the state pension age. [905758]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr Shailesh Vara): Transitional arrangements are already in place. We committed over £1 billion to lessen the impact of the changes for those worst affected, so that no one will see their pension age change by more than 18 months compared with the previous timetable. We have no plans for further changes.

Jessica Morden: My constituent who turned 60 this year has not received any information about the changes. She was the primary carer of her children and now cannot work because of disability. but now looks forward to having to work another six years. The Minister has been presented with many proposals, including transitional arrangements. When will the Government give these women the justice they deserve?

Mr Vara: The hon. Lady refers to notice. At the time of the Pensions Act 2011, more than 5 million affected people did receive notification. That was done using the addresses Her Majesty's Revenue and Customs then had. As far as the proposals are concerned, they all, regrettably, cost a huge amount of money. We therefore have no plans to go down that route.

Barbara Keeley: In reality, it is the 1950s-born women who are bearing the cost. My constituent is 62-years-old and is about to be made redundant in July. She suffers with diabetes, a heart condition and COPD. She tells me that, owing to limited childcare, she worked part-time when her family were young and could not contribute to her pension. She is now very anxious that she will never be able to secure another job, and will not receive

her state pension until she is 66. She has a large black hole now in her life. How does the Minister advise her on facing that bleak future?

Mr Vara: I assure the hon. Lady that, under the coalition Government and the present Government, we have record levels of employment for women, including older women. That is something to bear in mind. We are working extensively with employers to ensure they appreciate the value of older workers, which they do. That is why we have record levels of employment, particularly for women.

Geoffrey Clifton-Brown (The Cotswolds) (Con): I suspect that most hon. Members have been acquainted with difficult cases like the one mentioned by the hon. Lady. Will my hon. Friend the Minister keep an open mind on pension credit arrangements for these people? They are, after all, means-tested and could deal with the worst hardship cases.

Mr Vara: We do have particular criteria and where people fit that criteria, they will of course qualify for whatever benefit it is they are seeking guidance on.

Ian Austin (Dudley North) (Lab): Two thousand women in Dudley North worked hard to save and plan for their retirement, but have been affected by the changes. Will the Minister meet me, my constituent Hilary Henderson and the other women from Dudley North to discuss the changes in detail? If not, why not?

Mr Vara: I recently met the leaders of the Women Against State Pension Inequality campaign, and I have met many members of the campaign in my constituency, so I am very well aware of all the details and facts. As the hon. Gentleman knows, there have also been a huge number of debates about the subject in the Chamber in recent weeks.

Nia Griffith (Llanelli) (Lab): Given the imminent takeover by the new Prime Minister, who herself falls into the category of women affected by the pension changes, would this not be the ideal moment to look again at the various proposals that have been advanced for much fairer transitional arrangements—such as the one from Mariana Robinson of Wales—for all the women who do not have a prime ministerial salary to fall back on?

Mr Vara: I remind the House that in 2012 the DWP conducted a survey and found that only 6% of women who were due to retire within the next 10 years were unaware of an increase in the pension age. As I said earlier, the Government have no plans to review the matter.

Angela Rayner (Ashton-under-Lyne) (Lab): A little over a week ago, thousands of women from across the United Kingdom came to Parliament in a display of solidarity that reminded me very much of the Dagenham women some decades earlier. Is not the Secretary of State's refusal to revisit the financial issues faced by the 2.6 million women whose pension ages have been increased without adequate notice a slap in the face for those women? Given that the former Pensions Minister admitted that the coalition Government had got it wrong, why is the Under-Secretary being so unreasonable?

Mr Vara: I find it deeply regrettable that Opposition parties seek to make capital at the Dispatch Box, and indeed from the Back Benches, when they do not have a solid proposal. They cannot provide a proper, credible solution that will ensure that the financial position of the country is taken into account. I might add that if the Opposition parties are so keen on this issue, they should bear in mind that although the Pensions Act came into being in 2011, the issue was not raised in any of their manifestos.

Policy Implications of Leaving the EU

5. **Alan Brown** (Kilmarnock and Loudoun) (SNP): What assessment he has made of the potential policy implications for his Department of the UK leaving the EU. [905753]

12. **Patricia Gibson** (North Ayrshire and Arran) (SNP): What assessment he has made of the potential policy implications for his Department of the UK leaving the EU. [905761]

21. **Owen Thompson** (Midlothian) (SNP): What assessment he has made of the potential policy implications for his Department of the UK leaving the EU. [905770]

22. **Michelle Thomson** (Edinburgh West) (Ind): What assessment he has made of the potential effect of the outcome of the EU referendum on welfare spending. [905771]

The Secretary of State for Work and Pensions (Stephen Crabb): The British people have voted to leave the European Union, and the referendum decision must be respected and delivered. My Department is working closely with the EU unit that has been set up in the Cabinet Office, and we will be working with the next Prime Minister and the rest of the Cabinet as we forge a new path for the country.

Alan Brown: The European Union has provided a number of legal protections involving equality and human rights for disabled people. Given the delay in the publication of the Green Paper on the Work and Health programme, what plans has the Department to protect those rights following Brexit?

Stephen Crabb: No one with a disability or a long-term health condition should have any fear whatsoever about what will happen in the coming months and years as we negotiate Britain's exit from the European Union. We are absolutely committed to protecting rights for disabled people in this country, and the Green Paper, which we will publish in the autumn, will outline our proposals for reforming systems in order to give better support to people with disabilities and long-term health conditions.

Patricia Gibson: Last week the Under-Secretary of State for disabled people confirmed that the Green Paper and the long-promised Work and Health programme for disabled people remained a priority for the Government. In the light of the current uncertainty, will the Secretary of State give us an assurance and a clear commitment that sufficient funds for that support are ring-fenced and the programme is guaranteed?

Stephen Crabb: The money has already been announced by the Chancellor on successive occasions, and it is there, waiting to be used. When the hon. Lady reads the Green Paper, which we hope to publish later this year, she will see how we will use it to develop longer-term reform options to provide better support for people with disabilities and close the disability employment gap. I think there is cross-party support for that in the House.

Owen Thompson: Cuts in support for people who have been placed in the employment and support allowance work-related activity group from April 2017 will leave many sick and disabled people in the dark, and potentially without the protections provided by the European Union. Will the Secretary of State, unlike the Brexiteers, give us some assurance that the Government actually have a plan for the Green Paper to give back, so that those who are affected by these changes are accurately assessed and are recognised and valued by the state?

Stephen Crabb: I entirely agree with the hon. Gentleman about the need to recognise and protect people with these health conditions, and we are absolutely committed to doing that. I do not want to repeat the answer that I gave earlier, but we have money set aside, and we will publish the Green Paper later this year. It will set out clear reform options which I hope will command support from Members on both sides of the House, and also from disability organisations.

Mr Speaker: Michelle Thomson—not here.

Mr David Nuttall (Bury North) (Con): Does my right hon. Friend agree that one of the most important policy developments is the fact that, once we have left the EU, decisions by his Department relating to eligibility for benefits will no longer be at risk of being overturned by the European Court of Justice?

Stephen Crabb: My hon. Friend is absolutely right: there will be that freedom in the future, but there are more options we can develop right now, even while we are still in the EU, for further ensuring that we have a fair benefits system that does not act as an unnatural draw for more migrants. We want people to come here, work and bring their talents, but we do not want the benefits system inflating those migration numbers.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): The impact of uncertainty on the economy following the Brexit vote is already being felt and ultimately will affect jobs, tax revenues and public spending. Before the referendum, the Government predicted that 500,000 jobs might be at risk, so what is the Secretary of State doing to protect these jobs and what is his estimate of the impact on social security spending?

Stephen Crabb: It is important that none of us talks up the risks and dangers to the economy. We need to be clear-sighted about the risks and challenges, but we should not be doing anything at the moment to talk down the British economy. The truth is that our economy is fundamentally strong: we have record numbers of people in work and, as we have seen from the announcement by Boeing today, continued investment in creating new jobs in our economy.

Debbie Abrahams: The lack of planning by this Government post-Brexit is complacency verging on neglect. The FTSE 250 has already lost 10% of its value since the referendum outcome and that will impact on pension funds. Given that 5,000 of the 6,000 defined benefit pension schemes are currently in deficit and that the pensions regulator has raised concerns of additional risks to these schemes following the Brexit decision, what is the Secretary of State doing to protect the pensions of the millions of people who will be affected?

Stephen Crabb: Nothing fundamentally has changed since the outcome of the referendum: the economy continues to perform well and, as I said, we need to be careful that we do not do our bit in talking down the economy at the moment. I agree with the hon. Lady that there is a very real systemic issue with DB pension schemes that we need to look at, and my Department will be discussing it further in the months ahead.

Mr Peter Bone (Wellingborough) (Con): One thing that we do know has happened is the fall in the pound. That has resulted in making our exports much cheaper and imports more expensive. Employers have already said that that will lead to more business and jobs. Does the Minister agree that that would be helpful to him in reducing the number of unemployed?

Stephen Crabb: The truth is that right in front of us now, since the outcome of the referendum, we have a mixture of opportunities and challenges. It is incumbent upon us to turn those challenges into opportunities, and we are determined as a Government to do so. If the Opposition want to do their bit, they can stand up and not talk down the British economy at this time.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): Already during this Parliament the Government's austerity cuts have taken more than £12 billion out of the pockets of low-income households, mostly through changes initiated by the DWP. With many economists predicting a further recession as a consequence of Brexit, and the pound now less stable than Bitcoin, will the Secretary of State assure me that he will not allow those on low and middle incomes to bear the brunt of further economic downturn?

Stephen Crabb: On previous occasions I have set out the broad approach I take to welfare reform. With regard to issues in Scotland, with which I know the hon. Lady is primarily concerned, she should be aware that I had a very constructive meeting last week with her colleague Angela Constance, the welfare Minister in the Scottish Parliament. We remain absolutely committed to giving the Scottish Government the new welfare powers agreed to in the Scotland Act 2016.

Dr Whiteford: In the past week, for the fourth year in a row, the Infrastructure and Projects Authority has given the roll-out of personal independence payments an "amber/red" rating, indicating that

"successful delivery of the project/programme is in doubt with major risks apparent in a number of key areas"

and adding that "urgent action" is needed to address the problems. What is the Secretary of State going to do

to fix these problems, and how does he intend to protect his Department's projects from the impending doom of a Cabinet full of Brexiteers?

Stephen Crabb: Any big project, whether it is the introduction of universal credit or the roll-out of PIP, carries substantial risks, and I think the IPA report recognised that fact. In the past four months, since I have been in the Department, I have been committed to driving through improvements to the PIP process. PIP still commands broad support across disability organisations, which recognise that it is a much better benefit than the old-style disability living allowance.

Kerry McCarthy (Bristol East) (Lab): On the one hand, Lush cosmetics has just announced that it is going to move most of its production overseas, because it says that its workers do not feel welcome here, while on the other hand there are those in the food and farming sector, 38% of whose workforce comes from overseas, who are saying that they could go out of business because they will not be able to find people to employ. What is the Department doing to protect jobs in the south-west in the wake of the Brexit vote?

Stephen Crabb: The Department has clear plans in place for any significant increase in unemployment, whether in a particular local region or right across the UK. We have contingency plans for dealing with up-ticks in unemployment. However, we need to be really careful that we do not exaggerate the bad news that the hon. Lady might think is out there. There are opportunities for this country in terms of trade deals and of securing new investment, such as the investment from Boeing that was announced today. There are also serious risks and challenges, and we need to be clear-sighted and prepared for those.

Workless Households

6. **Dr James Davies** (Vale of Clwyd) (Con): What progress his Department is making on reducing the number of workless households. [905754]

The Secretary of State for Work and Pensions (Stephen Crabb): The number of workless households is now the lowest on record. Since 2010, it has fallen by more than 750,000.

Dr Davies: In Rhyl and district, the number of people requiring support through the Work programme for the long-term unemployed has dropped from 400 to 150 over the past 18 months. That is good news, but jobseeker's allowance and employment and support allowance claimant rates in parts of Rhyl remain concerning, and the Work programme delivery company has recently closed its principal office in the town. Can the Minister assure me that the new Work and Health programme will take particular account of individuals who are less receptive to intervention and who need more intensive input?

Stephen Crabb: I absolutely agree with my hon. Friend. The new Work and Health programme is being designed precisely to help those people who face multiple and complex barriers to getting into work. Beyond that, our upcoming Green Paper will look at the additional ways in which we can reduce the disability employment gap in the longer term. Of course, GPs play a key role in supporting those people, and I look forward to meeting my hon. Friend and his GP colleagues to discuss these important issues further.

Neil Gray (Airdrie and Shotts) (SNP): Given that the Work programmes have been cut by 87% and that the Secretary of State now knows who the next Prime Minister will be, will he confirm today that he will lobby her to increase the funding for the system that the Green Paper will produce? Will he also confirm the timetable for its roll-out?

Stephen Crabb: I am pleased to be able to tell the hon. Gentleman that the next Prime Minister of this country absolutely shares my passion and commitment to a one nation vision of our society, to breaking down barriers and disadvantage and to ending inequalities. We await the specific decisions that the new Prime Minister will take on the important issues we are discussing today.

Heidi Allen (South Cambridgeshire) (Con): Building on the point about the significantly reduced amount of funding available for the Work and Health programme, what assurances will the Secretary of State be able to give us if, in the light of Brexit, we see a significant increase in the number of people looking for work generally? How on earth will a reduced programme be able to serve everybody?

Stephen Crabb: The important point to make to my hon. Friend is that the Work and Health programme is just one part of a wider package of initiatives that we are taking forward to close the disability employment gap and to provide better support for people with long-term health conditions. I shall not repeat what I said in response to earlier questions, but the Green Paper that we are publishing later this year will outline the full range of reform options that we are interested in taking forward.

Child Poverty

7. **Shabana Mahmood** (Birmingham, Ladywood) (Lab): What assessment his Department has made of the effect of recent changes to benefits on the number of children living in poverty. [905755]

The Secretary of State for Work and Pensions (Stephen Crabb): We know that work is the best route out of poverty. The number of people in work is at a record high and the number of children living in a household where no one works has fallen by 450,000 since 2010.

Shabana Mahmood: My constituency has the third highest level of child poverty in the country, and 13,600 families currently receive tax credits, leaving them vulnerable to the Government's cuts to universal credit. In his aborted bid for the Tory leadership, the Secretary of State said that he had a

"strong grasp of…the social and economic divisions in our country".

If that is true, does he agree that cuts to universal credit will only compound the social and economic divisions in our country? Will he now commit to reversing those changes so that our children do not have to pay the price of his Government's political choices?

Stephen Crabb: I absolutely stand by what I said. There was a massive expansion of tax credits under the previous Labour Government, but it did not do a single thing to tackle the underlying causes of poverty. Universal credit is just one part of what we are doing. There is the national living wage, which the Labour party used to support at one time, and the increase in personal allowances. We are in the business of transforming the landscape for people on low incomes. That is why the figures are moving in the right direction.

Derek Twigg (Halton) (Lab): Whatever the recent changes to benefits, they do not seem to have dealt with the big issue of personal independence payments—PIP. I recently had to deal with a horrendous case in which an individual in my constituency should have received PIP, but did not and had to go through the appeal process. I wrote to the Minister and the Government just ignored it. What are the Government doing to ensure that people who should be in receipt of PIP get it early and are not left to wallow while waiting for a long time, as they have been recently?

Stephen Crabb: The Parliamentary Under-Secretary of State for Disabled People or I will be happy to meet the hon. Gentleman to discuss that specific case. As for the broader principles behind the question, we are improving the PIP process, speeding up applications, decisions and appeals. If the hon. Gentleman has specific concerns, I would be happy to meet him to discuss them further.

Disability Employment Gap

8. **Luke Hall** (Thornbury and Yate) (Con): What steps he is taking to support people with disabilities and health conditions who are looking for work. [905757]

15. **Antoinette Sandbach** (Eddisbury) (Con): What steps he is taking to support people with disabilities and health conditions who are looking for work. [905764]

16. **Peter Heaton-Jones** (North Devon) (Con): What steps he is taking to support people with disabilities and health conditions who are looking for work. [905765]

The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson): This Government are committed to halving the disability employment gap. In the spending review we announced a real-terms spending increase on supporting disabled people into work. In the past two years, 365,000 disabled people have entered employment. Our forthcoming Green Paper will set out our plans to support more disabled people into work.

Luke Hall: Over 99% of vat-registered enterprises in my constituency are small and medium-sized enterprises. Will my hon. Friend update the House on what he is doing to help smaller businesses get the support they need to recruit people with disabilities and health conditions?

Justin Tomlinson: As someone who owned a small business for 10 years, I absolutely understand that point. We currently have three successful pilots, concentrating on a small employer offer and matching up those with a disability to the 45% of jobs that are available through SMEs.

Antoinette Sandbach: Britain has an astonishing 30% gap between disabled and non-disabled people in work. What steps are being taken to ensure that disabled people are afforded the same professional opportunities as those without disabilities?

Justin Tomlinson: The Government are committed to halving the disability employment gap. We are ensuring that disabled people have the skills and confidence to enter work through a named coach in universal credit and we are upskilling our Jobcentre Plus staff and our employment support programmes. We also recognise that we need to create opportunities, so we are working with businesses through the Access to Work programme, the Disability Confident campaign, the small employer offer, and our reverse jobs fairs.

Peter Heaton-Jones: I recently attended a celebration at Petroc college in North Devon to thank employers and congratulate the students who took part in the successful supported internship programme, which provides valuable work experience for young people with additional needs. Will the Minister join me in congratulating everyone concerned? Does he agree that such schemes play an important part in the Government's policy of bringing people with disabilities closer to employment?

Justin Tomlinson: I pay tribute to my hon. Friend because I had the pleasure of meeting the students and staff at Petroc at his own reverse jobs fair, where he took a proactive approach to linking employers with the greater opportunities provided by organisations such as Petroc.

Angela Rayner (Ashton-under-Lyne) (Lab): This has been mentioned previously but it did not get an adequate response. Given that the prominent Brexit campaign called for a bonfire of EU protections for workers, what guarantee can the Minister give that all the current protections extended to disabled people by our membership of the EU will be safe?

Justin Tomlinson: This Government have a proud record on this issue. We spend over £50 billion a year supporting people with disabilities and long-term health conditions—up £2 billion since the previous Parliament—and will continue to work in this area.

Women Against State Pension Inequality Campaign

10. **Margaret Ferrier** (Rutherglen and Hamilton West) (SNP): What recent representations he has received from the Women Against State Pension Inequality campaign; and if he will make a statement. [905759]

The Parliamentary Under-Secretary of State for Work and Pensions (Mr Shailesh Vara): The Pensions Minister, Baroness Altmann, and I recently met WASPI representatives to listen to their concerns. We made clear the Government's position that we will not be unwinding past decisions and that there are no plans to change policy.

Margaret Ferrier: Between 2016-17 and 2025-26, more than 5,000 women in my constituency alone will be affected by the changes. Some of them will need to work six years longer than they had anticipated. For the

last time, I ask the Minister to show some leadership. Rather than shrug his shoulders, will he step up to the mark and end this injustice?

Mr Vara: No one is shrugging shoulders. As I said, no credible alternative has been put forward by any of the parties in this House; it was not in their manifestos. Members do not help the WASPI women by leading them to have expectations when the position of the Government is absolutely clear. A £1.1 billion concession was made in 2011; the period involved was reduced from two years to 18 months; and for 81% of the women affected the period concerned is no more than 12 months—81% of the women will not be affected by more than 12 months.

Mr Dennis Skinner (Bolsover) (Lab): A few moments ago, the Secretary of State made a statement saying that Britain's economy was booming—or words to that effect. *[Interruption.]* It was as near as dammit. If it is that good, why does he not make sure the WASPI women get the proper pensions, and not this load of crap the Government are chucking out now?

Mr Vara: Let me just correct the hon. Gentleman: my right hon. Friend the Secretary of State said that the economy was fundamentally strong. As for the other issues, it would have been helpful if the hon. Gentleman had listened to some of the answers I had given earlier, while he was rehearsing his question. If he had listened, he would have appreciated—

Mr Skinner: You are in the Government.

Mr Vara: If he had listened to the questions, he would have found that I said a £1.1 billion concession was made in 2011.

Employment Trends: East Anglia

13. **Sir Henry Bellingham** (North West Norfolk) (Con): What recent assessment he has made of job creation and employment trends in East Anglia; and if he will make a statement. [905762]

The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson): In the east of England, the number of people in employment has increased by nearly 300,000 since 2010, and the employment rate is close to the highest on record.

Sir Henry Bellingham: Is the Minister aware that in my constituency unemployment has come down from 4.3% in 2010 to 1.5% last month, and that only last Friday Mars Food announced a very welcome £23 million investment in its King's Lynn plant, thus creating more well paid, skilled jobs? Does he agree that in this post-Brexit climate we should all be doing what we can to flag up such successes?

Justin Tomlinson: That is yet another sign of just how fundamentally strong our economy is, which is helping us to deliver record numbers of people in employment.

Richard Fuller (Bedford) (Con) *rose—*

Mr Speaker: I did not study geography at university, but the hon. Gentleman's constituency is a little way away from East Anglia.

Richard Fuller *indicated dissent.*

Mr Speaker: I am in a generous mood. I have known the hon. Gentleman for 30 years, and if he wants to persuade me that Bedford and Kempston is a hop, skip and a jump away from the constituency of the hon. Member for North West Norfolk (Sir Henry Bellingham), he has a taxing task, but let us hear it.

Richard Fuller: I am very grateful for your indulgence, Mr Speaker. As a lifelong watcher of Anglia Television from the heart of Bedford, I can say that we are very proudly members of East Anglia. In Bedford, a small town, we have only small employers—we do not have a large private sector employer. What steps are the Government taking to encourage small businesses to take on young people and others who are unemployed?

Mr Speaker: I would never have done anything like what the hon. Gentleman has just done when I was a Back Bencher.

Justin Tomlinson: As a Government, we recognise that 45% of private sector jobs are created by small businesses, and so such businesses are key to the success of creating new opportunities. This will be very much at the heart of the Green Paper, making sure that they are aware of initiatives, particularly the commitment to have 3 million more apprentices by 2020.

Young Disabled People: Work

17. **Jo Churchill** (Bury St Edmunds) (Con): What steps his Department is taking to assist disabled young people into work. [905766]

The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson): The Department for Business, Innovation and Skills and the Department for Work and Pensions have received the recommendations from my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard) and agree that the requirement to achieve level 1 English and Maths in an apprenticeship is a hurdle for some young people with learning disabilities. Therefore, subject to a candidate demonstrating need, we will look to adjust this requirement to entry level 3 as soon as possible and monitor the impact.

Jo Churchill: Last month, I received a wonderful letter from a 13-year-old constituent, Eleanor, who wrote to me about her 20-year-old brother. Richard has autism and learning difficulties, and struggles to find work with the right support. The news about the educational assistance is therefore very welcome. However, he is met with frustration and discrimination in employment. Eleanor said:

"seeing how the public can treat him is terrible and it's hard on me, him, and the rest of our family. Please help him and people with disabilities to have a fairer life with employment opportunities."

Does the Minister agree that the enormous contribution of disabled employees such as Richard is not yet fully recognised by employers?

Justin Tomlinson: The point about employers is absolutely right. That is why we have worked with Autism Alliance to improve knowledge and awareness across our Jobcentre network. We have specialist teams to assist with access to work, and the small employer offer will specifically match employers with the support and help that is available to create more opportunities for disabled people.

Personal Independence Payment Assessments

18. **Rosie Cooper** (West Lancashire) (Lab): What steps his Department is taking to ensure that personal independence payment assessments are undertaken fairly and appropriately. [905767]

The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson): Provider performance is measured across a range of service level agreements setting out the Department's expectations for a quality service. This includes an assessment report quality audit. Contractual remedies are in place if the provider fails to deliver against the service standards.

Rosie Cooper: Given that the Infrastructure and Projects Authority's rating of the Department's PIP programme is once again amber/red, meaning that successful delivery of the project is in doubt, with major risks or issues apparent in a number of areas, what urgent action is the Minister taking to ensure that problems with assessment are addressed and that disabled people do not continue to bear the brunt of the Government's policies?

Justin Tomlinson: We have seen that of those who go through the PIP process, 22.5% of claimants secure the highest rate of benefit, compared with just 16% under disability living allowance. We have a constant evaluation, including working with charities and stakeholders, and currently a claimant can expect to have their assessment process over a median of 13 weeks end to end, which is well within expectations.

Kate Hollern (Blackburn) (Lab): Will the Secretary of State intervene personally in the case of one of my constituents, who suffered a stroke, has severe eyesight problems and is almost completely wheelchair-bound? He was refused PIP and as a result his wife has been refused carer's allowance. He has not had a reassessment since November last year and that is not acceptable.

Justin Tomlinson: I would be happy to meet the hon. Lady to discuss this specific case.

Welfare Reform: Effects on People with Disabilities in Scotland

19. **Natalie McGarry** (Glasgow East) (Ind): What assessment he has made of the effects of welfare reform, benefit sanctions and work capability assessments on people with disabilities in (a) Glasgow and (b) Scotland. [905768]

The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson): The Government set out our assessment of the impact of the welfare policies in the Welfare Reform and Work Act 2016 on 20 July 2015, with similar assessments for previous changes. Spending to support people with disabilities and health conditions will be higher in real terms in every year to 2020 than it was in 2010.

Natalie McGarry: Scotland and in particular my constituency, Glasgow East, has higher levels of long-term health problems and disability compared with the UK as a whole. People living with disabilities tend to be more dependent on benefits for a longer time and are therefore more vulnerable to changes to disability benefits. Given that this Government and their predecessor embarked on the biggest overhaul of the welfare state in living memory, does the Minister agree that it is vital for the Government to undertake regular cumulative impact assessments of welfare reform on those with disabilities?

Justin Tomlinson: The Treasury already publishes cumulative distribution analysis, including welfare spending, health spending, employment support and infrastructure investment, but we also need to consider increases in employment, increases in hours and earnings, universal credit, PIP, personal tax allowance changes, health spending, employment support and investment in infrastructure.

Topical Questions

T1. [905773] **Richard Graham** (Gloucester) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Work and Pensions (Stephen Crabb): On 6 July I appointed Paul Gray to lead a second independent review of PIP. A call for evidence has been published today, seeking evidence from individuals and organisations to inform the review. The review will consider how effectively further evidence is being used to assist the correct claim decision. It will also look at the speed and effectiveness of information gathering, as well as building on recommendations from the first review. I am today announcing the Department's intention to conduct an evaluation of PIP, with initial findings to be published by early 2017.

Richard Graham: To help deliver our manifesto commitment of bringing a million people with disabilities into work, will my right hon. Friend consider extending the current exemption from employer national insurance contributions for apprentices both to additional apprentices and to full-time employees with disabilities, so that, like the US, the Netherlands and Ireland, our tax system benefits employers who see the abilities as well as the disabilities of all our constituents?

Stephen Crabb: When it comes to closing the disability employment gap, I am absolutely clear that no options have been left off the table. We want to look at the widest possible range of solutions, including financial incentives such as our small employment offer, which will support small businesses to increase local job opportunities for disabled people.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): In May, after a two-year fight, the Government finally published redacted reports of 49 social security claimants who had died between 2012 and 2014, revealing that 10 of the 49 had died following a sanction, and 40 of the deaths were associated with a suicide or a suspected suicide. Another nine social security claimants

have died since 2014. When will the Secretary of State publish the reports into their deaths, or will we have to wait another two years for those as well?

Stephen Crabb: I hear the hon. Lady's point, but it is important not to infer too many causal links between the factors that she is raising, and she needs to be extremely careful in how she describes those cases at the Dispatch Box. I am happy to discuss the matter with her on another occasion.

T2. [905774] **Henry Smith** (Crawley) (Con): What support is my right hon. Friend's Department offering to those in later middle age and older who are seeking work?

The Parliamentary Under-Secretary of State for Work and Pensions (Mr Shailesh Vara): My hon. Friend raises a very good point. We are doing a number of things in this area. For example, as well as access to a full Jobcentre Plus offer of personalised support, the Department for Work and Pensions introduced older claimant champions in each of the seven Jobcentre Plus groups to work with work coaches within jobcentres to raise the profile of older workers, highlight the benefit of employing older jobseekers and share good practice.

T5. [905777] **Catherine McKinnell** (Newcastle upon Tyne North) (Lab): Will the Secretary of State explain to the WASPI women from the north-east, some of whom have already retired in the mistaken belief that they would be receiving their state pension sooner and who live in a region that continues to have the highest level of unemployment in the country, how they are to make ends meet?

Mr Vara: The hon. Lady is well aware that a number of benefits are involved here. The DWP survey in 2012 found that only 6% of the women who were due to retire within 10 years were unaware that the state pension age had increased.

T3. [905775] **Ben Howlett** (Bath) (Con): Thanks to the work of this Government, the unemployment rate in Bath is just 1.5%. Does the Minister agree that, as well as providing a steady income, working also provides health benefits, both physical and mental?

The Parliamentary Under-Secretary of State for Disabled People (Justin Tomlinson): I fully agree that being in work has many benefits beyond the immediate economic security that it brings. It gives us a sense of value and can greatly benefit our mental and physical wellbeing, which is why this Government are championing the transformative role of work. With more people in work than ever before, we are making sure that the whole of society benefits from our growing economy.

T7. [905779] **Ms Tasmina Ahmed-Sheikh** (Ochil and South Perthshire) (SNP): With an 87% budget cut by the UK Government in the first year of employability services in Scotland, will the Secretary of State tell us precisely what his Government are doing to support people back into work in Scotland? Perhaps he can take this opportunity to congratulate the Scottish Government on the £20 million of extra support that they have been giving to help people back into work when this Government have been letting down the people of Scotland.

Stephen Crabb: I totally disagree with the hon. Lady. We are continuing to roll out universal credit across Scotland, and the early results from Scottish jobcentres are very, very positive. As I said earlier, I had a very constructive and useful meeting last week with Angela Constance, the Scottish Minister with welfare responsibilities. I recognise that the Scottish Government have some separate choices and priorities, and we are committed to giving them the powers to take those forward.

T4. [905776] **Mr Alan Mak** (Havant) (Con): Starting a new business is one of the best ways out of worklessness. Will the Secretary of State join me in encouraging entrepreneurial jobseekers from Havant and across the country to apply for the Government's new enterprise allowance?

Stephen Crabb: We absolutely do want to support more people to move into self-employment and to help develop the entrepreneurs of the future. The new enterprise allowance has now successfully supported the start-up of nearly 85,000 new businesses and I look forward to visiting my hon. Friend's constituency to see some of those businesses in action.

T8. [905780] **Stuart C. McDonald** (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): For obvious reasons, refugee families and children are not usually required to meet past residence requirements when accessing benefits, so why on earth are the Government trying to overturn a recent tribunal decision so as to deny disabled refugees, including children, access to disability living allowance on the grounds of those very residence criteria? Is that not particularly absurd given that many of them will have been resettled here specifically because they have such a disability?

Justin Tomlinson: That is an issue on which we are considering taking legal advice.

T6. [905778] **Craig Williams** (Cardiff North) (Con): As Paralympians from Cardiff, elsewhere in Wales and across the United Kingdom prepare for the Paralympics in Rio, how can we use the Paralympics to change the perception of disabled people, and what are the Government doing to prepare for that?

Justin Tomlinson: I would like to thank you, Mr Speaker, for hosting the announcement of the tennis Paralympic team for Rio. I pay tribute to Channel 4, which will be showing over 700 hours of the Paralympics, with 75% of the presenters having a disability. This is a fantastic opportunity to showcase people's abilities, and we are all in for a real treat next Friday, when Channel 4 launches its fantastic video promoting the opportunities offered by the Paralympics.

Mr Speaker: I am extraordinarily grateful to the Minister for giving me my cue. First, let me take this opportunity on behalf of the House warmly to congratulate Gordon Reid on his great success at Wimbledon yesterday. Secondly, I am sure the whole House will want to join me in congratulating most warmly Andy Murray on an outstanding performance in winning his second Wimbledon title and his third grand slam so far.

T10. [905782] **Diana Johnson** (Kingston upon Hull North) (Lab): The disabilities Minister just agreed to meet a Member of Parliament and their constituent regarding an issue they were concerned about, so can I try again with the Pensions Minister? Will he meet me and some of the 10,000 women born in the 1950s who are affected by the pension changes? Will he come to Hull to meet some of these people and hear directly from them?

Mr Vara: I have met the leadership of the WASPI campaign, and I have met my own constituents. The hon. Lady has articulated the views of her constituents, as have many other MPs on a regular basis. I know very well all the facts; the issue here is that Members such as her should not be giving expectations to women, when the position has been made absolutely clear at the Dispatch Box: the Government have no intention of changing their policy.

Paul Maynard (Blackpool North and Cleveleys) (Con): I thank the disabilities Minister for accepting the recommendations of the review I chaired into learning disability apprenticeships. Will he confirm that he will look into which of those recommendations can now be applied to other hidden impairments, such as hearing loss and sight loss?

Justin Tomlinson: I would like to thank my hon. Friend, as his taskforce concluded its work within a month, and we have now secured agreement from my Department and the Department for Business, Innovation and Skills to open up in the apprenticeship programme greater opportunities for those with a learning disability. I am sure we will be coming to my hon. Friend very soon to help to extend the remit of the taskforce, which I am sure he would be delighted to chair.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): The Government are trialling distributed ledger technology, or blockchain, for the payment and spending of claimants' benefits. It is a fantastic new technology, but the Government's own report says that it needs a regulatory, ethical and data framework. How do we know that vulnerable benefits claimants are not being forced to share their data without giving proper informed consent?

Stephen Crabb: I thank the hon. Lady for that very interesting question. This technology is very new, and I confess that I am not an expert on it—the person who is is my noble Friend Lord Freud, who is, of course, in the other place. When it comes to security of claimants' data, we are absolutely committed to the very highest standards of protection. However, in terms of the wider technology issue the hon. Lady refers to, I look forward to discussing it with her in more detail.

Stuart Andrew (Pudsey) (Con): Currently, children under three are not eligible for Motability benefits. However, during my time in children's hospices, I saw first hand how critical transport is for children with life-limiting illnesses, particularly given all the equipment they need. Will my hon. Friend agree to look at the issue again to see whether these young people can get the support they need?

Justin Tomlinson: My hon. Friend has been campaigning on this issue for some time, using his first-hand experience. We are acutely aware of the issue, and I would be happy to meet him to discuss further opportunities.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I do not want to upset anybody on the Labour Front Bench by showing passion and anger about the Government's failure to tackle unscrupulous employers who give no guarantee of employment, no contract, no certainty and no pension—nothing but zero-hours contracts, with people being hired from agencies—but when will the Government take on these rotten employers?

Stephen Crabb: Zero-hours contracts, of course, form only a very small proportion of the overall jobs in the labour market. The thing that is particularly pernicious about zero-hours contracts is the exclusivity clauses—that has been recognised as widespread—and we are the Government who actually took action to deal with that.

David Morris (Morecambe and Lunesdale) (Con): In my constituency we have an initiative with the DWP and the Salvation Army food bank whereby when people come into the food bank, the DWP helps them in any way it can by placing an officer there. Would my right hon. Friend like to come to Morecambe to see at first hand how this initiative is working out?

Stephen Crabb: Yes, I would like to go to Morecambe to see that project. I am very clear that something we need to be doing far better, and more of, through our job centres at a local level is integrating with local services, whether they are provided through the Salvation Army or any other charity.

Article 50: Parliamentary Approval

3.30 pm

Helen Goodman (Bishop Auckland) (Lab) *(Urgent Question):* To ask the Chancellor of the Duchy of Lancaster to make a statement on whether the Government will seek parliamentary approval before triggering article 50.

The Parliamentary Secretary, Cabinet Office (John Penrose): The question of how to invoke parliamentary discussion around triggering article 50 has two distinct facets, one legal and the other democratic. Taking the legal considerations first, I am sure that everyone will be aware of the debate about whether invoking article 50 can be done through the royal prerogative, which would not legally require parliamentary approval, or would require an Act of Parliament because it leads ultimately to repeal or amendment of the European Communities Act 1972. I will leave the lawyers to their doubtless very enjoyable and highly paid disputes. Apart from observing that there are court cases already planned or under way on this issue, so the judges may reach a different view, I simply remark that Government lawyers believe that it is a royal prerogative issue.

Nevertheless, I hope that everyone here will agree that democratic principles should out rank legal formalities. The Prime Minister has already said that Parliament will have a role, and it is clearly right that a decision as momentous as this one must be fully debated and discussed in Parliament. Clearly, the precise format and timing of those debates and discussions will need to be agreed through the usual channels. As everyone will understand, I cannot offer any more details today because those discussions have not yet happened. However, I will venture this modest prediction: I strongly doubt that they will be confined to a single debate or a single occasion. There will be many important issues about the timing and the substance of different facets of the negotiations that the Government, the Opposition, the Backbench Business Committee, and I dare say, perhaps even you, Mr Speaker, will feel it is important to discuss, but on the details of which topics, on what dates, and the specific wording of the motions, we shall have to wait and see.

Helen Goodman: I thank the Minister for that reply. If the royal prerogative is used to trigger article 50, would that not be a clear breach of the promises made to the public by the Brexiters during the referendum campaign that they would "take back control" and "restore parliamentary sovereignty"? How could it be right to initiate negotiations with important and far-reaching significance for citizenship rights, immigration rules, employment and social rights, agriculture, trading relations with the EU and third countries, and Scotland and Northern Ireland, without seeking Parliament's approval for the aims, objectives and red lines?

The issues at stake are the culmination of 40 years of legislation. Is it not extraordinary to suggest that changes to these areas should not now come back to this House? The priorities and trade-offs are extremely important to everyone living in the UK. Surely the Minister is not suggesting that they should be decided behind closed doors in Whitehall while Parliament is presented with a done deal. Is not his inability to say how Brexit will be negotiated a clear indication of the Government's failure to do any contingency planning? Why is the Chancellor of the Duchy of Lancaster wasting taxpayers' money fighting a court case to keep the Government's approach to Brexit secret? We know that the Minister cannot say today what the red lines will be, but why cannot he at least be clear that Parliament's approval will be sought before the negotiations begin? When will he be able to say what the process will be? He says that these are matters for a new Government. Has the right hon. Member for Maidenhead (Mrs May) been consulted, and can the Minister tell the House when we will have a new Government?

John Penrose: Mr Speaker—*[Interruption.]*

Mr Speaker: A considerable burden has been placed by the hon. Lady on Minister Penrose's shoulders. It is a burden that he seems to bear stoically and with fortitude, but it would be good if we could actually hear his response.

John Penrose: Thank you, Mr Speaker. I shall try to bear up under the pressure. First, I gently say to the hon. Member for Bishop Auckland (Helen Goodman) that it is difficult to argue that the Government's approach is secret if it is in court. It is not a secret court; it will all be argued out in public. I have just said that the issues will be revealed as we go forward with the new Prime Minister. The point on which I hope I can reassure the hon. Lady is very straightforward: my right hon. Friend the Member for Maidenhead (Mrs May)—it looks like she is going to be the new Prime Minister—has been very clear in saying that Brexit means Brexit. What that means is that the destination to which we are travelling is not in doubt. The means used to get there will have to be explained, but I think it only fair to wait until she is Prime Minister and has a chance to lay out her programme, the process and, therefore, when Parliament will have a chance to discuss and debate the issues. At that point I am sure that all will be revealed.

John Redwood (Wokingham) (Con): Does the Minister agree that the way to take back control and seek parliamentary approval is to proceed quickly to repeal the European Communities Act 1972 while transferring all European law relevant to the single market into British law and at the same time protecting our borders and keeping our contributions? That is what we voted for. Will the new Government deliver that promptly?

John Penrose: As I just said, the important thing—I hope this reassures my right hon. Friend—is that my right hon. Friend the Member for Maidenhead has been clear that Brexit means Brexit. That means that the destination, on which he and I both agree, is not in doubt. There are questions on how we get there, precisely how to run the negotiations and the precise timing of what gets addressed and when, and I hope that both he and I will allow our soon-to-be-installed new Prime Minister time to lay that out. I am sure that she will do so at the first opportunity.

Louise Haigh (Sheffield, Heeley) (Lab): I thank you, Mr Speaker, for granting this urgent question and my hon. Friend the Member for Bishop Auckland (Helen Goodman) for asking it.

The outcome of the EU referendum represents the most momentous constitutional change that our country has faced in the post-war era. Now is the time to take a considered view on the future of the negotiations and for the new Government to lay out the timetable, including when they anticipate that article 50 will be triggered. It should not be triggered, however, until there is a clear plan in place about what the UK will be negotiating for and how it will be achieved.

The Government have already indicated that they will consult the devolved Administrations and the Mayor of London, and they must do the same with Her Majesty's official Opposition. That is the only way we can develop a consensus about what the country's negotiating plan should be, and that should be put to a vote in this House.

The priority must be to ensure that the Government's negotiating team, undertaking the most substantial set of negotiations on our behalf in modern history, are fully equipped, fully resourced and fully prepared to extract the best deal possible for Britain in the Brexit negotiations. There are 170 trade agreements that now need to be renegotiated, but it is suggested that only 20 people across the whole of Whitehall have the requisite experience to negotiate.

We have deep concerns that the autumn statement, which outlined drastic cuts for Whitehall long before Brexit materialised as a realistic possibility, is no longer fit for purpose. That is why Labour is saying to the Government that, while discussions about article 50 are vital, it is clear that what comes next matters even more. It would be an abdication of responsibility if our civil service negotiating team does not have the resources it needs and is instead forced to spend vital time implementing brutal budget cuts at home when it should be batting for Britain abroad. Let us properly resource our civil service and together develop a consensus for the future of Britain.

John Penrose: I am pleased to hear the hon. Lady say that there is an opportunity for cross-party consensus. It will be much more powerful for this country in any negotiations that it undertakes, not only with other EU member states, but with other countries around the world, if they know that the political parties and the people of Britain are speaking with one voice and that we are anxious to be an outward-looking, international country that is aiming to establish new links around the world. I welcome the hon. Lady's comments on that.

I also agree with the hon. Lady that it is important that we have a clear timetable as soon as our new Prime Minister is in place, if only because—she is right to point this out—the details of the timetable have to be geared to maximising our negotiating leverage. We know where we are going; the question is how we get there. Clearly, the order of play—the order in which issues are addressed—and the timing have to be planned out incredibly carefully, to make sure, as she said, that we get the best deal possible.

The final point on which I agree with the hon. Lady is that about devolved Government. She is absolutely right to say that we need to make sure that the devolved Administrations are involved as well, so that this is not merely a question of cross-party consensus in Westminster. It has to be a question of consensus, as far as it is possible to achieve it, right across the UK.

Dr Liam Fox (North Somerset) (Con): The Prime Minister originally said that he would trigger article 50 immediately, so presumably he felt that he had the full legal authority to do so. Does my hon. Friend accept that those who want to have a vote before article 50 is triggered are concerned not with parliamentary sovereignty but at making a clear attempt to thwart the democratic will of the British people? Does he agree that they must be completely resisted by any real democrat? The referendum was not a consultation with the British people; it was an instruction from the British people that we have a duty to obey.

John Penrose: I strongly agree with my right hon. Friend and parliamentary neighbour that the question here is not about the legal power, which clearly, as the Prime Minister has previously mentioned, is available. The question is: what is politically and democratically right to reflect the decision that has been made in the referendum? Therefore, although the Prime Minister is, very sensibly, saying that the timing and method of triggering article 50 needs to be a decision taken by his successor—we now know who that will be—his successor is also right to say very clearly that the British people have spoken and that Brexit means Brexit.

Pete Wishart (Perth and North Perthshire) (SNP): We are grateful to the Minister for confirming that this will be done through royal prerogative. Given the events of today, perhaps that is the way we could determine the leadership of the Conservative party. However, I remind the Minister of the soon to be departed Prime Minister's remarks that the Scottish Government will be fully consulted on any Brexit proposals. Can the Minister therefore confirm that, before any process is started on article 50, the Scottish Government will be fully consulted and able to give their consent for any move forward? I also remind the Minister that Scotland did not vote for this Tory-inspired Brexit, and for us it is the Scottish people who are sovereign. We have yet to hear any Minister say that they respect the Scottish result and are prepared to make sure that the Scottish people also secure what they voted for. This Government might be charged with taking the UK out of the EU, but those of us on the SNP Benches are charged with ensuring that the Scottish people always get what they voted for too.

John Penrose: I am delighted to confirm that the Scottish Government will be involved. In fact, I believe that some early discussions are already under way. I hope and expect that those will continue, as they will with the other devolved Governments. I would, however, gently remind the hon. Gentleman that this is a commitment to consult, which is not quite the same thing as seeking an outright consent. As his own party has accepted very recently, this is not a devolved issue and is to be dealt with by this Parliament and the UK as a whole. It is a decision that we have taken as a country collectively.

Crispin Blunt (Reigate) (Con): I am grateful to the Minister for that last clarification. We may be seeking consensus, but it will almost certainly not be forthcoming from those on the Scottish National Benches. Will the Minister confirm that there is no escape from doing this via article 50, to which we are bound by treaty, and whatever other parliamentary processes then come

[Crispin Blunt]

behind it? We have to meet our treaty obligations through invoking article 50, which is the instruction of the British people. Will he ensure that that is put in place as soon as we have our negotiating hand in place?

John Penrose: I agree with my hon. Friend on both those points: consensus is always desirable and to be sought wherever possible, and article 50 is the route for achieving Brexit. He is also right to point out that it is only the tip of a much larger iceberg; there are a whole series of other things that have to wrap around it. We have heard some of those mentioned already during this urgent question, and I suspect that we will hear more of them in due course.

Mr Ben Bradshaw (Exeter) (Lab): Is it not the case that referendums are advisory and that this Parliament is sovereign? Is it not a constitutional outrage and supreme irony that those on the Conservative Benches who based their argument for Brexit on parliamentary sovereignty now want to deny this House a vote and are suggesting that an unelected Prime Minister, with no mandate, agrees to such a fundamental decision for this country? That is a disgrace, and they must not be allowed to get away with it.

John Penrose: With the greatest possible respect to the right hon. Gentleman, who is extremely experienced, he may be right on strict constitutional legalities but democratically he is fundamentally wrong. We have had a referendum, the people have spoken and it would be unconscionable—it would be impossible—for us collectively to turn around and thumb our noses at the British people and ignore that democratic verdict.

Mr Bernard Jenkin (Harwich and North Essex) (Con): May I point out that it would be extremely odd, for the first time in this Parliament's history, to start taking instructions on how to conduct our decision making from the administrative court, as seems to be implied by the case before it? Were legislative consent actually required for the exercise of article 50, that legislative consent was effectively given when we passed the European Union Referendum Act 2015, which established the referendum and put the question before the British people.

John Penrose: I will endeavour to tread carefully because, as I have mentioned, there are cases either in train or planned. I think that the fundamental political and democratic point must be this: the people have spoken, and whichever side of the argument Members of this House or those out in the rest of the country were on, it is now up to all of us to come together, to unite as a country and to make sure that we respect the democratic decision and the democratic will that have been clearly expressed.

Tom Brake (Carshalton and Wallington) (LD): The Minister is an honest man, and therefore when he says, "Brexit means Brexit", he knows that there are as many versions of Brexit as there are Members on the Government Benches. He needs to reaffirm parliamentary sovereignty and ensure that Parliament can vote on the Government's negotiating stance, for instance on the vexed and dangerous question of what happens at the Irish border.

John Penrose: As I said in my opening response to the urgent question, I am sure that there will be many opportunities, on many different occasions, for Members in this Chamber to discuss and debate all sorts of different issues, including the one that the right hon. Gentleman has just mentioned and many others. This negotiation will be an ongoing process, not a single event, and therefore he is absolutely right that there will be many opportunities where specific issues will become salient, where people in this Chamber will have very strong views and where people in devolved Governments will have very strong views. Those views need to be heard and aired throughout the process.

Sir Edward Garnier (Harborough) (Con): Does my hon. Friend agree that there is just the slightest chance that over the next few weeks we may be capable of generating more heat than light on this subject? It is not Parliament that will be negotiating with the European Union as we come out of it; it is the Government. Will he ask our right hon. Friend the Chancellor of the Duchy of Lancaster to ensure that, while Parliament must be kept informed and may express its view, it will be for Ministers and for the Prime Minister, essentially, to carry out these negotiations once article 50 has been triggered? Parliament should not hamper the negotiating stance—[Hon. Members: "Hamper?"] I think somebody wants their lunch. Parliament should not constrain the negotiating tactics of any Minister.

John Penrose: My right hon. and learned Friend gets the parliamentary award for optimism for saying that there is only the "slightest chance" that we might generate more heat than light on the matter over the next few weeks. He is absolutely right to say that this is something that Ministers need to take forward but, as I said earlier, I am absolutely certain that the Government, the Opposition, the Backbench Business Committee and others will take many different opportunities to make sure that Parliament's views are forcefully expressed and the issues are debated as we go.

Keith Vaz (Leicester East) (Lab): The Minister will know that the triggering of article 50 will have profound consequences for the 3 million EU citizens who are living in the United Kingdom. Has the Minister for Europe, who is sitting next to him on the Treasury Bench, had any representations from other EU countries about the position of their nationals here? If not, will we be able to have clarity on whether they have the right to remain? At the moment, Ministers are saying different things about these rights, and we need that certainty before any triggering of article 50.

John Penrose: The point, of course, is that there will be ongoing discussions about this and many other issues. The question of when those discussions might bear fruit, particularly given the fact that there have been some concerns about informal negotiations being inappropriate, is something that will have to be resolved.

At this stage, I give the right hon. Gentleman the same reply that I have given to others: we must ensure that we have a programme, which will be laid out by the new Prime Minister as soon as she is in place. I hope she will be able to give him more detail and clarity on that point as well as many others that will be involved in the negotiations.

Mr Jacob Rees-Mogg (North East Somerset) (Con): In terms of the doctrine of the sovereignty of Parliament, is it not true that that sovereignty is delegated by the British people, not given to us by divine right? It is absurd to think of the sovereignty of Parliament as being by divine right as it is the divine right of kings. The British people have spoken and given us a mandate, and that mandate must be fulfilled, but the details of that mandate will no doubt be implemented by legislation.

John Penrose: I defer to my hon. Friend and parliamentary neighbour on the legality of where sovereignty begins and ends, and where it is delegated from and to. The fundamental point that is clear from his remarks—and, I hope, from my previous remarks—is that the people have spoken, we are now honour bound to deliver on that democratic decision, and we should not try to resile or step back from it in any way.

Mr Speaker: I expect that the Minister also defers to his hon. Friend on the matter of knowledge of kings.

Caroline Lucas (Brighton, Pavilion) (Green): Will the Minister consider the proposal put forward today by 1,000 lawyers of establishing of a royal commission or independent body to receive evidence from a wide range of groups, particularly about the risks and benefits of triggering article 50 at various times? Will he ensure that such a body will be able to report before Parliament votes?

John Penrose: I think that I am not being over-cynical if I wonder whether a proposal by 1,000 lawyers for a commission to deliberate at length might be a delaying tactic. The concern will be not to tie the hands of the incoming Prime Minister or her negotiating team in how we approach this matter. As the hon. Member for Sheffield, Heeley (Louise Haigh) rightly pointed out, we must ensure that whatever we do and however we handle this, we aim to get the best deal possible for this country with not just other European member states, but other countries in the world.

Mr Andrew Tyrie (Chichester) (Con): Quite a bit of controversy is already breaking out and we have scarcely started this debate. The Minister has been doing a great job with his outpouring of common sense on a heap of these questions. Will he confirm that all common sense points to not triggering article 50 until it is in the UK's national interest to do so, as the Treasury Committee has reported, and as the Governor of the Bank of England and many people who have been closely involved with these issues have concluded?

John Penrose: I am happy to confirm that this is not a question of "if" we leave the EU but "how", so the calculation that we—particularly the new Prime Minister and her team—need to make is about the best way to structure and time negotiations to maximise our leverage. I am sure that the incoming Prime Minister will have read the Committee's report with great care, as have we all, and will take those factors into consideration.

Chris Bryant (Rhondda) (Lab): At the beginning of his first answer, the Minister said that this was not just a legal matter, but a political matter, so I cannot understand for the life of me why the Government are challenging the legal case. Surely sending in lawyers is just a complete waste of money—whether it is 10 lawyers or 1,000, it does not matter. Why are the Government wasting money on trying to assert that this is just a matter of royal prerogative, rather than accepting the political fact that while, yes, Brexit is Brexit—that may be the case—the Minister is far more likely to get a good deal from other European countries if he has managed to bind both sides of this House and both Houses of Parliament into a strong negotiating position?

John Penrose: I had thought, and hoped, that the hon. Member for Sheffield, Heeley was speaking for more Labour Members and that we would be able to achieve a degree of cross-party consensus. It would be helpful to have country-wide unanimity on this issue, so I am sad that there does not seem to be such unanimity on the Opposition Benches. The Attorney General, who is sitting next to me, is convinced that the Government's case is strongly arguable, and that is why we are taking this case to court.

Philip Davies (Shipley) (Con): We are in the strange situation that last week the result of the referendum was so catastrophic for Labour that its Members passed a motion of no confidence in their leader, but today that result is neither here nor there, as we can just proceed and keep ourselves in the EU because of parliamentary democracy. Perhaps Labour Members will make their minds up soon. Does not what we have heard today emphasise the point made by my right hon. Friend the Member for North Somerset (Dr Fox)—*[Interruption.]*

Mr Speaker: Order. I want to hear the hon. Gentleman—*[Interruption.]*. Order. I do not care whether other people do; we are going to hear the hon. Gentleman. It is as simple as that. I do not care how long it takes.

Philip Davies: Does not what we have heard today show that what my right hon. Friend said was true and that the purpose of these devices is not to help the Government to implement the will of the public, but to ask for the right to try to prevent it from being implemented? If the Government do not implement it because Labour frustrates the process, Labour will be wiped out in the north of England in a future general election. Labour Members might be hellbent on self-destruction, but may I ask the Minister to save the Labour party and implement Brexit in full?

John Penrose: There are many reasons to implement Brexit in full, but that is the first time anyone has urged me to do it to save the Labour party. I am particularly delighted to hear that coming from my hon. Friend. I agree that there will be a nagging concern in some people's minds—unworthy though it might be—that some of these proposals to delay the decision or subject it to intricate parliamentary procedures might be aimed at frustrating the democratically expressed will of the people, which of course would be democratically entirely wrong.

Mr David Winnick (Walsall North) (Lab): I supported remain—I have no regrets and make no apology—but is it not absolutely essential that the majority decision, taken rightly or wrongly, is respected, because otherwise it makes a complete mockery of democracy?

John Penrose: That was beautifully and eloquently expressed. We are all, I hope, democrats first and foremost, and whichever side of the referendum debate we were on, we in this House and those more broadly across the country have to respect the democratically expressed will of the British people.

Robert Neill (Bromley and Chislehurst) (Con): I am glad to see the Attorney General in his place on the Treasury Bench. Does the Minister agree with these propositions put forward by Sir Paul Jenkins, QC, the former head of the Government Legal Service, and many others: first, that article 50 is the only lawful route for exiting the EU; secondly, that that is a matter for the royal prerogative; and, thirdly, that the European Union Referendum Act 2015 is not, of itself, adequate in law to constitute notice under article 50? Finally, does he agree that to repeal unilaterally the European Communities Act 1972 other than through the article 50 process would be a breach of a treaty obligation, which is something that no Government have committed in 300 years and would be wholly unconscionable?

John Penrose: My hon. Friend asks four questions, and the answer to the first three is a straightforward yes. The only gloss I would add to his fourth question about how we might either amend or repeal not just the European Communities Act, but any other measures that need to be amended as a result of Brexit, is that that will inevitably require primary legislation, which of course will be brought forward when the time is right.

Ms Margaret Ritchie (South Down) (SDLP): The Minister referred to discussions with the devolved regions. Will he outline what discussions have taken place with the Northern Ireland Executive, the Northern Ireland Assembly and the Irish Government, given issues around the need there for free movement of goods, services and people, the loss of which would be detrimental to the whole economy of the island of Ireland?

John Penrose: The hon. Lady is absolutely right. These are extremely ticklish and difficult discussions. I can confirm that discussions have begun, but I cannot, I am afraid, go into huge detail about how far they have got or what the future plans are. If she has any concerns or doubts about how those discussions might be progressing, I would encourage her to talk to me or the Northern Ireland Office because I am sure that we could set her mind at rest.

Mr David Jones (Clwyd West) (Con): Does my hon. Friend agree that it would be positively contemptuous of the clearly expressed will of the British people were the Government to refuse to trigger article 50? What does he feel would be the response of the British people at the next general election to anyone who encouraged showing such contempt for their views?

John Penrose: My right hon. Friend makes a very important point: it is essential for the health of democracy, as much as for the future direction of this country, that voters understand and believe that we here hold their opinions in high regard and feel morally bound to deliver on them. If we ignore their democratically expressed consent, we will face a much bigger problem than at present, because that would undermine the very foundations of the democratic consent that underpins this place. I cannot think of a more dangerous route for us to go down.

Mr David Lammy (Tottenham) (Lab): Is not the situation a bit more than ticklish? This is the biggest constitutional change for our country for half a century. Last week, Chilcot criticised the legal processes that led to the Iraq war, criticised the way in which prerogative power worked in the run-up to that war and, most importantly, criticised the fact that there was not a sufficient plan for after the invasion had been completed. On that basis, is the Minister really saying that we should not come back to Parliament so that individual Members can reach a view on whether we should trigger article 50?

John Penrose: I would draw a distinction in my reply between "whether" and "how". We have been very clear, as has my right hon. Friend the Member for Maidenhead, that the destination is not in doubt: Brexit means Brexit, as I have said several times already. How we get there, however, is a matter for discussion. It is a matter for my right hon. Friend to lay out and I am sure that, once she is behind the door of No. 10, she will do so. At that stage, I hope that the right hon. Gentleman will have more detail about how those discussions and announcements might be made.

Mr Jonathan Djanogly (Huntingdon) (Con): Switzerland had a referendum that showed it was determined to cap immigration, but because of protracted negotiations with the EU, the EU decided to start retaliatory measures, including the country's removal from the Erasmus scheme. How long, therefore, does the Minister think we have after activating article 50 before the EU starts retaliatory measures on us?

John Penrose: My hon. Friend asks an extremely pertinent question. That will be one of the matters that the incoming Prime Minister and her negotiating team will factor into their decisions about the timing and order of play of the negotiations. I am afraid that I cannot offer my hon. Friend much more than that now, but the point he raises must be an important case study that will be front and centre of people's consideration as the decisions are made.

Ann Clwyd (Cynon Valley) (Lab): The majority of my constituents still feel very angry. They feel that they were misinformed—that is putting it mildly—and therefore think that they need to know the facts. One of the facts pointed out to the Foreign Affairs Committee was that the Foreign Office will need to be doubled in size. Given that the autumn statement said that there would be drastic cuts in Whitehall, should we not have a new autumn statement to spell out the implications of Brexit to the British people?

John Penrose: It is clear that many things will change in the new world that we now face. The country's trade orientation, foreign policy and so forth will all have to be readdressed and amended, just as many of our businesses will have to reassess how they do business. The right hon. Lady is absolutely right that some consequential changes might be needed, but I say again that I cannot prefigure anything that the incoming

Prime Minister may be considering. Like me, the right hon. Lady will have to wait until announcements are made. I will take what she said as a potential submission to the new prime ministerial team, and perhaps it will consider her remarks in that light.

Paul Scully (Sutton and Cheam) (Con): The Opposition spokesman talked about 170 free trade agreements that will need to be renegotiated, but my understanding is that there are about 167 independently recognised countries outside the EU. The hon. Member for Bishop Auckland (Helen Goodman) suggested that the Government might be something other than inclusive when discussing Brexit, yet about 34 million participants to date have given us a clear message. Does my hon. Friend agree that rather than spending our time on whether we invoke article 50 and whether we adhere to the mandate of the people, we should focus our efforts on securing a looser, collaborative relationship with our European neighbours and grabbing the opportunities from the rest of the world?

John Penrose: My hon. Friend is absolutely right—the focus now must be on how we get this done in the best and most constructive way possible for our nation. There will be opportunities and great new horizons as a result of the decision. We need to make sure we are clear about them and that we are set up in the right way to grab those opportunities as they present themselves.

Wayne David (Caerphilly) (Lab): As things stand, Britain will have two years to withdraw from the European Union once it invokes article 50, but most analysts say that it will take much longer than two years for Britain successfully to extricate itself and have a new relationship. Have the Government therefore considered approaching member states about a possible extension to that period?

John Penrose: As I understand it, I think that any alteration to the article 50 process requires unanimity from other EU member states, which represents a pretty high bar for any Government. I am sure that that factor will be considered by the incoming Prime Minister and her negotiating team. I am also sure that they will want to consider many other options to maximise our negotiating leverage. As I have said, the hon. Gentleman and I will have to wait until the new Prime Minister is ready to announce precisely how she and her team wish to approach these issues.

Stephen Kinnock (Aberavon) (Lab): The referendum has been a deeply divisive process that has divided city against town, community against community and nation against nation. Does the Minister agree that we now need a cross-party approach to deal with when to invoke article 50 and the basic negotiating position around that, and how we hold the negotiating team to account? Will he consider setting up a special parliamentary Committee to do both those jobs?

John Penrose: The current Prime Minister has said that he believes it is very important not just for the UK Government to contribute, but for the devolved Governments—and, wherever possible, other parties on a cross-party basis—to contribute so that we can, whenever possible, speak as a nation with one voice. The hon. Gentleman is right to say the referendum was a pretty divisive affair. It is not just political parties that need to knit together again; society needs to knit together again. I am not sure that I would necessarily share the hon. Gentleman's enthusiasm for a parliamentary Committee as the solution to achieve that, but I share his conviction that a degree of healing is required, and that all of us on both sides of the House have a duty to ensure that our respective parties and the communities that we represent are able to come together for the good of the country.

Andrew Gwynne (Denton and Reddish) (Lab): More than 60% of my electorate voted to leave the European Union and I very much honour and respect their views. It is clear that the triggering of article 50 is unchartered waters for both this Government and the EU, so would it not make sense for the Government to be in open negotiation with their European counterparts to set out the parameters, process and areas of commonality, and then to come back to the House to announce the likely procedure so that we ensure that we have the very best deal for the people of Denton and Reddish and of the United Kingdom as we take forward the referendum result into reality?

John Penrose: The hon. Gentleman is absolutely right that article 50 is uncharted waters. No one has done this before and we are, of necessity, having to address brand-new problems. I will take the rest of his remarks as a submission to the incoming Prime Minister and her negotiating team. He is absolutely right that whatever decisions they make, and whatever process and timetable they lay out, those will have to be founded on one central principle that I hope we can all sign up to: we need to maximise the negotiating position and negotiating strength of this country as a whole to get the best deal possible.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): The Minister cannot say what "Brexit means Brexit" really means, so is it not vital that, given we have no idea what the terms of exit will be, this is properly scrutinised and voted on by democratically elected Members of this House?

John Penrose: I think I addressed that in my initial remarks, but I am sure that there will be plenty of opportunities over a long period for Parliament to discuss many facets of the negotiations, and that the hon. Lady and many others will have a chance to make their views known. As for any decisions that might be made, I, like everyone else, will have to wait for the new Prime Minister to lay out her programme and timetable. I am sure that all will be clear at that point, and that we shall be able to address any decision points that may be offered.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): Most of my constituents in both Cardiff and the Vale of Glamorgan voted to remain. Although they are concerned about the result, they would be even more concerned to think that Parliament would have anything less than a full say in this process, not least because many Executive and legislative competences are also devolved to the National Assembly. Will the Minister explain what specific role he expects Welsh Government Ministers and the Assembly itself to have in deciding the final proposal that is put before us?

John Penrose: As I said earlier to the hon. Member for Perth and North Perthshire (Pete Wishart) and, I think, to the hon. Member for South Down (Ms Ritchie), discussions are already under way. We are endeavouring to involve everyone and to seek consensus whenever possible but, ultimately, foreign policy is reserved to the United Kingdom Parliament. While we want to ensure that everyone has a chance to contribute, and that, as far as possible, there is a collective view so that we understand what are the best opportunities for the constituent parts of the United Kingdom, at the end of the day the matter must come back to the United Kingdom Government and Parliament.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): Brexit means Brexit, but there is no agreed definition of what "Brexit" means, apart from the fact that it involves parliamentary sovereignty. Is the Minister seriously proposing that we should undergo such a momentous seismic change as Brexit without its having been defined to the British people before the referendum, or decided on by Parliament after it?

John Penrose: The hon. Lady is right: the details will become a great deal clearer as the negotiation goes through. We will all discover more about the various facets of how Brexit will affect different parts of our lives as the negotiations near completion. However, I must repeat what I have said several times already: we shall not be able to say how Parliament will engage with that until the new Prime Minister has had a chance to lay out her timetable for the negotiations, whereupon it will be possible to assess when opportunities for debate and discussion will occur.

Kerry McCarthy (Bristol East) (Lab): This was not the question that I was going to ask, but given the Minister's response to my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty), I want to press him on the extent to which devolved institutions will be consulted. Much of the work of some Departments is devolved—food and farming, for example—yet in terms of the European Union, this will be a UK Government negotiating position, and that really does need to be resolved.

John Penrose: The hon. Lady gives a good illustration of instances in which it will be important to ensure that the constituent parts of the United Kingdom are closely involved so that their views can be factored in, whether the issue in question is devolved or non-devolved. There will be plenty of occasions when views will need to be fed back very carefully to inform the discussions and the negotiating team that is undertaking them.

Safety of Prison Staff

4.13 pm

Andy Slaughter (Hammersmith) (Lab) *(Urgent Question)*: To ask the Secretary of State if he will make a statement on the safety of staff in prisons.

The Lord Chancellor and Secretary of State for Justice (Michael Gove): A central duty of the Ministry of Justice is security on our prison estate. It is imperative that the dedicated professionals who work in our prisons are kept safe. It is also critical that we safeguard the welfare of those who are in custody. It is therefore of profound concern to me that serious assaults against staff in prisons have been on the rise recently. In the 12 months to December 2015, there were 625 incidents, an increase of 31%.

Those who work in our prisons are idealistic public servants, who run the risk of assault and abuse every day but continue in their jobs because they are driven by a noble cause: they want to reform and rehabilitate offenders. That is why we must stand behind them. I know that members of the Prison Officers Association, and other trade unions, want rapid action to be taken to make their work safer; I understand their frustrations, and I am determined to help.

Violence in prisons has increased over recent years for a number of reasons. The nature of the offenders currently in custody is one factor: younger offenders who have been involved in gang-related activities pose a particular concern. Another factor is the widespread availability of new psychoactive substances or NPS—synthetically manufactured drugs which are more difficult to detect than traditional cannabis and opiates. The former chief inspector of prisons has said that NPS are "now the most serious threat to the safety and security of jails." NPS consumption, and indeed violence in prison, are also often a consequence of prisoners' boredom and frustration, and a lack of faith in the future.

There is no single solution to the problem we face, but we are taking steps to reform our prisons. To take account of our changing prison population, more than 2,800 new prison officers have been recruited since January 2015, a net increase of 530. To keep them safer, we are deploying body-worn cameras as additional protection for staff. In May, we outlawed new psychoactive substances and thus dramatically reduced the opportunities for easy profits to be made from their trade. In June, I allocated an extra £10 million in new funding for prison safety, and the money has gone direct to governors.

All these steps will, I believe, help improve safety, but there are two more critical points to make. First, I want to stress that my Department's door will be open to staff and their representatives to ensure we work collaboratively to improve conditions for all in our prisons. Secondly, it is because I have seen for myself how important it is to change our prisons for the better that this Government have initiated a major reform programme. We will be replacing ageing and ineffective prisons with new establishments designed to foster rehabilitation. We will give governors greater scope to design regimes that encourage purposeful activity. We will ensure that prisoners are more effectively incentivised to turn their lives around. As we press ahead with this reform programme, I am confident we can ensure that our prisons can become what they should always be: safe and secure places of redemption and rehabilitation.

Andy Slaughter: The situation on our prison estate continues to deteriorate, as the Secretary of State concedes, and I am sorry we have heard nothing from him today that we have not heard before.

Over the weekend, prison staff held crisis meetings across the country amid concerns about their security and safety in the workplace. Incidents of violence and disorder are reported on a daily basis. On Friday around 100 staff at HMP Liverpool met outside their prison at the start of their shift, a pattern that was repeated at many other prisons. A Ministry of Justice spokesman unhelpfully called the action "unlawful" despite admitting that it posed no security risk. I wonder whether the Secretary of State thinks that is an appropriate response to members of staff concerned about their welfare and that of the inmates. According to local staff at Liverpool prison, over the past 12 months there have been more assaults than in the previous 12 years. This includes one member of staff who was stabbed, while others have been spat at, punched and kicked and had urine and faeces thrown over them. On the same day, a squad of specialist prison service riot officers was sent into HMP Birmingham, and in a separate incident in the same prison on the same day a prisoner was found dead in his cell in unexplained circumstances. A Prison Officers Association spokesman said that between 5,000 and 6,000 prison officers had taken part in the pre-shift meetings, with the numbers showing the "strength of feeling" of its members.

The Secretary of State will also be aware that a freedom of information request last week revealed there had been five walkouts in the past five months, including from Wormwood Scrubs in my constituency. Following that walkout in May, and the serious assault on two officers and an urgent question here, the Secretary of State announced £10 million, but, frankly, he has been absent in the last few weeks and we have had an inadequate and reactive response to each crisis.

We need a full response to a growing and increasing crisis and, as the Secretary of State correctly says, a growing number of serious assaults. I hope if we do not hear it today, we will hear that full strategy, and hear it soon, for the safety of our prison officers and prisoners. If we do not have that, he is going to lose control fully of the prison estate.

Michael Gove: I thank the hon. Gentleman for the detail and tone of his remarks. He continues now on the Back Benches the great work he did on the Front Bench, making sure that the condition of our prisons is kept at the forefront of our minds.

May I first say that in the limited time I had available in response to his original urgent question, I was not able to outline all the steps being taken? Thanks, of course, to his diligent work and that of the Justice Committee, a number of areas of concern have been brought to our attention or highlighted or underlined.

We have appointed a highly experienced prison governor, Claudia Sturt, formerly governor of Belmarsh, to lead work specifically to ensure that our prisons are more secure. She has set up a taskforce to visit the prisons that face the greatest challenge. Those visits have so far resulted in prison governors feeling reassured and strengthened that they have the best professional advice to help them deal with these problems. In addition, we have been rolling out something called the five-minute intervention, which is a specific intervention to help prison officers to de-escalate violent incidents. It is being pioneered by a first-rate professional, Russ Trent, who is due to be the governor of HMP Berwyn, the new prison in Wales.

The hon. Gentleman made the point that £10 million was only a start, and it is indeed only a start. I stress that the Treasury has given us £1.3 billion as part of a broad prison reform programme, but I shall not run away from the fact that we have a difficult situation in our prisons. That is one of the reasons that I invited the BBC in to visit our prisons in recent weeks. It is also one of the reasons that I have sought to work across the aisle to ensure that we tackle this problem fairly. I know that the hon. Gentleman is sincere and dedicated in his desire to ensure that our prisons work better, and I look forward to working with him to that end.

Robert Neill (Bromley and Chislehurst) (Con): The Secretary of State's full and prompt response to our Select Committee report on prison safety published in May does great credit to his personal commitment to tackling this issue, and I am grateful for his frankness on the level of the challenge that we face. Will he update us on whether he is now able to take on board some of the report's recommendations? For example, will the Ministry of Justice and the National Offender Management Service now produce a joint action plan to tackle the underlying causes of violence? Will he also address the issues of staff recruitment and retention, and will he agree to produce a quarterly report to the House so that we can measure progress on the action plan against clear, specific targets?

Michael Gove: I am grateful to the Chairman of the Select Committee for making those points. The report was exemplary, and, as I mentioned earlier, it has been a great help to the Ministry. I absolutely agree that we will bring forward an action plan and provide the House with regular updates on the steps that we are taking. He is also right to point out that the recruitment and retention of staff are critical. In response to his questions and those of the hon. Member for Hammersmith (Andy Slaughter), I want to underline the fact that I want to work with the Prison Officers Association and all trade unions to ensure that legitimate concerns—all concerns, indeed—are addressed. I also want to ensure that we continue to attract high-quality people to the Prison Service, because it is a vital job.

Richard Burgon (Leeds East) (Lab): The situation in our underfunded prisons is deteriorating. There have been consequences of the Government's decision to cut £900 million from the Ministry of Justice budget. Assaults on staff and on prisoners are up. There are 13,000 fewer prison staff than there were in 2010, but there are more prisoners. The Government have made prisons less safe for staff and for prisoners. It is a service in crisis. On Friday, members of the Prison Officers Association held meetings outside prisons across the country to discuss what they call the "perpetual crisis" in the Prison Service. The Secretary of State has accepted that there are "significant problems". The chief inspector has said prisons are "a lot more dangerous" and that staff shortages have had an impact. The Justice Committee has demanded an "action plan". In the light of all this, will the Secretary of State tell us whether he or the

[Richard Burgon]

National Offender Management Service have spoken to the Prison Officers Association since Friday's meetings outside the prisons?

What is the Secretary of State's plan to reduce staff assaults, which have increased by 36% in the past year? On the £10million that he has allocated to staff safety, if he finds, as I suspect he will, that the significantly higher spending he has experimentally allocated to Bristol, Hewell and Rochester does indeed have a much greater impact, will he increase safety spending elsewhere? In relation to the prisons identified for greater operational freedom in the upcoming prison and courts reform Bill—a process the Secretary of State has likened to school academisation—will he confirm that we will not see any watering down of staff terms and conditions or creeping privatisation? Is it not time that this Government stopped failing prison staff, failing prisons and failing our society in this regard?

Michael Gove: First, I welcome the hon. Gentleman to his new role on the Front Bench. I know that he has a distinguished legal career behind him, and that he has represented some of the most vulnerable in our society. His questions today go directly to the heart of the matter and I am grateful to him for giving me this opportunity to respond to them. We have spoken to the Prison Officers Association. Senior figures in the National Offender Management Service have been in touch with the POA, and we will continue to be in touch in the future. When the Prime Minister made a landmark speech on prisons earlier this year, I had the opportunity to talk to senior figures in the Prison Officers Association and found their approach to be constructive and cordial, and I want to maintain good relations with them.

The hon. Gentleman made the point that the £10 million may need to be increased and that we may need to invest more money in staff safety. We will of course monitor how the money is spent. It has been given to individual governors to spend as they think fit, but we will do everything possible to ensure that the resources are there to safeguard not only those who work in our prisons, but the welfare of those in custody.

The hon. Gentleman asked specifically about the prison and courts reform Bill and the principle that the six reform prisons should have a greater degree of autonomy. He asked whether academisation, as an analogy, is a prelude to privatisation. The governors of those six prisons do exercise a greater degree of autonomy, but it is not intended that that should come at the cost of staff terms, conditions, security, safety or prospects. We want to ensure that staff in every prison feel that the idealistic work that they do is valued and rewarded, and that outstanding governors who are taking forward change in such prisons live and breathe respect for their staff every day.

John Howell (Henley) (Con): The Prisons & Probation Ombudsman told the Justice Committee about the "pervasiveness" of mental health issues within prisons. What is the Secretary of State doing to address that? How is he improving the response of prison staff when assessing such risks?

Michael Gove: My hon. Friend makes a good point. One difficulty is that many of those in custody have mental health problems—undiagnosed in some cases. It is often the case that the prison regime by its very nature and the restrictions that are placed on individuals as part of a sentence may not be the most effective ways of tackling mental health problems and ensuring that offenders do not offend again. We are considering how we can better review mental health provision within the prison estate. More announcements will be forthcoming, but Her Majesty made it clear in the Gracious Speech that improving outcomes for individuals with mental health problems in the criminal justice system is a core mission of this Government over the next 12 months.

Joanna Cherry (Edinburgh South West) (SNP): Is the Secretary of State prepared to acknowledge that the combination of rising prisoner numbers and shrinking budgets is a major factor affecting the welfare and safety of both prison officers and prisoners? The Scottish Government have committed to significant penal policy reform aimed at reducing reoffending by moving away from ineffective short-term prison sentences in favour of community sentences, which have been shown to be more effective at stopping reoffending.

In June, the Scottish Government announced £4 million of extra funding to allow for an increase in community sentences. Will the Secretary of State acknowledge that the UK Government's policies and prisons are not working? Will he look instead to the Scottish Government's approach of reducing the number of people in prison and making more effective use of community alternatives, rather than relying on prison sentences?

Michael Gove: I have an enormous amount of respect for the hon. and learned Lady. She is right that England and Wales can learn much from other jurisdictions. I would not say that Scotland has got everything right on criminal justice and penal policy, but some welcome changes are taking place in Scotland, not least with respect to the care and treatment of female offenders. I hope to have the chance to talk to leaders within the Scottish Prison Service and to visit some Scottish prisons to understand better what is working and to learn from the initiatives that are being piloted.

Philip Davies (Shipley) (Con): Following that, will the Justice Secretary tell us how the number of attacks on staff in UK prisons compares with the figures for other countries? What lessons might be learned from those countries? I invite him to start by considering the punishments handed down in other countries to prisoners who attack prison staff and to extend sentences much more harshly for prisoners who attack prison staff here. I suspect that harsh sentences may lead to a decrease in attacks on prison staff.

Michael Gove: I am grateful to my hon. Friend, because I know that he wants to operate in a constructive fashion. I am always interested in learning from other jurisdictions. We do not collect statistics on assaults in a way that allows for an easy comparison, but we are changing how we analyse data within the Ministry of Justice and he poses a particular challenge.

I always want to be led by the evidence when shaping policy. The evidence suggests that a lack of hope or an inability to see how actions can lead to eventual redemption often contribute to frustration and violence. My hon. Friend's point was made in a constructive fashion, and I will get back to him with evidence and comparisons to enable us to conduct this debate better.

Jenny Chapman (Darlington) (Lab): One of the most distressing things that can happen to a prison officer is going to unlock an inmate only to find that they have taken their own life. The review by Lord Harris on deaths in custody made a clear recommendation that Ministers should attempt to contact and speak with the families of people, especially the young, who have taken their own life in prison. As yet, Ministers have declined to adopt that recommendation, so will they please reconsider?

Michael Gove: The hon. Lady makes a very good point, and the Under-Secretary of State for Justice, my hon. Friend the Member for South West Bedfordshire (Andrew Selous) will be meeting the relatives of someone who took their own life in custody recently. There are sometimes sensitivities about specific cases, but as a general rule this is something that, of course, we would wish to do.

Sir Edward Garnier (Harborough) (Con): From his experience as Secretary of State, my right hon. Friend will have worked out that there is a catalogue of reasons why the safety of prison staff is placed at risk: overcrowding of prisons; the mental health issues he has described; and the lack of purposeful activity for prisoners, which he has described. Does he also accept that the continuing uncertainty for prisoners on IPPs—indeterminate sentences for public protection—making them the most difficult cohort of prisoners to manage, is something we ought to be dealing with very quickly? Can we not arrange to have them re-sentenced quickly to determinate sentences or put before the Parole Board so that their cases can be reviewed? This is a matter of urgent priority and I urge him to look at the IPP question, which is causing such a lot of disturbance in our prison system.

Michael Gove: My right hon. and learned Friend is a busy man, so he probably will not have had an opportunity to read the speech I gave to the governing governors forum some six weeks ago. In it, I outlined the urgent case for reform of IPP sentencing and said that the former Member for Sheffield, Brightside, Lord Blunkett, had acknowledged that the original intention when he introduced those sentences had not manifested itself in the way in which those sentences were applied. I can say to my right hon. and learned Friend that I will be meeting Nick Hardwick, the new chair of the Parole Board, later this week specifically to expedite some changes which I hope my right hon. and learned Friend and others in the House might welcome.

Mr Speaker: I am sure the right hon. and learned Gentleman is keenly interested in the contents of the speech, and it may be a sentiment more widely shared. If that supposition on my part is judged to be accurate, perhaps the Secretary of State will place copies of the said speech in the Library of the House.

Keith Vaz (Leicester East) (Lab): We all look forward to reading the speech; whether or not it is in the Library, we will get a copy. The root cause of the problem is overcrowding, which creates stress on the staff and on other prisoners. Currently, there are 13,000 foreign national prisoners in our prisons, and the prisoner transfer arrangement with the EU has been going painfully slowly so far. We have now decided to come out of the EU. What further steps can be taken to get countries to take back their own citizens?

Michael Gove: First, I will, of course, place a copy in the Library. Secondly, for those who are even more eager to read it, I believe a copy is available on the Ministry of Justice website. We will do everything possible to facilitate the widespread dissemination and reading of that speech.

The Chairman of the Home Affairs Committee makes a very good point: there are far too many foreign national offenders in our prisons. I have been working with the Home Secretary to reduce those numbers. I am always loth to mention Albania, but some countries outside the European Union have concluded good bilateral arrangements with this country in order to facilitate the return of criminals, and Albania—outside the EU at the moment—is one such country. It is not necessary to be in the EU to have good bilateral arrangements, but it is vital, as we move to our new relationship with our European neighbours, to ensure that we return those offenders who are not British citizens.

Dr Roberta Blackman-Woods (City of Durham) (Lab): The safety of prison staff is a huge issue for me, as I have three prisons in my constituency. Does the Secretary of State agree that we will not get the rehabilitation of prisoners that we all want unless prison staff have the time and resources to enable it to happen and both they and prisoners feel safe enough to achieve it, and that this process will not be helped by ongoing reductions in prison staff numbers?

Michael Gove: The hon. Lady makes a fair point. I am delighted that we have been able to give Durham prison in her constituency an additional £220,000 in order to help deal with current problems. More broadly, she is right. Even though staff were reduced in the previous Parliament in order to meet benchmarking requirements, there has been a net increase in the number of prison staff since January 2015, and we will be making more announcements in due course about how we intend to recruit even more high-quality people into that important job.

Christina Rees (Neath) (Lab): How many times has the National Tactical Response Group been called out this year? Last year there was one call-out for every day of the year. Has this figure gone up?

Michael Gove: I hope the hon. Lady will excuse me as I turn to my notes in order to give her the exact figure. The last year for which we have figures was 2014-15 and the National Tactical Response Group was called out 400 times during that year, so that was just over once every day.[1]

Bill Esterson (Sefton Central) (Lab): In my constituency there is no extra money for HMP Kennet because it is closing. It has been open for only 10 years. In answers to letters that I have written to the right hon. Gentleman's ministerial colleagues, I have been told that the staff will be expected to relocate to the new super-prison in Wrexham. The problem is that that is more than 70 miles away and there is no prospect of many of those staff being able to relocate. Is that not an example of one of the problems in the planning that the right hon. Gentleman is carrying out? He is closing a prison and the staff will not be able to get to the new one that he is opening. How will that help with problems of both overcrowding and prison staff safety?

1. *[Official Report, 14 July 2016, Vol. 613, c. 4MC.]*

Michael Gove: I would be delighted to meet, or have one of my colleagues meet, the hon. Gentleman in order to explain in greater detail the reasons for closing HMP Kennet. One of the things that we need to do is to make sure that we have modern and appropriate prisons for our prisoners. Of course, there will be opportunities not just in HMP Berwyn, the new prison in Wales, but elsewhere for staff who currently work in the hon. Gentleman's constituency to continue to do the idealistic work for which I thank them.

Mr David Lammy (Tottenham) (Lab): I have spent a lot of time in prisons over the past few months. There are two things that staff have raised with me. The first is that they are optimistic about the reform context that the Secretary of State has created and he should be congratulated on that. However, the second topic that staff have raised at prisons across the country is staff numbers, which have fallen substantially. In the new Government that we expect to begin shortly, does the right hon. Gentleman hope to see that reform agenda continue? Now that we are moving away from austerity, is it possible that staff numbers might begin to rise again?

Michael Gove: I am very grateful to the right hon. Gentleman for what he says, and for the work that he is carrying out to ensure that black and minority ethnic individuals are treated fairly in our criminal justice system. On the reform programme, I have been delighted by the fact that across this House and throughout the Government there has been strong support for the reform programme that we are undertaking, and I think it will be central to the work of this Government over the next few years. I look forward to working with the right hon. Gentleman and other colleagues to ensure that we make progress.

Andrew Gwynne (Denton and Reddish) (Lab): It is of paramount importance that the Government do all they can to ensure that prison staff are safe in their place of work. The Secretary of State will know that the recent safety in custody figures were quite shocking. Will he guarantee that when those figures are published in future, there will be fuller scrutiny of those statistics in Parliament, and will he commit to a frequent statement on what the Government are doing to improve the situation?

Michael Gove: Yes, I will do everything possible to make sure that Parliament is fully informed. That is entirely in line with the recommendations, which I welcome, from the Select Committee.

NATO Warsaw Summit

4.39 pm

The Secretary of State for Defence (Michael Fallon): With permission, Mr Speaker, I will make a statement on the NATO summit held in Warsaw last Friday and Saturday.

The 2015 strategic defence and security review reaffirmed NATO's position at the heart of UK defence and security. The United Kingdom remains a leader within the alliance, with the second largest defence budget after the United States, and the largest in Europe. The range of challenges that the alliance faces, including Daesh, migration and Russian belligerence, meant that this summit was of major importance for Euro-Atlantic security. The overwhelming message from Warsaw was one of strength and unity. We believe that the summit has delivered an alliance that is now more capable and that projects stability beyond our borders, based on stronger partnerships, which collectively protect our citizens and defend Europe.

At the Wales summit in 2014, NATO agreed its readiness action plan to ensure that the alliance can respond swiftly and strongly to new challenges. The UK is at the forefront of these efforts: our Typhoons are currently conducting Baltic air-policing missions from Estonia; our ships are making a significant contribution to NATO's naval forces: and we will lead NATO's very high readiness joint taskforce next year, with 3,000 UK ground troops ready to deploy within days.

To demonstrate the allies' solidarity, determination and ability to act in response to any aggression, Warsaw builds on the Wales' commitments by delivering an enhanced forward presence in Estonia, Latvia, Lithuania and Poland. I am proud that the UK is one of four nations to lead a framework battalion alongside Canada, Germany and the United States. These battalions will be defensive in nature, but fully combat capable. The UK force will be located in Estonia with two UK companies, a headquarters element and equipment including armoured vehicles, Javelin anti-tank guided missiles and mortars. Denmark and France have said that they will provide troops to the UK battalion. In addition, we will also deploy a company group to Poland. That is our response to Russian aggression. NATO's approach is based on balancing strong defence and dialogue. Dialogue remains right where it is in our interests to deliver hard messages to promote transparency and to build understanding to reduce risks of mis-calculation.

Credible alliance defence and deterrence depend on NATO's ability to adapt to 21st-century threats through both nuclear and conventional forces. The summit recognised the important contribution that the UK's independent nuclear deterrent makes to the overall security of the alliance. I can confirm that we expect the House to have the opportunity to vote to endorse the renewal of that deterrent next Monday.

Initiatives on cyber and hybrid warfare among others will give the alliance the capabilities that it needs to respond quickly and effectively. However, modern capabilities require appropriate funding and here good progress has been made against the defence investment pledge, a key commitment from Wales. Following this Government's decision to spend 2% of GDP on defence and to increase the defence budget in each year of this

Parliament, cuts to defence spending across the alliance have now halted, with 20 allies now increasing defence spending, and eight allies committing in their national plans to reaching the 2% target.

Delivering the best for our country also means maximising the talent in our armed forces. The Prime Minister has accepted the recommendation of the Chief of the General Staff to open up ground close-combat roles to women. NATO's role in preventing conflict and tackling problems at source has become ever more important as threats to alliance security grow out of instability and fragile or weak states. NATO's defence capacity-building initiative, which was first announced in Wales, is a powerful tool in projecting stability and we in the United Kingdom continue to provide significant support to Georgia, Iraq and Jordan.

Building on that, the allies agreed that NATO will conduct training and capacity building inside Iraq. In Afghanistan, local forces are taking responsibility for providing security across their country. Our long-term commitment, as part of NATO's Resolute Support mission, is crucial. Next year, we will increase our current troop contribution of 450 by 10% to help build the capacity of the Afghan security institutions.

The summit also reiterated its support for our European partners, including Ukraine and Georgia. I was delighted that Montenegro attended the summit as an observer, as a clear sign that NATO's door remains open.

However, the scale of Europe's security challenges means that NATO must work with a range of partners to counter them. This summit sent a strong message of NATO's willingness to build strong relationships with other international institutions. I welcome the joint declaration by the NATO Secretary-General and the Presidents of the European Council and the European Commission on NATO-EU co-operation. We continue to support a closer relationship between NATO and the EU to avoid unnecessary duplication.

Our strong message to our allies and our partners was that the result of the referendum will have no impact on any of our NATO commitments and that NATO remains the cornerstone of our defence policy. The United Kingdom will be leaving the European Union, but we are not reducing our commitment to European security—we are not turning our back on Europe or on the rest of the world.

HMS Mersey will deploy to the Aegean from late July to continue our support for NATO's efforts to counter illegal migration. We will also provide a second ship—RFA Mounts Bay—to the EU's Operation Sophia in the central Mediterranean, and NATO has agreed in principle to provide surveillance and reconnaissance support to that operation too.

It is a United Kingdom priority for NATO to do more against Daesh. NATO's airborne warning and control system will now support the counter-Daesh coalition. In addition to our own assistance to the Government of national accord, we will consider what NATO can do in Libya—for example, through capacity building of the Libyan coastguard.

It is our firm view that the Warsaw summit successfully demonstrated that the alliance has the capacity, the will and the intent to respond to the range of threats and challenges that it may face. The summit also showed that Britain is stepping up its leading role in the alliance by deploying more forces to NATO's eastern borders and to NATO's support to Afghanistan and in countering illegal migration. With that strong UK leadership, Warsaw will be remembered for the concrete steps that were taken to deliver a strong and unified alliance that remains the cornerstone of European defence and security. I commend this statement to the House.

4.47 pm

Clive Lewis (Norwich South) (Lab): First, I thank the Secretary of State and his team for the work that they did at the Warsaw summit this weekend. I would also like to remind him that rumours of my going absent without leave in the muddy fields of Glastonbury were greatly exaggerated.

The Opposition welcome the clear message from the Warsaw summit that NATO is determined to strengthen its commitment to our friends and allies in eastern Europe. Whatever the consequences of Brexit—and there will be some that are unforeseeable—we must not let one of them be that the UK is seen as retreating into isolationism. We therefore welcome the Government's readiness to make the United Kingdom one of the four contributor nations to the new rotational force announced last year. That force will have an important symbolic value in providing a visible reminder of the article 5 commitment to collective defence.

Members may have noted that I deliberately emphasised the word "collective", and that is because, in essence, the basic values that underpin NATO—collective endeavour, human rights, liberty and democracy—which were specifically re-emphasised in the communiqué this weekend, are the same values that underpinned two of NATO's key founders: Clement Attlee's Labour party and the United States' new deal Democrats. As such, the Opposition are entitled to share some of the credit for helping to build those values into the alliance—values Opposition Members can genuinely get behind and reaffirm. But let me get back to the detail.

Many questions remain about how the deployments in Estonia and Poland will work in practice, particularly in terms of equipment, training and rules of engagement. As such, I would be grateful if the Secretary of State would commit to providing regular updates to the House as these plans move forward.

In the light of ongoing tensions between NATO and Russia, I was pleased to hear the Secretary of State mention the need for dialogue. That commitment was echoed in the summit communiqué, which recognises the risk of misunderstanding and calls for a renewed commitment to improving dialogue, particularly through the NATO-Russia Council. However, what steps are the Government taking through bilateral channels to reduce the risk of misunderstanding between the UK and Russia, or of a possible miscalculation, on defence matters?

It is now well over a decade since NATO took command of multinational operations in Afghanistan, where more than 450 British servicemen and women have been killed since 2002. As many in the House will know, I spent some time in the Afghanistan theatre on operations. I have some personal experience having served a three-month tour there back in 2009 as part of the NATO deployment. I will draw on that in our future debates. Although the UK's last remaining combat troops were

[Clive Lewis]

withdrawn in 2014, hundreds have stayed behind to continue training local Afghan security forces as part of NATO's support mission. The announcement in Warsaw that a further 50 British troops will be deployed to Afghanistan next year, and the planned withdrawal date pushed back for a second time, will therefore be of concern to many. While I note that UK troops will continue to be deployed in non-combat roles, I would be grateful if the Secretary of State set out the measures that are in place to safeguard against the possibility of mission creep, given the substantial difficulties in handing over responsibility for the security of the country to Afghan forces themselves.

For a number of years, the UK has been the only major NATO power to continue to exclude women from ground close-combat roles. Labour Members therefore welcome wholeheartedly Friday's announcement to approve the integration of women across all front-line combat roles. This decision is a huge step forward, not just for equality but for the effectiveness of the armed forces. In Iraq, in Afghanistan, and all over the world, women have served our armed forces with professionalism and distinction. I would be grateful for any information that the Secretary of State can provide today, or in the weeks ahead, as to what specific steps he will take to monitor and ensure the smooth transition of this process.

We must never lose sight of the vision of NATO's founders. They understood that peace was always built on a foundation stone of justice—justice in the form of freedom, of democracy, and of economic fairness. The Secretary of State was right to affirm the UK's commitment to NATO. I hope that the NATO he affirms is one that stays true to the vision of its founders, because that is a vision that Labour Members share and that I look forward to holding to account in the months ahead.

Michael Fallon: I am grateful to the hon. Gentleman for his comments and welcome him on his first appearance at the Dispatch Box. I think that he is the fourth shadow Defence Secretary in the past couple of years. I also welcome the broad welcome that he has given to this statement. I wholeheartedly welcome his reminder of the original establishment of NATO under a Labour Government who, of course, fully supported the nuclear deterrent at the time, and were ready, like every Labour Government, to commit that nuclear deterrent to the overall defence of the alliance, as well as the defence of this country. I am sure that he will explain all that in a little more detail when we come to the debate on Monday.

The hon. Gentleman asked four specific questions. First, on the battalion to be deployed in Estonia, yes, I will update the House on the precise arrangements for that deployment, which will begin, we hope, in spring next year. As he will understand, there is much detail to be finalised with regard to the command and control relationships and the precise activities that the battalion will be involved in, but, yes, we will keep him and the House up to date on that.

Secondly, the hon. Gentleman asked about the dialogue with Russia. I want to be very clear with the House: because of the annexation of Crimea and the aggression in Ukraine, it cannot now be business as usual with Russia, but there are interests that we have in common, as we saw in the refinement of the nuclear deal with Iran and ongoing discussions about a political settlement in Syria. It is right that we continue to talk to Russia in the areas where we have shared interests. I can confirm that the next meeting of the NATO-Russia Council will be on 13 July, and that we do continue links of the sort he mentioned, at ambassadorial level, to ensure that any misunderstandings can be avoided.

Thirdly, the hon. Gentleman asked about Afghanistan. Let me put on the record my tribute to him for his service in Afghanistan. We are increasing the number of troops deployed in Afghanistan by about 50. There is no danger of mission creep, because those additional 50 troops will be doing what the existing 450 are doing, which is supporting the security institutions, providing advice and support to the fledgling Afghan air force, and continuing the important work of mentoring at the officer academy. A number of other allies have been able to increase their support to Afghanistan. The hon. Gentleman will know, of course, that the alliance also welcomed the change of heart in the American position, which is not going to reduce down to the level originally forecast.

Finally, the hon. Gentleman asked about the decision to open combat roles in the Army to women. I am glad that he has welcomed that. Of course, we will do it on a phased basis, continuing the essential research to set the right physical standards as each role is opened up. I am very happy to keep him up to date on that.

Dr Andrew Murrison (South West Wiltshire) (Con): I congratulate my right hon. Friend on his statement, and thank him for emphasising the centrality of NATO in our collective defence. What particular discussions has he had with members of the European Union on those parts of the common security and defence policy that may continue to be of mutual benefit? I am thinking in particular of elements of the European Defence Agency and exercising with the EU battlegroups.

Michael Fallon: Let me make it very clear that, until we leave the European Union, we remain full members of it and committed to the security that it adds to that provided through NATO. That includes our participation in the EU battlegroup and in missions such as Operation Sophia in the central Mediterranean, to which we are now committing an additional ship. It is also seen in our continuing work to get the two organisations to work more closely together, avoid unnecessary duplication and co-operate more closely.

Stuart Blair Donaldson (West Aberdeenshire and Kincardine) (SNP): Paragraph 40 of the Warsaw summit communiqué focuses on NATO's maritime security. Given that there are no surface vessels or maritime patrol aircraft based in Scotland, the UK Government are clearly failing in their duty. Did the Secretary of State have any discussions with his Norwegian counterpart over her plea earlier this year for increased co-operation in the maritime domain?

Paragraph 10 of the Warsaw summit communiqué lists a number of Russia's destabilising actions and policies, including the annexation of Crimea; the deliberate destabilisation of eastern Ukraine; large-scale snap exercises; provocative military activities near NATO borders;

aggressive nuclear rhetoric; and repeated violations of NATO airspace. Which of those actions has been deterred by Trident?

Finally, paragraph 64 of the communiqué focuses on nuclear non-proliferation. What specific discussions did the Secretary of State have with NATO counterparts on further nuclear disarmament? In the coming weeks, my SNP colleagues and I will vote not to renew Trident. May I invite the Secretary of State and Labour MPs to join me in voting against it, so that we can achieve the alliance's aim of a world without nuclear weapons?

Michael Fallon: In answer to the hon. Gentleman's first point, the defence of the United Kingdom is organised on a United Kingdom basis. He should be in absolutely no doubt about that.

On our relationship with Norway, yes, I had a bilateral meeting with the Norwegian Minister. We work extremely closely on defending our respective countries and are looking for further areas of co-operation, particularly in the light of our strategic defence review and Norway's long-term plan, which was published more recently.

On maritime patrol aircraft, I hope that the hon. Gentleman will have caught up with this morning's announcement that we are to purchase nine Boeing P-8 aircraft, as announced by my right hon. Friend the Prime Minister with me at the Farnborough air show this morning. I hope it will not be too long before those patrol aircraft are able to help better protect our deterrent, as well as protect our aircraft carriers and conduct other tasks.

Non-proliferation was not subject matter for the Warsaw summit. We remain, in principle, committed to the search for a world without nuclear weapons. However, I have to say to the hon. Member and his party that there are 17,000 nuclear weapons out there and states that are trying to develop nuclear weapons. There remains the danger that others, such as non-state actors or terrorist groups, may try to get hold of nuclear weapons. That is why I will be inviting the House to vote next Monday to continue the principle of the nuclear deterrent that has served this country well and will protect it in the 2030s, 2040s and 2050s.

Bob Stewart (Beckenham) (Con): Let me say to my right hon. Friend how delighted I am that we have reaffirmed our commitment to the NATO alliance by sending the strong signal of using our troops on the ground in Estonia and Poland. Further, I thank him for making arrangements for French and Danish troops to join our battle group in Estonia. I speak as perhaps the only British officer to have commanded the 1st Parachute Battalion of the French Foreign Legion—albeit briefly.

Michael Fallon: The purpose of this deployment is to reassure our allies on the eastern border of NATO, as much as to make Russia think twice about any further aggression. I can tell my hon. Friend that our deployment in Estonia was warmly welcomed, not simply by Estonia but by the other Baltic states too. We are seeing now a coming together of the NATO countries and a commitment to each other's formations, whether it is the very high-readiness joint taskforce or the enhanced forward presence. We particularly look forward to working with French and Danish troops alongside our battalion in Estonia next year.

Tom Brake (Carshalton and Wallington) (LD): The summit reiterated support for Georgia and Ukraine. However, in practical terms, what steps are being taken to support those countries in their bid for NATO membership and to ensure the defence of their borders?

Michael Fallon: Georgia is an enhanced opportunity partner of NATO and a package of measures is in place to strengthen defence co-operation between NATO and Georgia. We are playing a significant part in the training of the Ukrainian armed forces, building up their capacity to deal with the insurgency in eastern Ukraine and to reduce the number of casualties that they were suffering initially. As for future accession to NATO, we have made it very clear that there can be no shortcuts to NATO membership. There are criteria to meet, and any future applications require the unanimous consent of all the existing members. Equally, the accession of Montenegro sends a very clear message that nobody, and certainly not Russia, has any kind of veto on future membership.

David Tredinnick (Bosworth) (Con): Has my right hon. Friend seen the remarks from the former Soviet President, Mikhail Gorbachev, who has expressed concern that we are moving from a new cold war to a hot one? Speaking as somebody who was a soldier in the cold war, I express grave concern that all we are really doing is irritating Russia by putting a number of troops on its border. We have to recognise that Russia has a zone of influence, which includes Ukraine and Belarus. If we do not find a way of negotiating with Russia, we are only going to make the danger of a new cold war, or possibly a hot war, more likely. We really have to look at these realities.

Michael Fallon: I pay tribute to my hon. Friend's former service in the military, but I have to say to him, and to Russia, that NATO remains a defensive alliance and is not threatening anybody. However, given the commitments that we have all made to each other under article 5, it is very important that we reassure members, particularly those on the eastern flank of NATO, that we are ready to stand by those commitments and to come to their aid. I must remind my hon. Friend that they, of course, have seen Russia trying to change international borders by force, annexing Crimea and interfering in eastern Ukraine. It is very important that we remind members of NATO that it is committed to defending their territorial integrity, and that we send a message right across Europe to Moscow that we are not prepared to see the sovereign integrity of these countries further impugned.

Mr Kevan Jones (North Durham) (Lab): The Warsaw conference underlined NATO's concept of deterrence. Does the Secretary of State agree that for deterrence to be effective, it has to be credible, and that any suggestion that our nuclear deterrent could be delivered other than by continuous at-sea deterrence would not only lead to its credibility being questioned, but threaten the nuclear posture of deterrence by NATO?

Michael Fallon: I absolutely agree with that. The previous coalition Government looked exhaustively at alternative systems for delivering such deterrence. We looked at whether it could be done from the air, from

[Michael Fallon]

land or with fewer boats, and the overwhelming conclusion of that review was that the simplest and most cost-effective form of deterrence is to maintain our existing four-boat nuclear submarine fleet. That is the purpose of the motion we will be putting before the House on Monday.

Henry Smith (Crawley) (Con): I am very grateful indeed for my right hon. Friend's robust statements on the NATO summit. Can he assure me that with the good news of more European nations pledging to spend 2% of their GDP on defence, and with the commitment to Trident, NATO will remain an alliance of co-operation between European states and Atlantic states?

Michael Fallon: I am grateful to my hon. Friend for what he has said, not least because I think we were on opposite sides of the argument during the referendum. The most encouraging thing since the Wales summit—fully confirmed at Warsaw—is the number of European countries that have put plans in place to increase their spending. The general decline of defence spending in Europe has been halted and is being reversed. Allies such as the Czech Republic, France, Latvia, Lithuania, Poland, Romania, the Slovak Republic and Turkey are putting in place plans to get to the 2%, as we have done.

John Woodcock (Barrow and Furness) (Lab/Co-op): With your permission, Mr Speaker, it might be helpful for me to pass on to the House the news that the Unite trade union has just reaffirmed its strong commitment to the building programme for the submarine fleet, which is going on in Barrow and across the nation. I hope that that will help Labour Members as we seek to fulfil our manifesto pledge to carry on and complete the programme that we began in government.

I turn to the vote that will take place on Monday. What, in the Government's view, would it do to the UK's position in the nuclear alliance of NATO if we were suddenly to commit to unilateral disarmament by scrapping the programme to create a new fleet of Successor submarines?

Michael Fallon: On the hon. Gentleman's first point, let me welcome the decision of Unite to support the renewal of the nuclear deterrent. It is, of course, important for security, and it is also important for the economy. More than 200 companies are already involved in the supply chain and are starting to deliver some of the long-lead items that the House, through its expenditure, has already authorised, and several thousand jobs are beginning to be committed to the renewal of the deterrent. It is important to bear those in mind during the debate on Monday.

On the hon. Gentleman's bigger point, any decision by this House to resile or withdraw from the position of successive Governments—Labour and Conservative—that we are committed to the nuclear deterrent, and committed to placing that nuclear deterrent in support of the NATO alliance as a whole, would fundamentally undermine that alliance and have serious repercussions for our relationships with our key allies, especially the United States.

John Howell (Henley) (Con): May I return the Secretary of State to the issue of Ukraine? The belligerence of Russia is of great interest to the Council of Europe, and at its last meeting, Madam Savchenko, the Ukrainian pilot who was arrested by the Russians, was able to join us. What will NATO involvement in Ukraine try to achieve?

Michael Fallon: I had the privilege of meeting Madam Savchenko in Warsaw on Saturday, when she attended with the President of Ukraine and the Ukrainian Defence Minister. Although Ukraine is not a member of NATO, a number of NATO allies are working extremely hard to try to reinforce Ukraine's ability to defend itself. We are co-ordinating our training effort, and doing what we can to stand behind the territorial integrity of Ukraine, not least through the sanctions that the European Union continues to apply.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): May I also welcome Unite's decision to reconfirm the position that dates back to Ernest Bevin—the former general secretary of what was then the Transport and General Workers Union and today is Unite? Will the Secretary of State say more about the situation post-Brexit? Programmes such as that for the F-35 cost around $100 million per aircraft before the referendum. Will there be a rescheduling of the assessment of those programmes, as well as others in the strategic defence and security review?

Michael Fallon: On the nuclear deterrent, I hope that we will get as large a majority as possible, and that Members across the House will join us in recommitting this country to the nuclear deterrent that has served us so well. We must send a further signal to the rest of the world that Britain is prepared to continue to play its part in the defence of NATO as well as of our own country. On the specific question about the cost of F-35, it is a little too early to be sure exactly where the sterling-dollar exchange rate will end up. Like any large commercial organisation, we take precautions against fluctuations in the currency, but it is too early to say whether that current level is likely to be sustained.

Point of Order

5.12 pm

Nia Griffith (Llanelli) (Lab): On a point of order, Mr Speaker. I have notified my right hon. Friend the Member for Islington North (Jeremy Corbyn) of my intention to raise this issue. On Friday, a member of my staff had his parliamentary pass deactivated, following an email from the office of the Leader of the Opposition to the parliamentary pass office. The email advised the pass office to terminate the passes of a number of staff who work for former members of the shadow Cabinet. May I seek your advice, Mr Speaker, about the propriety of Members seeking to deactivate the passes of other Members' staff? Can you clarify the rules on that issue, because I was under the impression that authorising passes was the sole responsibility of the sponsoring Member?

Mr Speaker: I am grateful to the hon. Lady for notice of her point of order, and she is correct—that is the basis on which these matters are handled. I am conscious that the passes of the staff of several Members were incorrectly suspended temporarily on Friday. *[Interruption.]* Order. As soon as the error came to light, the passes were reinstated. We do not discuss security matters on the Floor of the House, so I do not propose to say anymore on the matter. Moreover, I do not need to do so because I have given the information that the hon. Lady sought, and I have specifically answered her point of order about where locus lies. Let us leave it there for now.

BILL PRESENTED

PARTHENON SCULPTURES (RETURN TO GREECE) BILL

Presentation and First Reading (Standing Order No. 57)

Mr Mark Williams, supported by Sir Roger Gale, Margaret Ferrier, Jeremy Lefroy, Mary Glindon, Hywel Williams, and Liz Saville Roberts presented a Bill to make provisions for the transfer of ownership and return to Greece of the artefacts known as the Parthenon Sculptures, or Elgin Marbles, purchased by Parliament in 1816; to amend the British Museum Act accordingly; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 20 January 2017, and to be printed (Bill 48).

Wales Bill

[2ND ALLOCATED DAY]

Further considered in Committee

[MR LINDSAY HOYLE *in the Chair*]

Clause 3

LEGISLATIVE COMPETENCE

5.15 pm

Paul Flynn (Newport West) (Lab): I beg to move amendment 118, page 2, line 28, after "7A)" insert

"and is not ancillary to another provision (whether in the Act or another enactment) that does not relate to a reserved matter".

Clause 3 establishes the legislative competence of the National Assembly for Wales. This amendment makes clear that the Assembly has power to make provision touching upon reserved matters for the purpose of enforcing provisions in Assembly Acts that do not relate to reserved matters or otherwise making them effective.

The Chairman of Ways and Means (Mr Lindsay Hoyle): With this it will be convenient to discuss the following:

Amendment 148, page 2, line 33, leave out "subsection (2)(b) does" and insert

"subsections (2)(b) and (2)(c) do".

The amendment restores the Assembly's competence by enabling it to legislate in an ancillary way in relation to reserved matters.

Amendment 149, page 2, line 34, leave out from "provision" to end of line 6 on page 3 and insert

"which is within the Assembly's legislative competence (or would be if it were included in an Act of the Assembly)."

The amendment restores the Assembly's competence by enabling it to legislate in an ancillary way in relation to reserved matters.

Clause 3 stand part.

Amendment 2, in schedule 1, page 41, line 24, at end insert

"(that is, the property, rights and interests under the management of the Crown Estate Commissioners)

'(3A) Sub-paragraph (1) does not affect the reservation by paragraph 1 of the requirements of section 90B(5) to (8)."

This amendment is consequential on new Clause (The Crown Estate) which would transfer executive and legislative competence of the Crown Estate in Wales to the Welsh Government and the National Assembly for Wales.

Amendment 6, page 41, line 30 , at end insert—

"2A Paragraph 1 does not reserve the consolidation in English and Welsh of the principal legislation delineating the powers of the National Assembly for Wales and the Welsh Government, including (but not limited to) the Government of Wales Act 2006, the Wales Act 2011 and the Wales Act 2016."

This amendment would allow the National Assembly for Wales to consolidate in both English and Welsh the statutes bills containing the current constitutional settlement affecting Wales.

Amendment 155, page 42, line 20, leave out "prosecutors" and insert "the Crown Prosecution Service".

The amendment clarifies the reservation so that "the Crown Prosecution Service" is reserved, rather than "prosecutors" more generally, as this could prohibit Assembly legislation enabling devolved authorities to prosecute, such as local authorities.

Amendment 119, page 42, line 26, leave out sub-paragraphs (2) and (3).

[The Chairman]

This amendment seeks to allow ancillary provision by removing the exception in paragraph 6(2) and the related definition in paragraph 6(3), so that reliance can be placed on the general power to make ancillary provision made clear by the amendment to clause 3 proposed by amendment 118.

Amendment 83, page 47, line 32, leave out Section B5.

This amendment removes the reservation of crime, public order and policing from the list of reserved powers.

Amendment 122, page 48, line 9, leave out

"The subject matter of Parts 1 to 6"

and insert

"Anti-social behaviour injunctions under Part 1".

This amendment is intended to narrow the reservation to the system of anti-social behaviour injunctions provided for by Part 1 of the 2014 Act.

Amendment 84, page 48, leave out line 11.

This amendment removes the reservation of dangerous dogs and dogs dangerously out of control from the list of reserved powers.

Amendment 85, page 48, line 15, leave out Section B8.

This amendment removes the reservation of prostitution from the list of reserved powers.

Amendment 86, page 48, line 24, leave out Section B11.

This amendment removes the reservation of the rehabilitation of offenders from the list of reserved powers.

Amendment 117, page 49, leave out lines 5 to 10.

This amendment will remove the reservation of knives from the list of reserved powers.

Amendment 123, page 49, leave out lines 24 to 29.

Paragraph 55 of the new Schedule 7A to be inserted into the Government of Wales Act 2006 by Schedule 1 would reserve the licensing of the provision of entertainment and late night refreshment from the Assembly's legislative competence. Paragraph 56 would reserve the sale and supply of alcohol. This amendment removes both reservations.

Amendment 116, page 49, leave out lines 24 to 26.

This amendment will remove the reservation of the licensing of the provision of entertainment and late night refreshment from the list of reserved powers.

Amendment 87, page 49, line 27, leave out Section B17.

This amendment removes the reservation of alcohol from the list of reserved powers.

Government amendments 53 to 58.

Amendment 88, page 55, line 5, leave out Section C15.

This amendment removes the reservation of Water and sewerage from the list of reserved powers.

Amendment 89, page 55, line 28, leave out Section C17.

This amendment removes the reservation of Sunday trading from the list of reserved powers.

Amendment 90, page 55, line 32, leave out Section D1.

This amendment removes the reservation of generation, transmission, distribution and supply of electricity from the list of reserved powers.

Amendment 91, page 56, line 27, leave out Section D3.

This amendment removes the reservation of coal from the list of reserved powers.

Amendment 92, page 57, line 2, leave out Section D5.

This amendment removes the reservation of heat and cooling from the list of reserved powers.

Amendment 93, page 57, line 17, leave out Section D6.

This amendment removes the reservation of energy conservation from the list of reserved powers.

Amendment 94, page 57, line 24, leave out Section E1.

This amendment removes the reservation of road transport from the list of reserved powers.

Amendment 161, page 57, line 35, leave out from "roads" to the end of line 36 and insert—

"107A Speed limits

107B Road and traffic signs"

This amendment would make speed limits and road and traffic signs reserved matters.

Amendment 95, page 58, leave out line 36.

This amendment removes the reservation of railway services from the list of reserved powers.

Amendment 96, page 59, leave out line 21.

This amendment is consequential on amendment 61 to Clause 28 which would remove the exception to the devolution of executive functions in relation to Welsh harbours of "reserved trust ports".

Amendment 140, page 59, line 21, leave out "Reserved trust ports and".

Section E3 of the new Schedule 7A to be inserted into the Government of Wales Act 2006 by Schedule 1 would reserve certain marine and waterway transport matters from the Assembly's legislative competence. Paragraph 119 in that Section would reserve trust ports. This amendment removes this reservation.

Amendment 97, page 59, leave out line 23.

This amendment removes the reservation of coastguard services and maritime search and rescue from the list of reserved powers.

Amendment 98, page 59, leave out line 24.

This amendment removes the reservation of hovercraft from the list of reserved powers.

Amendment 141, page 59, line 28, leave out ", reserved trust ports or".

This amendment is consequential upon amendment 140.

Amendment 142, page 59, line 37, leave out "that is not a reserved trust port".

This amendment is consequential upon amendment 140.

Amendment 143, page 60, leave out lines 4 to 5.

This amendment is consequential upon amendment 140.

Amendment 100, page 61, line 21, at end insert—

"Benefits entitlement to which, or the purposes of which, are the same as or similar to those of any of the following benefits—

(a) universal credit under Part 1 of the Welfare Reform Act 2012,

(b) jobseeker's allowance (whether contributions-based or income based) under the Jobseekers Act 1995,

(c) employment and support allowance (whether contributory or income-related) under Part 1 of the Welfare Reform Act 2007,

(d) income support under section 124 of the Social Security and Benefits Act 1992,

(e) housing benefit under section 130 of that Act,

(f) child tax credit and working tax credit under the Tax Credits Act 2002.

The benefits referred to in paragraphs (a) to (f) above are—

(a) in the case of income-based jobseeker's allowance and income-related employment support allowance, those benefits as they existed on 28 April 2013 (the day before their abolition),

(b) in the case of the other benefits, those benefits as they existed on 28 May 2015."

This amendment devolves all working age benefits to be replaced by Universal credit, and any benefit introduced to replace Universal credit.

Amendment 101, page 61, line 21, at end insert—

"Benefits entitlement to which, or the purposes of which, are the same as or similar to those of any of the following benefits—

(a) guardian's allowance under section 77 of the Social Security Contributions and Benefits Act 1992,

(b) child benefit under Part 9 of that Act."

This amendment devolves to the National Assembly for Wales, child benefit and Guardian's allowance including conditionality and sanctions regimes.

Amendment 102, page 64, line 17, leave out Section H1.

This amendment would remove employment and industrial relations from the list of reserved powers.

Amendment 108, page 64, line 17, leave out Section H1 and insert—

"H1 National Minimum Wage

The subject-matter of the National Minimum Wage Act 1998."

This amendment would devolve employment rights and duties and industrial relations, except for the national minimum wage, to the National Assembly for Wales.

Amendment 124, page 64, line 44, at end insert—

"Terms and conditions of employment and industrial relations in Wales public authorities and services contracted out or otherwise procured by such authorities."

Section H1 of the new Schedule 7A to be inserted into the Government of Wales Act 2006 by Schedule 1 would reserve employment rights and duties and industrial relations from Assembly's legislative competence. This amendment provides an exception to ensure that the Assembly retains its legislative competence over terms and conditions of service for employees in devolved public services and industrial relations in such services.

Amendment 99, page 65, line 7, leave out Section H3.

This amendment would devolve employment support programmes to the National Assembly for Wales.

Amendment 109, page 65, line 24, leave out Section J1.

This amendment removes the reservation of abortion from the list of reserved powers, to bring Wales into line with Scotland and Northern Ireland.

Amendment 103, page 66, line 31, leave out Section J6.

This amendment would remove Health and Safety from the list of reserved powers.

Amendment 105, page 67, line 14, leave out Section K1.

This amendment would remove broadcasting form the list of reserved powers

Amendment 107, page 67, line 17, at end insert—

"Exceptions

The regulation of:

(a) party political broadcasts in connection with elections that are within the legislative competence of the Assembly and

(b) referendum campaign broadcasts in connection with referendums held under Acts of the National Assembly for Wales."

This amendment would devolve competence to the National Assembly for Wales in relation to party political broadcasts for Welsh and local elections.

Amendment 106, page 67, line 29, leave out Section K5.

This amendment would remove sports grounds from the list of reservations

Amendment 110, page 68, line 2, leave out Section L1.

This amendment removes justice from the list of reserved powers.

Amendment 111, page 69, line 25, leave out Section L11.

This amendment removes the reservation of prisons and offender management from the list of reserved powers.

Amendment 104, page 72, line 14, leave out Section N1.

This amendment would remove equal opportunities from the list of reserved powers

Amendment 112, page 73, line 24, leave out "bank holidays".

This amendment, along with amendment 85, will devolve to the National Assembly for Wales, competence over bank holidays.

Amendment 113, page 73, line 27, at end insert "bank holidays".

This amendment, along with amendment 112, will devolve to the National Assembly for Wales, competence over bank holidays.

Amendment 114, page 74, line 7, leave out Section N8.

This amendment will remove the reservation of the Children's Commissioner from the list of reserved powers.

Amendment 115, page 74, line 11, leave out Section N9.

This amendment will remove the reservation of teacher's pay and conditions from the list of reserved powers.

That schedule 1 be the First schedule to the Bill.

Amendment 120, in schedule 2, page 77, line 17, at end insert—

"1A Paragraph 1 does not apply to a modification that is ancillary to a provision made (whether by the Act in question or another enactment) which does not relate to reserved matters if it is a modification of the law on reserved matters in paragraph 6 or 7 of Schedule 7A."

This amendment provides an exception for ancillary provision about certain justice matters that is not subject to a necessity test.

Amendment 121, page 77, line 18, leave out "a" and insert "any other".

This amendment is consequential upon amendment 120.

Amendment 156, page 77, line 21, leave out from "matters" to end of line 26.

The amendment removes the necessity test in relation to the law on reserved matters.

Amendment 157, page 78, line 2, leave out paragraph 4 and insert—

"4 (1) A provision of an Act of the Assembly cannot make modifications of, or confer power by subordinate legislation to make modifications of, the criminal law. (See also paragraph 6 of Schedule 7A (single legal jurisdiction of England and Wales).)

(2) Sub-paragraph (1) does not apply to a modification that has a purpose (other than modification of the criminal law) which does not relate to a reserved matter.

(3) This paragraph applies to civil penalties as it applies to offences; and references in this paragraph to the criminal law are to be read accordingly)."

The amendment inserts a restriction so that the Assembly cannot modify criminal law unless it is for a purpose other than a reserved purpose. This would bring it into line with the private law restriction.

Amendment 34, page 79, line 29, leave out from "Assembly" to end of line 39.

The amendment removes the requirements relating to the composition and internal arrangements of the Assembly Committee with oversight of the Auditor General and/or their functions.

Amendment 35, page 80, line 41, at end insert—

"(i) subsection 120(1) as regards a modification that adds a person or body;"

The amendment will enable the Assembly to amend sections 120(1) of the 2006 Act which provide for 'relevant persons' which receive funding directly from the Welsh Consolidated Fund."

Amendment 36, page 80, line 42, at end insert—

(iii) subsection 124(3) as regards a modification that adds a person or body;"

The amendment will enable the Assembly to amend sections 124(3) of the 2006 Act which provide for 'relevant persons' which receive funding directly from the Welsh Consolidated Fund.

Amendment 37, page 81, line 22, leave out from "taxes" to end of line 23.

The amendment removes the requirement for Secretary of State consent for the Assembly to amend the provisions of Part 5 of the 2006 Act which are not specifically referred to in paragraph 7(2)(d) and section 159, where the amendment is incidental to, or consequential on, a provision of an Act of the Assembly relating to budgetary procedures.

Amendment 128, page 82, line 30, leave out paragraph (c).

This amendment is consequential upon amendment 127.

Amendment 127, page 82, line 44, at end insert—

'( ) Paragraph 8(1)(a) and (c) does not apply in relation to the Water Services Regulation Authority."

This amendment would extend the existing exception for the Water Services Regulation Authority to include the matters that would otherwise be outside competence by virtue of paragraph 8(1)(c) of Schedule 7B.

Amendment 129, page 83, line 42, leave out paragraph (c).

This amendment removes the restriction in paragraph 11(1)(c) of the new Schedule 7B to the Government of Wales Act 2006 to be inserted by Schedule 2 to the Bill which would prevent the Assembly from legislating to remove or modify functions of a Minister of the Crown exercisable in relation to water and sewerage matters (including control of pollution) and matters relating to land drainage, flood risk management and coastal protection.

That schedule 2 be the Second schedule to the Bill.

New clause 7—*Levies in respect of agriculture, taking wild game, aquaculture and fisheries, etc.*—

"(1) In Schedule 7A to the Government of Wales Act 2006, section A1 is amended as follows.

(2) In the Exceptions, after the exception for devolved taxes insert—

""Levies in respect of agriculture, taking wild game, aquaculture and fisheries (including sea fisheries) or a related activity: their collection and management."

(3) After the Exceptions insert—

"Interpretation

"agriculture" includes horticulture, fruit growing, seed growing, dairy farming and livestock breeding and keeping, and the use of land as grazing land, meadow land, osier land, market gardens and nursery grounds.

"aquaculture" includes the breeding, rearing or cultivation of fish (of any kind), seafood or aquatic organisms.

"related activity" means the production, processing, manufacture, marketing or distribution of—

(a) anything (including any creature alive or dead) produced or taken in the course of agriculture, taking wild game or aquaculture, or caught (by any means) in a fishery,

(b) any product which is derived to any substantial extent from anything so produced or caught.""

This new clause would give the National Assembly for Wales general legislative competence in respect of agricultural, aquacultural and fisheries levies.

New clause 10—*Water Services Regulation Authority*—

"(1) In section 27 of the Water Industry Act 1991 (general duty of the authority to keep matters under review)—

(a) in subsection (3), after "may" insert "subject to subsection (3A),";

(b) after subsection (3), insert—

"(3A) The Secretary of State must obtain the consent of the Welsh Ministers before giving general directions under subsection (3) connected with—

(a) matters in relation to which functions are exercised by water or sewage undertakers whose area is wholly or mainly in Wales,

(b) licensed activities carried out by water supply licensees that use the supply system of a water undertaker whose area is wholly or mainly in Wales, or

(c) licensed activities carried on by sewerage licensees that use the sewerage system of a sewerage undertaker whose area is wholly or mainly in Wales.";

(c) in subsection (4), in both places where it appears, after "Secretary of State" insert ", the Welsh Ministers".

(2) In section 192B of the Water Industry Act 1991 (annual and other reports)—

(a) in subsection (1), after "Secretary of State" insert "and the Welsh Ministers";

(b) in subsection (2)(d), for "as the Assembly" substitute "or activities in Wales as the Welsh Ministers";

(c) in subsection (4), for "Assembly" substitute "Welsh Ministers";

(d) after subsection (5) insert—

"(5A) The Welsh Ministers shall—

(a) lay a copy of each annual report before the Assembly; and

(b) arrange for the report to be published in such manner as they consider appropriate;

(c) in subsection (7), omit "the Assembly,"".

(3) In Schedule 1A to the Water Industry Act 1991 (the Water Services Regulation Authority)—

(a) in paragraph 1—

(i) in sub-paragraph (1), after "Secretary of State" insert "and the Welsh Ministers acting jointly";

(ii) in sub-paragraph (2), omit paragraph (a);

(b) in paragraph 2(2), after "Secretary of State" insert "and the Welsh Ministers acting jointly";

(c) in paragraph 3—

(i) in sub-paragraph (2), paragraph (a), after "Secretary of State" insert "and the Welsh Ministers";

(ii) in sub-paragraph (2), paragraph (b), after "Secretary of State" insert "and the Welsh Ministers acting jointly";

(iii) omit sub-paragraph (3);

(d) in paragraph 4—

(i) in sub-paragraph (1) and (2), in each place where it appears, after "Secretary of State" insert "and the Welsh Ministers acting jointly";

(ii) in sub-paragraph (3), for "determines" substitute "and the Welsh Ministers acting jointly determine" and at the end insert "and the Welsh Ministers acting jointly";

(e) in paragraph 9(3)(b), for "Assembly" substitute "Welsh Ministers"."

This new clause would amend the Water Industry Act 1991 to confer functions relating to the Water Services Regulation Authority (OFWAT) (which exercises functions in England and Wales) onto the Welsh Ministers and it would adjust the functions of the Secretary of State to better reflect the current devolution of water matters to Wales.

Amendment 61, in clause 28, page 23, line 32, leave out from "Wales" to the end of line 33.

This amendment removes the exception to the devolution of executive functions in relation to Welsh harbours of "reserved trust ports".

Amendment 134, page 23, line 38, leave out subsection (4).

Clause 28(4) provides an exception to the general transfer of functions by clause 28 so that where a function relates to two or more harbours the function is transferred only to the extent that both or all of the harbours to which it relates are wholly in Wales and are not reserved trust ports. This amendment is partly

consequential upon amendment 61, but it would also ensure that the Welsh Ministers retain functions where one harbour is in Wales and the other is not.

Amendment 62, page 23, line 40, leave out "and are not reserved trust ports".

See amendment 61.

Amendment 63, page 24, leave out line 6.

See amendment 61.

Clause 28 stand part.

Amendment 64, in clause 29, page 24, line 13, leave out

", other than a reserved trust port,"

See amendment 61.

Amendment 65, page 24, line 17, leave out

", other than reserved trust ports".

See amendment 61.

Amendment 66, page 24, line 21, leave out

"or a reserved trust port".

See amendment 61.

Amendment 67, page 24, line 25, leave out

"other than a reserved trust port".

See amendment 61.

Amendment 68, page 24, line 26, leave out subsection (5).

See amendment 61.

Amendment 69, page 24, line 31, leave out

"other than a reserved trust port"

See amendment 61.

Clauses 29 to 31 stand part.

Amendment 137, in clause 32, page 25, leave out lines 34 to 39 and insert—

(a) will be wholly or partly in England or in waters adjacent to England up to the seaward limits of the territorial sea, and.""

This amendment is consequential upon amendment 61.

Amendment 71, page 25, line 39, leave out "a reserved trust port".

See amendment 61.

Amendment 138, page 25, line 41, leave out from beginning to end of line 3 on page 26 and insert—

(a) the harbour facilities are wholly or partly in England or in waters adjacent to England up to the seaward limits of the territorial sea, and.""

This amendment is consequential upon amendment 61.

Amendment 72, page 26, line 2, leave out from "and" to end of line 3.

See amendment 61.

Amendment 73, page 26, line 4, leave out subsection (4).

See amendment 61.

Clauses 32 to 35 stand part.

New clause 1—*The Crown Estate*—

"After section 89 of the Government of Wales Act 2006, insert—

"89B The Crown Estate

(1) The Treasury may make a scheme transferring on the transfer date all the existing Welsh functions of the Crown Estate Commissioners ("the Commissioners") to the Welsh Ministers or a person nominated by the Welsh Ministers ("the transferee").

(2) The existing Welsh functions are the Commissioners' functions relating to the part of the Crown Estate that, immediately before the transfer date, consists of—

(a) property, rights or interests in land in Wales, excluding property, rights or interests mentioned in subsection (3), and

(b) rights in relation to the Welsh zone.

(3) Where immediately before the transfer date part of the Crown Estate consists of property, rights or interests held by a limited partnership registered under the Limited Partnerships Act 1907, subsection (2)(a) excludes—

(a) the property, rights or interests, and

(b) any property, rights or interests in, or in a member of, a partner in the limited partnership.

(4) Functions relating to rights within subsection (2)(b) are to be treated for the purposes of this Act as exercisable in or as regards Wales.

(5) The property, rights and interests to which the existing Welsh functions relate must continue to be managed on behalf of the Crown.

(6) That does not prevent the disposal of property, rights or interests for the purposes of that management.

(7) Subsection (5) also applies to property, rights or interests acquired in the course of that management (except revenues to which section 1(1) of the Civil List Act 1952 applies or are to be paid into the Welsh Consolidated Fund).

(8) The property, rights and interests to which subsection (5) applies must be maintained as an estate in land or as estates in land managed separately (with any proportion of cash or investments that seems to the person managing the estate to be required for the discharge of functions relating to its management).

(9) The scheme may specify any property, rights or interests that appear to the Treasury to fall within subsection (2)(a) or (b), without prejudice to the functions transferred by the scheme.

(10) The scheme must provide for the transfer to the transferee of designated rights and liabilities of the Commissioners in connection with the functions transferred.

(11) The scheme must include provision to secure that the employment of any person in Crown employment (within the meaning of section 191 of the Employment Rights Act 1996) is not adversely affected by the transfer.

(12) The scheme must include such provision as the Treasury consider necessary or expedient—

(a) in the interests of defence or national security,

(b) in connection with access to land for the purposes of telecommunications, or with other matters falling within Section C9 in Part 2 of Schedule 1,

(c) for securing that the management of property, rights or interests to which subsection (5) applies does not conflict with the exploitation of resources falling within Section D2 in Part 2 of Schedule 1, or with other reserved matters in connection with their exploitation, and

(d) for securing consistency, in the interests of consumers, in the management of property, rights or interests to which subsection (5) applies and of property, rights or interests to which the Commissioners' functions other than the existing Welsh functions relate, so far as it affects the transmission or distribution of electricity or the provision or use of electricity interconnectors.

(13) Any transfer by the scheme is subject to any provision under subsection (12).

(14) The scheme may include—

(a) incidental, supplemental and transitional provision,

(b) consequential provision, including provision amending an enactment, instrument or other document,

(c) provision conferring or imposing a function on any person including any successor of the transferee,

(d) provision for the creation of new rights or liabilities in relation to the functions transferred.

(15) On the transfer date, the existing Welsh functions and the designated rights and liabilities are transferred and vest in accordance with the scheme.

(16) A certificate by the Treasury that anything specified in the certificate has vested in any person by virtue of the scheme is conclusive evidence for all purposes.

(17) The Treasury may make a scheme under this section only with the agreement of the Welsh Ministers.

(18) The power to make a scheme under this section is exercisable by statutory instrument, a draft of which has been laid before, and approved by resolution of, the National Assembly for Wales.

(19) The power to amend the scheme is exercisable so as to provide for an amendment to have effect from the transfer date.

(20) If an order amends a scheme and does not contain provision—

(a) made by virtue of subsection (12) or (19) of that section, or

(b) adding to, replacing or omitting any part of the text of an Act,

then, instead of subsection (18), the instrument containing the legislation shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(21) For the purposes of the exercise on and after the transfer date of functions transferred by the scheme under this section, the Crown Estate Act 1961 applies in relation to the transferee as it applied immediately before that date to the Crown Estate Commissioners, with the following modifications—

(a) a reference to the Crown Estate is to be read as a reference to the property, rights and interests to which subsection (5) applies,

(b) the appropriate procedure for subordinate legislation is that no Minister of the Crown is to make the legislation unless a draft of the instrument has been laid before, and approved by resolution of, each House of Parliament,

(c) a reference to the Treasury is to be read as a reference to the Welsh Ministers,

(d) a reference to the Comptroller and Auditor General is to be read as a reference to the Auditor General for Wales,

(e) a reference to Parliament or either House of Parliament is to be read as a reference to the National Assembly for Wales,

(f) the following do not apply—

(None) in section 1, subsections (1), (4) and (7),

(None) in section 2, subsections (1) and (2) and, if the Welsh Ministers are the transferee, the words in subsection (3) from "in relation thereto" to the end,

(None) in section 4, the words "with the consent of Her Majesty signified under the Royal Sign Manual",

(None) sections 5, 7 and 8 and Schedule 1.

(22) Subsection (7) is subject to any provision made by Order in Council under subsection (9) or by any other enactment, including an enactment comprised in, or in an instrument made under, an Act of the National Assembly for Wales.

(23) Her Majesty may by Order in Council make such provision as She considers appropriate for or in connection with the exercise by the transferee under the scheme (subject to subsections (5) to (8)) of functions transferred by the scheme, including provision taking effect on or before the transfer date.

(24) An Order in Council under subsection (23) may in particular—

(a) establish a body, including a body that may be nominated under that section as the transferee,

(b) amend, repeal, revoke or otherwise modify an enactment, an Act or Measure of the National Assembly for Wales, or an instrument made under an enactment or Act or Measure of the National Assembly for Wales.

(25) The power to make an Order in Council under subsection (24) is exercisable by Welsh statutory instrument subject to the affirmative procedure.

(26) That power is to be regarded as being exercisable within devolved competence before the transfer date for the purposes of making provision consequential on legislation of, or scrutinised by, the National Assembly for Wales.

(27) In this section—

"designated" means specified in or determined in accordance with the scheme,

"the transfer date" means a date specified by the scheme as the date on which the scheme is to have effect.""

This new clause mirrors the Scotland Act 2016 in transferring executive and legislative competence of the Crown Estate in Wales to the Welsh Government and the National Assembly for Wales.

Paul Flynn: Since we met in Committee last week, we have had the wonderful celebration of the Wales team's great achievement in the European cup, which is a matter of enormous pride to us as a nation. I was delighted to see the celebrations on Saturday, which were the biggest thing to happen in Cardiff since VE-day and VJ-day, which I am sure we both remember, Mr Hoyle, if not since when Cardiff won the FA cup in 1926. These events will bring many benefits for the people of Wales. We feel pride not just in the skills of our team, but in the behaviour of our fans.

I saw a performance by the Secretary of State on television yesterday in which he was dancing with a ball on his head and foot. It seemed to be a wordless message; I did not quite get the point. Given these uncertain political times, he might have been auditioning for a future job as a circus performer, but perhaps there was a subliminal message that had he been substituted for Aaron Ramsey, the result of the Portugal game might have been different. None the less, we have had a moment of great happiness for our country. It is a joy to think that the beautiful national language in our anthem was probably heard by more people than at any time in its 3,000-year history. That intrigued many people, and Wales has been given a much sharper identity that will bring about practical benefits.

The Bill's is proceeding in a consensual way. A great political tumult is going on about our ears, in various forms, but here is an oasis of calm and good sense, as all parties support a beneficial Bill that will give Wales further devolution. Progress on that is slow and endless, but the Bill is a step forward.

I will speak first to amendments 118 and 119. Amendment 118, together with consequential amendments to paragraph 6 of proposed new section 7A to the Government of Wales Act 2006 under schedule 1, and to paragraph 1 of proposed new schedule 7B under schedule 2, take us back to issues flowing from the Government's insistence on retaining the single legal jurisdiction of England and Wales. In accepting that position, as we must following last Tuesday's Division, we must now ensure that the Assembly has, within the single jurisdiction, powers that enable its legislation to be enforceable and effective, which is what amendment 118 would achieve.

In our view, the Bill as drafted would restrict the Assembly's legislative competence inappropriately and reverse the competence given to the Assembly under the 2006 Act, section 108(5) of which allows the Assembly to make what might be termed "ancillary" provisions.

At present, the Assembly has competence to legislate on matters relating to one or more of the listed subjects in part 1 of schedule 7 to the 2006 Act. That Act also provides that the Assembly has powers to make provision about non-devolved matters when that is done to make a devolved provision effective or to enforce a provision if it is otherwise consequential or incidental to the devolved provision. My understanding is that this is not the UK Government's intention, meaning that our old friend unintentional consequences might well apply.

I am sure that the Government do not, in common with all parties in the House, intend to prevent the Assembly from making provision to enforce or to make effective devolved legislation. However, the Bill currently either prevents that, or is unclear about whether the Assembly will have the same ability as at present. Under the reserved power model, an Assembly Act will be outside competence if it relates to a reserved matter in proposed new schedule 7A. There is no express equivalent in the Bill to section 108(5) of the 2006 Act. Provisions relating to reserved matters will be outside competence and will not be law even if the intent of the provision in question is confined to making legislation effective or to enforce it. Other provisions are designed to address this issue, but Welsh Government officials have provided the Wales Office with several examples of when the Bill as drafted would have prevented uncontentious provisions in Assembly Acts from being included in that legislation.

These are not hypothetical problems. We have a strange history of the consequences of legislation. We have sometimes had legislation that was cumbersome and slow, while we have also seen judge-driven legislation involving Acts that were subject to adjudication by people outside Wales. Unless the Bill is amended as we propose, the Assembly's ability to make its legislation enforceable and effective will be inappropriately constrained, and I do not believe that that is the Secretary of State's intention. We shall not press the amendments to a Division, but I urge the Secretary of State to give very careful consideration to the issues that they raise, to instruct his officials to discuss them further with Welsh Government officials and to table amendments on Report that reflect an agreed position on this important issue.

Let me mention some of the general principles that should apply to our consideration of the schedule of reserved matters. In a reserved power model, it is for the UK Government to explain why the relevant subject matter must be reserved to the centre—to the UK Parliament and Government—for decision. Much of the schedule's content is uncontroversial. It is common ground that matters such as foreign affairs, the armed forces and the UK's security system should be determined at a UK level. On other matters, however, the situation is more contested. If reservations affect the Assembly's existing competence, it is vital that the case for them is made explicitly and that the drafting of the relevant provision is precise and specific. That is essential to protect the Assembly's ability to legislate coherently and within its competence.

Amendment 83 deals with policing, which is an interesting subject area in which change is desirable. The UK Government's own Silk commission recommended devolution of policing on the basis that it is a public service that is a particular concern to people in their daily lives, and therefore similar to health, education and the fire service. That conclusion was reached in the light of extensive evidence, including from professional police bodies, chief constables and police and crime commissioners. I understand that the four present PCCs in Wales are in favour of such a change, and opinion polls show clear public support for it.

Silk noted that devolution would improve accountability by aligning police responsibility with police funding, much of which already comes from devolved sources. In short, he argued that devolution would allow crime and the causes of crime to be tackled holistically under the overall policy framework of the Welsh Government. As Silk noted, present arrangements are "complex", "incoherent" and "lack transparency".

Policing is the only major front-line public service that is not at present the responsibility of the devolved institutions in Wales. That anomalous position means that it is significantly more difficult to achieve advantages of collaboration with other blue light services, which is strongly advocated for England in current Government policy, as well as with other relevant public services. Deleting the reservation would address that anomaly, but responsibility for counter-terrorism activity should not be devolved—I would continue to argue that it should be reserved under paragraph 31 of new schedule 7A. The Assembly would be able to legislate in respect of bodies such as the National Crime Agency and the British Transport police only with the consent of UK Ministers, because they are "public authorities" within the meaning of paragraph 8 of new schedule 7B, which restricts the Assembly's powers in respect of such bodies.

After reflecting on the Silk commission's recommendations, what is envisaged is the devolution of responsibilities predominantly for local policing. The key point is that devolution would enable police services in Wales to work even more closely alongside other devolved public bodies, with greater opportunities to secure improved community safety and crime prevention.

In England—this is a fine example on which we can base our recommendations—the UK Government are pushing forward the devolution of policing and justice powers with the greatest enthusiasm. Only last week, it was reported that the Minister responsible for prisons—the Under-Secretary of State for Justice, the hon. Member for South West Bedfordshire (Andrew Selous)—declared himself as

"a firm fan of devolution".

Having signed over new powers to the mayor of Greater Manchester, he hailed

"a new dawn for the justice system"

that is

"run by locals, for locals"

and is an effective justice system that meets the needs of local people. However, in a reserved power model of devolution for Wales, there is an overriding imperative to keep the control of these matters in Whitehall. Where is the consistency and fair treatment for Wales? If something is good enough for Manchester, surely it is good enough for Wales.

Amendment 122 deals with antisocial behaviour. Whatever the outcome on policing, it is imperative that we do not reduce the Assembly's existing competence for dealing with antisocial behaviour in devolved contexts. That is why there needs to be an amendment to paragraph 41 of new schedule 7A, which relates to antisocial behaviour. As drafted, the Bill would reserve

[Paul Flynn]

matters that are currently within the Assembly's legislative competence, such as antisocial behavioural matters relating to housing or nuisance. That would represent a significant reduction of the Assembly's existing competence, so the Welsh Government amendment would narrow the reservation to more closely reflect the current situation.

Amendment 123 is on the vexed subject of alcohol. As drafted, the Bill would reserve the sale and supply of alcohol, and the licensing of provision of entertainment and late-night refreshment. The amendment would delete the reservations and allow the Assembly to legislate on those matters.

Alcohol misuse is a major public health issue and a principal cause of preventable death and illness in Wales. It can lead to a great many health and social harm problems, in particular for a significant minority of addicts and people who drink to excess for other reasons. Given those impacts and the direct link with devolved responsibility for public health and the NHS, there is a pressing need to tackle alcohol misuse, so the Assembly and Welsh Government must have the full range of tools at their disposal. Policies that control the way in which alcohol is sold and supplied are widely acknowledged to be among the most effective mechanisms for tackling alcohol-related harms. Regulating the availability of alcohol is an important way to reduce the harmful use of alcohol, particularly by tackling easy access to alcohol by vulnerable and high-risk groups. Licensing controls are an essential tool which must form part of the Welsh Government's strategy to tackle alcohol-related abuse. The reservations place unnecessary and inappropriate constraints on action to tackle alcohol availability in Wales. Those powers are devolved in Scotland and in Northern Ireland, where similar public health challenges were faced, and they should also be devolved in Wales.

5.30 pm

The Bill, as drafted, would enable the Assembly to legislate on ports and harbours, and would also transfer additional Executive functions in respect of them from the Secretary of State to Welsh Ministers. That is welcome, and is in line with the Silk recommendations. However, the Bill also creates a specific category of "reserved trust ports", on which the Assembly could not legislate and in respect of which Welsh Ministers cannot exercise any powers. The Bill defines reserved trust ports in such a way that only Milford Haven would be such a port.

Why is that reservation necessary? Silk did not recommend reserving any trust port, and neither did the St David's day Command Paper. When giving evidence on the draft Bill to the Welsh Affairs Committee, the then Secretary of State said that the purpose of the clause was to reserve Milford Haven specifically as a strategic energy port owing to its status, but the United Kingdom Government, inconsistently, declined to cite energy security as a policy driver for an investment in Milford Haven to support the sale of the Murco refinery in 2014. Aberdeen trust port could equally be seen as a strategic energy port, given the importance of North sea oil to the UK, yet it was devolved to the Scottish Government. Why on earth should the same not happen to Milford Haven? Why should its control not be devolved to the Welsh Assembly?

The concept of a reserved trust port is unnecessary and inappropriate, and should be removed from the Bill. That would enable the Assembly to have legislative competence in respect of all trust ports in Wales, including Milford Haven. As recommended by Silk and the Welsh Ministers, powers should, by virtue of the amendments, extend to Milford Haven, as they will to other harbours in the country.

Amendment 124 covers employment and industrial relations in devolved public services. The devolved public service workforce, comprising those working in "Wales public authorities" as defined in the Bill, or engaged in public services that are contracted out or otherwise procured by such authorities, are intrinsically inseparable from the services and functions of those authorities, all of which work within the devolved sphere. The workforce are the main means by which authorities carry out their functions and provide services for the public. There is a well-recognised link between good employment practices and industrial relations within authorities, and the quality of the services that they provide for the public.

As the Bill is drafted, the Assembly would not be able to legislate on workforce matters in devolved services. The amendment proposes an exception, so that the general reservation preventing the Assembly from legislating on matters relating to employment and industrial relations would not undermine the Assembly's ability to legislate in respect of devolved public services and the devolved public service workforce. The amendment would not undermine the shared framework and protections in respect of employment and industrial relations spanning the private and public sectors across the United Kingdom, but would give the Assembly a chance to augment them where appropriate, to support the effective delivery of devolved public services by Wales public authorities.

Amendment 195 deals with teachers' pay and conditions. We agree that this reservation should be omitted. Education has been a devolved matter since the establishment of the Assembly, and retaining the reservation would be anomalous by comparison with the other devolution settlements, as confirmed by the Silk commission. Teachers' pay and conditions are an integral part of the school system, and closely interrelated to the devolved education function. Maintaining this reservation and the associated Secretary of State's functions, when the two education systems in England and Wales are diverging year on year, makes it more difficult for the Welsh Government to deliver Welsh priorities with the national pay systems and structures set up to support a different, English employment model. This is the whole principle of devolution on which we all agree.

The UK Government's academisation programme, for example, does not require the same statutory compliance with the "School teachers' pay and conditions" document that is required for all maintained schools in Wales. Additionally, the freedom in England for academies not to comply with the same professional registration standards does not operate in Welsh maintained schools. This means that the School Teachers Review Body report every year tends to reflect a different educational context. The relevance of the current process, driven by the fact that the Secretary of State's remit to the review body does not reflect Welsh issues, is diminishing in relation to Wales. The Assembly should have legislative competence in this matter, and Executive responsibility should transfer

to Welsh Ministers to allow for the development of an effective workforce strategy that reflects the needs of Welsh schools.

Water and sewerage are covered in amendments 128, 127 and 129, and we seek the deletion of the reservations 90 and 91. There are several different aspects to policy on water. The Secretary of State is well aware of how sensitive a matter this has been for generations; I think he agrees it has been a matter of great contention. I recall many years ago going to inspect public toilets in mid-Wales and seeing a notice on them saying, "Please flush twice; England needs our water."

There has been a recognition that water is a great national resource of Wales that is available in great abundance. We have a great richness in water resources, but, sadly, there is the great history of Tryweryn and other matters that concerned us over many years, when Wales was plundered for its natural resources without compensation.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The hon. Gentleman mentions Tryweryn, and it is of course 50 years since Gwynfor Evans won that famous by-election in Carmarthen in 1966. The major stimulus of that great victory that changed Welsh, and, arguably, UK, politics was, of course, the drowning of Tryweryn. Does the hon. Gentleman think it would be a fitting memorial to that great victory by Gwynfor Evans that this Bill finally contains the devolution of water resources to Wales?

Paul Flynn: I think that would be entirely appropriate. The hon. Gentleman reminds us of matters that were subjects of great passion at the time. I believe they did—as many points in history have—concentrate the feelings of those in Wales about their national identity and what was seen to be an injustice against the people of Wales. I remember the events vividly.

Susan Elan Jones (Clwyd South) (Lab): On the subject of Tryweryn, will my hon. Friend be so kind as to put on record his admiration for Lord Thomas William Jones who was of course at the time the Member of Parliament for Meirionnydd and chaired the action committee? Originally, of course, he was a native of Ponciau as well,

Paul Flynn: I am very happy to record that. It is also worth mentioning that Tryweryn was opposed by every Welsh Member of this House. That opposition was not confined to any one group or party, although there were certain people who led it, as my hon. Friend has suggested. I look back with pride to the time when Labour MPs and peers took part in the early days of establishing a Welsh identity, particularly in the north Wales area. We had a large number of Welsh-speaking Labour MPs here, and they could only dream about a day like today when we are passing the legislation that their generation sadly failed to do, even though they and organisations such as Cymru Fydd were full of high hopes. We are now taking these steps forward, and the dreams of past generations are being fulfilled and honoured.

The scope of the Assembly's legislative competence in this field is interesting. The Welsh Government are seeking full devolution of water and sewerage to be aligned with the geographical boundary with England, as set out in the Silk report and the UK Government's St David's day Command Paper. A joint Governments water and sewerage devolution programme board was set up following the publication of the St David's day paper to consider the alignment of legislative competence with the national border. The programme focused on the impact on consumers and engaged with the regulator, consumer representatives, the water companies and both Governments. The work of the programme has now concluded, and I understand that the evidence confirms that these changes can be achieved with minimal impact on the consumers of water and sewerage services, so legislative competence for water should be aligned with the national border.

I shall take this opportunity to mention the related aspects of policy on water, including new clause 10 and the amendments to clause 44. Clause 44 would amend section 114 of the Government of Wales Act 2006 by adding to the grounds on which the Secretary of State can intervene to prevent the Presiding Officer from submitting an Assembly Bill for Royal Assent. Section 114 currently allows such intervention if, inter alia, the Secretary of State has reasonable grounds to believe that the Bill contains provisions which might have a seriously adverse impact on water resources, supply or quality in England. The Wales Bill would add to this by allowing intervention if a Bill might have a seriously adverse impact on sewerage services or systems in England.

In the view of the Welsh Government, with which I totally agree, the intervention power in respect of water should be replaced by a memorandum of understanding between the Welsh and UK Governments on how cross-border water issues should be managed. This was also the view of the Silk commission, which recommended that

"a formal intergovernmental protocol should be established in relation to cross-border issues".

It also recommended that

"the Secretary of State's existing legislative and executive powers of intervention in relation to water should be removed in favour of mechanisms under the inter-governmental protocol".

It follows that the Welsh Government are opposed to the proposed extension by clause 44 of these intervention powers to sewerage, and would also wish to see sections 114 and 152 of the 2006 Act amended to remove these intervention powers in relation to water.

Hywel Williams (Arfon) (PC): The hon. Gentleman has mentioned sections 114 and 152. I should like to draw to his attention our amendment 81, which I hope will be debated later and which I hope to press to a vote. It would remove those sections from the legislation. I do not want to pre-empt the debate now, but I want to give him fair warning that we will be taking that stance, which would achieve precisely the end that he has just described.

Paul Flynn: I am grateful to the hon. Gentleman for pointing that out. We agree with many of the amendments that he and his party have tabled, although we want to have further consultations on some of them. The speed at which the Bill is going through—although very agreeable—means that we have not yet consulted certain groups or individuals. We might not support the hon. Gentleman's amendments in the Lobby, but we agree with a great many of them. However, we hope to divide the Committee on our amendment 123 later.

5.45 pm

Finally, new clause 10 relates to Ofwat accountability. Ofwat should be fully accountable to the National Assembly for Wales in respect of the functions it exercises in relation to Wales, especially as legislative competence in respect of water and sewerage would be fully devolved. The new clause would make it a requirement for Ofwat to produce a report for Welsh Ministers and for that report to be laid before the National Assembly. New clause 10 is proposed to section 27 of the Water Industry Act 1991 to require the Secretary of State to seek the consent of Welsh Ministers before giving directions to Ofwat in respect of such matters.

I am grateful to the Committee for its patience in listening to my remarks on a large number of amendments. For the ones relating to Ofwat, we suggest that the changes are necessary so that Ofwat is fully accountable to the National Assembly and Welsh Ministers for these functions exercisable in relation to Wales. They represent another step forward for devolution and I will be grateful if the Government and the Committee give the proposals serious consideration.

Mr David Jones (Clwyd West) (Con): I will speak briefly to amendment 161 in my name and those of my hon. Friends the Members for Brecon and Radnorshire (Chris Davies) and for Vale of Clwyd (Dr Davies). It would amend schedule 1 to the Bill by reserving the setting of speed limits in Wales and the design of road and traffic signs. The whole purpose of devolution should be to make life not more difficult but easier. We will be debating a great many practical amendments to the Bill this evening and this is one where the practical purpose of devolution would be better served by reserving such competences.

Dealing first with speed limits, I strongly suggest that it would be highly counterproductive for speed limits to differ between England and Wales because the road systems of England and Wales are closely integrated. Every day, many thousands of commuters travel backwards and forwards across the border. At certain times of year, such as holiday periods, there are considerable numbers of visitors from other parts of the United Kingdom and the continent of Europe. Such people are not confined to the principal arterial routes of the M4 and the A55, because several other important routes—going both east to west and north to south—cross the border. I am particularly thinking of the A483, the principal route between Manchester and Swansea that crosses and re-crosses the border at several points, and the A490, another well-known border route. To have different national speed limits at distances of possibly every two or three miles would be at the very least confusing and at the very worst positively dangerous.

The context of England and Wales is different from the context of England and Scotland because the integration of the road network between England and Wales is far closer. Given the practicalities, it makes no sense whatsoever to devolve the setting of speed limits to Cardiff.

Hywel Williams: I am following the right hon. Gentleman's argument with considerable interest. Is he saying that motorists are unable to cope with speed limit changes that are signalled by appropriate signs? I know of a stretch of road in my constituency where the limit goes from 40 mph to 30 mph to 20 mph and then back to 30 mph and then 40 mph over a distance of about a mile.

Mr Jones: I think it is fair to say exactly that; the hon. Gentleman will remember the former chief constable of North Wales who generated substantial funds out of motorists' inattention to speed limits. My point is not so much about local speed limits but about national speed limits. It is far more sensible if the national speed limit is set by the Department for Transport in London—if necessary, in consultation with the Welsh Assembly Government. Given that there is such a closely integrated main transport road network between the two nations, it makes no sense to have differential speed limits.

The second point I wish to make is about road signs and I do so principally on the same grounds; as we have such a closely integrated road network, there is the potential to cause considerable difficulty if the Welsh Government were to decide, for whatever reason, completely to redesign road signs. Again, that would be not only confusing, but positively dangerous. The competence for the design of road signs should remain with the DfT in London, although there should be consultation with the Welsh Government.

Hywel Williams: Is the right hon. Gentleman's contention based on any research? I recall, and so will he, the extensive debate in Wales about having Welsh language road signs or bilingual signs. Research was done on various aspects of that, by the Road Research Laboratory, the AA and various people, and they predicted all kinds of doom should we have bilingual signs. Can he point us to any similar research on road signs or differential speed limits?

Mr Jones: I have no objection whatever to bilingual road signs—they should be positively encouraged. This is not so much about the language as about the design of the signage. Most of our road signs follow standard European norms, although they may not in the future. If we are to have consistency and avoid danger to motorists, we should have consistency in the design of road signage.

Chris Davies (Brecon and Radnorshire) (Con): My constituency contains roads that traverse both England and Wales. What a pity it would be if our gorgeous countryside was to be littered with even more road signs, up and down those roads, up and down Wales, and up and down the Marches. What a great shame it would be for the visitors who come to Wales for that wonderful experience.

Mr Jones: I am sure we could have fewer signs, although we might have more. My concern is that they should not be so different as to cause accidents on the part of motorists wondering what the heck a sign meant as they passed it. On practicality, there is not a persuasive case being made here; I never really understood the case for the devolution of road signs.

Kevin Brennan (Cardiff West) (Lab): Is the far more distracting and dangerous thing in country fields not all these Tory posters we get at election time? They cause far greater danger and distraction to motorists than any road signs.

Mr Jones: I have never received anything but praise for Conservative signage, and I received even more praise for the vote leave signs that were notable by their presence throughout Wales.

This is a probing amendment and I do not intend to press it to a vote, but I would be grateful to hear from Ministers the rationale for these two proposals. Let me say again that at the very least they are confusing and at the very worst they have the potential to be positively dangerous.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): I must take this opportunity to congratulate the Welsh team on giving us the brightest, most joyful memories of the past few weeks—it is safe to say that.

I rise to speak to the amendments standing in my name and those of my Plaid Cymru colleagues. They seek to amend schedule 7A of the Government of Wales Act 2006 and, thus, relate to clause 3 of this Bill, which deals with the legislative competence of the National Assembly for Wales. The vast majority of our amendments in this group seek to omit certain reservations from that schedule. The amendments are intended in some cases to restore competence in areas that are already devolved. In others, they are intended to devolve competence to the Assembly in areas that are devolved to Scotland. If the Government are not prepared to give the Welsh Assembly parity with the Scottish Parliament in these areas, we would ask for specific reasons to be given in each instance. Both the Welsh Affairs Committee in this place and the National Assembly's Constitutional and Legislative Affairs Committee have written reports on the draft Wales Bill, with both calling on the UK Government to provide individual justifications for each of the reservations now contained in schedule 7A. As such, it is a great disappointment to my colleagues and I that the Government have not seen fit to provide us with these justifications. I invite the Secretary of State to explain why the Government have not been forthcoming in this instance. If valid justifications cannot be provided, the Government should amend the schedule so as to omit those areas outlined in our amendments.

Plaid Cymru has not been alone in saying—over many years—that the National Assembly should move to a reserved powers model. Indeed, the independent, cross-party Silk commission made just such a recommendation. Legal experts and much of civil society in Wales, recognise that adopting a reserved powers model should, in theory, provide greater legal clarity and workability. The idea of moving towards a reserved powers model has also been taken in Wales to symbolise a shift in Westminster's attitude towards the Assembly, because it was assumed to be synonymous with a maturing of relations between the two institutions. Rather than having to justify devolving an area of competence, Westminster would be compelled to justify reserving an area of law; again, that should have represented a significant attitudinal shift, and a recognition of greater parity. The sheer length of the list of reserved areas in schedule 1 has made a mockery of that notion.

It should therefore have come as no surprise to the Wales Office that the original draft Wales Bill was met with such dismay by the Welsh Assembly and by civil society in our nation. The dismayingly long list of reservations, and the way in which the Bill went so far in some cases as to curtail powers already devolved, would fundamentally undermine the Assembly's competence. It would do the opposite of what was, presumably, intended. Although we are grateful that the previous Secretary of State announced a pause in introducing the legislation, we still believe that schedule 7A shows a paucity of ambition for Wales and her legislature, and that is why we have drafted the amendments in this grouping.

Amendments 83, 86, 110 and 111 should be considered together, as they seek to devolve aspects of the justice system to the Assembly: the legal profession and legal services are dealt with in amendment 110; crime, public order and policing are dealt with in amendment 83; the rehabilitation of offenders is dealt with in amendment 86; and prisons and offender management are dealt with in amendment 111. As has been pointed out in this House on many occasions, and as was championed by my predecessor, Elfyn Llwyd, Wales is the only legislature that has no separate or distinct legal jurisdiction of its own. The matter of a separate legal jurisdiction was debated last week, so I will not repeat my arguments. Although I accept that the Tories fundamentally disagree with the need for a separate jurisdiction, I remain somewhat confused by the position of the official Opposition, who said last week that they supported it but abstained because the Government do not support it. If the official Opposition can only vote in favour of measures that are supported by the Government, they are not well fitted to being the official Opposition. However, given that our amendment was defeated last week, we will use the Report stage of the Bill to bring forward proposals on a distinct, rather than separate, jurisdiction. I hope that the House will be more open to working with us when that time comes.

As is well known, the Silk commission recommended the devolution of policing and related areas of community safety and crime prevention, and my party is resolute in our standpoint that Wales, like the other nations of the United Kingdom, should have responsibility for its police forces.

We are presenting amendment 83 at a time when it is being proposed that policing is devolved to English city regions—Manchester and Liverpool, for example. If the policing of these cities can be held to account in a devolved landscape, why not the policing of Wales?

6 pm

The First Minister of the devolved Assembly supports the devolution of policing. All four police and crime commissioners support the devolution of policing. I welcome what was said by the shadow Secretary of State for Wales earlier about the devolution of policing, and I argue strongly, therefore, that the time is right for that to move ahead, to enable the police of Wales to work directly to improve the lives and safety of the people of Wales, according to their unique needs and priorities. With that in mind, I intend to press amendment 83 to a Division.

We believe also that prisons and offender management should be devolved so that sentences, magistrates and probation can reflect the distinct priorities of a separate legal jurisdiction. Wales should have a prison system that meets the needs of our society so that decisions can be made that best support the needs of Welsh inmates and their families, and which allow for far better rehabilitation into our communities when inmates leave prison.

Hywel Williams: Does my hon. Friend not think it scandalous that there is no provision for women prisoners in Wales? There are very few women prisoners, but they are held in England in Styal and in Eastwood Park outside Gloucester. That causes problems for prisoners' families, particularly from the west of Wales.

Liz Saville Roberts: Indeed. We are aware that in the north that there is no prison for women or for young offenders. There are many steps afoot, which are to be welcomed, to improve how women who enter the criminal justice system are treated in Wales, alongside imprisonment. HMP Styal is a long way from people's homes and there must be a better way to deal with offenders' families.

Mr Mark Williams (Ceredigion) (LD): The hon. Lady mentioned the rehabilitation of young offenders. Devolution of these matters would support the critical interrelationship between health and education services in making rehabilitation successful. Recognition of that fact is a gross omission from the Bill.

Liz Saville Roberts: I can only agree.

Jonathan Edwards: As always, my hon. Friend is making a compelling case, full of strong arguments. Does she agree that it is slightly ironic that a referendum has just been won by those arguing for the UK to leave the European Union, partly on the basis of democracy and sovereignty, yet here we are, debating a Wales Bill which, compared with the settlement for Scotland and Northern Ireland, seems to deny sovereignty and democracy to Wales?

Liz Saville Roberts: With the Bill we are moving ahead in small steps—inching forward, painfully. I await the time when we will move ahead in a way that grants sovereignty to the people of Wales.

Many of the amendments that I have discussed so far were recommended by the Silk commission, as I mentioned previously. Other amendments in the group include amendment 85, which would remove prostitution from the list of reserved powers; amendment 117, which would remove the reservation of knives; and amendment 109, which would remove the reservation of abortion, to bring Wales into line with Scotland and Northern Ireland. Again, I challenge the Secretary of State to stand up and tell us why he voted for Scotland to have those powers, but is now telling us in Wales that we cannot have equivalent powers.

Amendment 155 is distinct in that it seeks to clarify a reservation contained in schedule 7A, and not to omit it entirely. The amendment would clarify as a reserved matter "the Crown Prosecution Service", rather than the broader term "prosecutors", as currently drafted. This amendment is crucial, as the existing wording of the schedule could prohibit Assembly legislation from enabling devolved authorities, such as local authorities and Natural Resources Wales, to prosecute. I hope that the Government will take note of this distinction and amend the schedule accordingly.

Amendment 156 would remove the necessity test in relation to the law on reserved matters. The test of necessity is objectionable on grounds of clarity and workability, as it is capable of a number of different interpretations. One possible interpretation is extremely restrictive and would represent a reduction in the Assembly's current competence. The difference between a "reserved matter" and the "law on reserved matters" is explained in paragraphs 409 to 411 and 413 and 414 of the explanatory notes to the Bill.

The notes give the example of an Assembly Bill which related entirely to planning, which is not a reserved matter, but which modified a provision of a UK Act concerning telecommunications. That modification might be within the Assembly's competence, as its purpose might relate entirely to planning, and so it would meet the test set out in new section 108A(6) of the Government of Wales Act 2006, inserted by clause 3. However, by modifying a provision of a UK Act of Parliament, which concerned a reserved matter, it would modify the "law on reserved matters". The Assembly should be able to do so in a purely ancillary way, without also having to show that the modification made has

"no greater effect…than is necessary".

An equivalent to the Bill provision is contained in the Scotland Act 1998. However, in the context of the Scottish devolution settlement, it is much less restrictive, as the Scottish Parliament has competence over considerably greater fields, including, of course, justice matters, and the Scottish system of civil and criminal law. Therefore, what might appear to be wider latitude for the Assembly would in practice still amount to narrower competence than that of the Scottish Parliament.

Amendment 157 would remove the criminal law restriction in paragraph 4 of schedule 7B and replace it with a restriction which provides that the Assembly cannot modify criminal law unless that is for a purpose other than a reserved purpose. It reflects the Assembly's current competence—that is, the criminal law is a silent subject, and the Assembly can modify the criminal law if it relates to a devolved subject, or if the modification is ancillary. The Assembly, therefore, could not modify the criminal law if it was for a reserved purpose, thus protecting the criminal law around the 200 or so reservations in the Bill. The amendment would also make it clear that the Assembly could not modify the criminal law for its own sake: there must be a devolved purpose behind the modification of the criminal law. It would align the criminal law restriction with the private law restriction in paragraph 3 of schedule 7B. This would provide consistency and clarity.

I have already spoken of my party's dismay that the Bill threatens in places to dilute, rather than augment, the legislative competence of the Assembly. In this vein, a number of the amendments in this group seek to clarify the Assembly's powers in relation to its internal functions, as well as its overall competence to legislate. Amendments 148 and 149 seek to restore the Assembly's competence closer to its current level. Currently, the Assembly is able to affect, in a minor way, matters that are listed as exceptions from competence in schedule 7 to the Government of Wales Act 2006. Most of these exceptions have been converted into reservations in the proposed new settlement—for example, consumer protection. However, under the new settlement, the Assembly would have no competence to legislate in a way that touches on reserved matters at all.

The Assembly can currently legislate in relation to "silent subjects"—that is, topics that are not listed either as subjects of competence, or as exceptions from competence, in schedule 7 to GOWA. The Assembly

can do so only where it is also legislating on a subject that is specifically devolved by schedule 7. Many of these silent subjects—for example, employment rights and duties—have been converted into reservations in the Bill. The amendment would restore the Assembly's competence to affect those topics in a purely ancillary way. However, that ancillary competence would still be narrower than the Assembly's present competence to legislate on "silent subjects" when that legislation also relates to expressly devolved subjects.

In an attempt to allow the aforementioned institution to have control and oversight over its law making, amendment 6 would give the Assembly the power to consolidate, in both English and Welsh, the statutes containing the current constitutional settlement affecting Wales. No matter what our position on empowering the Assembly, I am sure we can all agree that it is important, whatever settlement we have, that that settlement is easily understood. It is disappointing that this Bill does not consolidate all existing legislation, but the amendment would allow the National Assembly to do that, in the interests of clarity. It would not allow the National Assembly to go beyond current legislation and broaden its competence.

Amendments 34 to 37 would amend paragraph 7 of schedule 2, which sets out the sections of the Government of Wales Act 2006 which the Assembly will have competence to modify. Paragraph 7(2)(d) specifically refers to those sections of part 5 of the 2006 Act which are amendable without restriction. As it stands, this does not include the ability to amend sections 120(1) or 124(3) of the Government of Wales Act 2006 which provide for "relevant persons"—otherwise known as "direct funded bodies"—which receive funding directly from the Welsh consolidated fund. That means, for example, the Welsh Government, the Assembly Commission, the Auditor General and the public services ombudsman for Wales.

Amendments 35 and 36 would allow the Assembly competence to add to, but not remove from, the list of "relevant persons". It would allow it to enable a body that is independent of the Welsh Government also to be financially independent where that is deemed appropriate. Any use of such competence to add to the "relevant persons" would require an Act of the Assembly.

Paragraph 7 of schedule 2 provides that the remaining provisions of part 5 of the Government of Wales Act 2006 are amendable where the amendment is incidental to or consequential on a provision of an Act of the Assembly relating to budgetary procedures, and the Secretary of State consents to that amendment. I see no reason why the consent of the Secretary of State should be required to an amendment that will have no impact beyond the Assembly's financial procedures, so amendment 37 removes that requirement.

On the remaining amendments in this group tabled in my name and the names of my hon. Friends, as I have already said, the majority of these amendments highlight areas of competence that are devolved to the Scottish Parliament, yet for some unstated reason are being reserved to Westminster in the case of Wales. No justification has been given for reserving those matters. Consequently, I shall list a number of amendments: 84, 87, 88, 90, 91, 92, 93, 94, 95, 97, 98, 106 and 103. I give the amendment numbers for a reason. It feels like the Secretary of State is allowing Whitehall to pick and choose the powers it wants to hold on to. We argue strongly that he must draw up a list of reservations based on principles. These reservations make no practical sense and the absence of principle is obvious. They range from the reservation of dangerous dogs to hovercraft, sports grounds and health and safety. We need a reason why those areas should be reserved.

In addition, there are amendments 105, 107, 104, 112, 113 and 89, which is on Sunday trading and safeguards the long-standing tradition in Wales of protecting shop workers' terms and conditions, and amendments 114 and 115. Over and above that, Plaid Cymru has long argued that Department for Work and Pensions functions should be devolved to the Assembly. Thus amendment 100 would devolve all working age benefits that are to be replaced by universal credit and any benefit that is introduced to replace universal credit. Amendments 101, 102, 108 and 99 all relate to those areas of DWP functions that we have long argued should be devolved.

Amendments 96, 61 to 63 and 69 deal with the newly created Welsh harbours of "reserved trust ports". Once again, this creation has no justification. A port will now be devolved unless it has a turnover of above a certain threshold. Again, that is the case not for Scotland or Northern Ireland, but only for Wales. It is yet another example of Westminster holding on to as much power as possible while appearing to be offering significant devolution. Once again, I challenge the Secretary of State to tell us why this is necessary in Wales, when he voted to devolve full control to Scotland.

Amendment 2 is consequential on new clause 1, which seeks to devolve Executive and legislative competence of the Crown estate in Wales to the Welsh Government and the National Assembly for Wales, as has been done in Scotland. New clause 7 would devolve general legislative competence in respect of agricultural, aquacultural and fisheries levies. Again, those are areas that Plaid Cymru has long argued should be devolved to the National Assembly.

Before I come to a close, I wish to note concerns expressed to me by the Welsh language commissioner regarding the Bill's potential effect on the National Assembly's powers to legislate in matters concerning the Welsh language. A possible effect of schedule 2 is that the National Assembly, should it wish to legislate for the Welsh language, would require the consent of the relevant UK Minister to confer, impose, modify or remove within that legislation the Welsh language functions of Ministers of the Crown, Government Departments and other reserved authorities. Under the current settlement, that ministerial consent is required only when legislating to impose Welsh language functions on Ministers of the Crown. The ministerial consent provisions of the Wales Bill in relation to the Welsh language would appear to be applicable to a wider range of persons than is currently the case, and would thus be more restrictive. I hope that that can be considered in the later stages of the Bill.

The amendments in this group should not be considered as mere separate, distinct "tweaks" to the Wales Bill. Rather, we present them as a collection of amendments, which, by their sheer number, make evident the many ways in which the current proposed legislation is deficient. No justification has been given by the Government as to why these many policy areas have been reserved, and no justification has been given as to why the Welsh Assembly should not be granted the same competence as the Scottish Parliament in these areas.

6.15 pm

In the absence of these justifications, I respectfully urge the Government to amend their bill, and to present a bolder version of this legislation. This Government should not miss the opportunity to enable the Welsh Assembly to grow in competence and confidence. With responsibility comes capability. The Senedd should be given the power to legislate in these areas. I commend the amendments to the Committee.

Dr James Davies (Vale of Clwyd) (Con): Although I have misgivings about a number of elements of this Bill, I wish to speak very briefly on amendment 161, which addresses the proposed transfer of powers over national speed limits from Westminster to Cardiff Bay. I have already spoken about this issue during the pre-legislative scrutiny of the Welsh Affairs Committee and also at the Welsh Grand Committee.

To be clear, the power to set specific speed limits, such as 20 mph zones outside schools, or 40 mph or 50 mph zones as preferred for reasons of safety, quite rightly already lies with local authorities and the Welsh Assembly Government. As it stands, the Wales Bill proposes transferring powers over national speed limits. Those include 30 mph speed limits in built-up areas and 60 mph limits in non-built-up areas, and of course a 70 mph limit on dual carriageways and motorways. In my mind, those are etched on the brains of all of us via the Highway Code, and, in the absence of any signage, they are usually clear, based on the type of road.

We all live on a small island, and more than 200 roads straddle the England and Wales border. In the case of many smaller roads, the border is not, at present, marked by any signage at all. In some cases, the border cuts across housing estate roads, or even runs lengthwise along roads and splits them in half. Roads across the UK are essentially subject to the same safety criteria as vehicles. Taking all that into account, it is clear to me that the prospect of additional different national speed limits in England and Wales simply would be neither desirable nor realistic.

Hywel Williams: The hon. Gentleman describes the complexity of the border in some areas, but does he have no confidence in the Welsh Assembly to administer different speed limits sensibly?

Dr Davies: It is perfectly possible that it can be done, but I just do not see the point. It would create extra confusion, and there would be a plethora of signs at the border where currently there is none. There would also have to be a huge information exercise, which would, in many cases, fail to get to the users of those roads.

Welsh devolution was meant to improve the lives of people, but it is very difficult to see how the devolution of a national speed limit, among other items in the Bill, would bring that about. It surely needs to be accepted that this is a matter most sensibly overseen at UK level. I respectfully urge the Government to reconsider.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): It is a pleasure, Mr Hoyle, to serve under your chairmanship today.

I wish to speak specifically in support of amendment 124 in the name of my right hon. and hon. Friends. I know that a number of Members wished to add their name to the amendment. It does not look as though that has been done, so I wanted to make it clear that it has my full support.

The amendment relates to the experience that many of us had during the passage of the Trade Union Bill. We had extensive discussions around the relative competence of devolved Administrations and the UK Government over trade union and industrial relations and employment matters that related to devolved public services. I want to draw a very clear distinction here. I am not in favour of having some sort of potential beggar thy neighbour approach on employment and industrial relations across these islands. It is important that there are common standards and provisions that do not go into some sort of race to the bottom. I also believe in the Welsh Government and the Welsh Assembly having full power over the partnerships and industrial relations practices that they choose to pursue in areas where there is clear devolved competence such as in the public services, particularly in health and education, but also in other areas.

During the passage of the Bill, the Government regularly used the excuse that they were not interested in the positions of the Welsh Government, the Scottish Government or other Governments on issues such as check-off and facility time in the public services because those were exclusively reserved. However, the Welsh Government, the Scottish Government and others made it clear that they did not believe that this Parliament and the UK Government had full legislative competence in those areas, particularly in relation to the administration of public services.

That is crucial, because the Welsh Labour Government have pursued a different approach to industrial relations, which has led to an absence of some of the strikes and industrial disputes we have seen in other parts of the UK, and we had a clear example in the health service. The Welsh Government have taken a sensible partnership approach with the trade unions and a sensible approach to issues such as facility time and check-off. They have properly recognised the importance of those things, and particularly of partnership working, as opposed to the confrontational approach taken by the Government in Westminster at various points, and I would not want to see that undermined in any way.

Amendment 124 therefore makes it clear that the Assembly would retain its legislative competence over terms and conditions of service for employees in the devolved public services and over industrial relations in those services. That is entirely reasonable. This is not about a complete devolution of these issues—it is important that we retain common standards—but about taking a sensible approach and allowing the Assembly to handle relationships in, for example, the Welsh NHS, our schools and our further education institutions in the more positive and constructive way they have done.

The amendment would also enable the Welsh Government to take the action they clearly want to, without people resorting to the courts, as we have seen on other matters. The UK Government famously took the Welsh Government to court over the Agricultural Wages Board, which was a wholly foolish decision. The Welsh Government were trying to take a different approach—the right approach—but the UK Government wanted to waste tens of thousands of pounds of taxpayers' money attempting to sue the Welsh Government. That is why, in areas such as this, we have to have a clear

distinction in legislation, and why we should not attempt to hamstring devolved Administrations in areas where they have clear competence. In that way, we can avoid the resort to the courts and the expending of public money that would otherwise occur.

The amendment has the support of many of the trade unions in Wales, which have practised the different type of industrial relations I described, and I declare my interest as a proud member of the GMB, which is very supportive of the amendment. I hope the Government will accept that there is a clear distinction here and that there is a clear place for these responsibilities in relation to the public services where Wales has taken a different route. I therefore urge the Government to accept the amendment.

Mr Mark Williams: It is good to have this opportunity to say a few words about this mammoth group of amendments. I want to speak in support of a range of amendments to schedule 1 that remove certain reservations. I endorse amendment 83, on policing; amendment 112, on antisocial behaviour; amendment 84, on dangerous dogs; amendment 85, on prostitution; amendment 86, on the rehabilitation of offenders; amendment 117, on knives; amendment 123, on entertainment and late-night refreshment; amendment 116, on licensing; amendment 87, on the sale and supply of alcohol; the amendments on water and sewerage; amendment 89, on Sunday trading; amendment 90, on electricity; amendment 91, on coal; amendment 92, on heating and cooling; amendment 93, on energy conservation; amendment 94, on road transport; amendment 161, on speed limits; amendment 95, on rail services; amendment 141, on trust ports; amendment 97, on coastguards; amendment 98, on hovercraft; amendment 114, on the Children's Commissioner; amendment 115, on teachers' pay; amendment 113, on time; and amendment 112, on equal opportunities.

When I last read out the list of reservations in the Welsh Grand Committee, when we had the ill-fated draft Bill, it was somewhat longer, and I was saved from hyperventilation only by the right hon. Member for Clwyd West (Mr Jones), who helped me out. The Government should therefore be praised and congratulated to a small degree on reducing the length of the list of reservations, which is what the Select Committee said they should do.

I will not go too much into the specifics of the amendments, other than to say that I still question whether there was a write-around to various Departments. Who was calling the shots on the different subjects? Was it the former Secretary of State and his team? Was it our friends in the Assembly Government? Was it officials and Ministers in other Departments? Like my neighbours from Plaid Cymru, I would like to see the justification for the reservation list as it has been presented.

I was fully aware of the St David's process. We looked through Silk systematically, and we looked at every one of Silk's recommendations. If there was a consensus between the four parties, we would proceed; if there was not, we would not. However, in either eventuality, officials would go away and talk to Departments, so my hunch—my suspicion—is still that certain Departments were involved, not least the Department of Justice, given the discussions we had when we previously sat in Committee on a distinct or separate jurisdiction, and it is great to hear that, on Report, we will be discussing the need for a distinct jurisdiction in a way we did not then.

If these powers—these reservations—were controlled in Wales, would that mean the unravelling of our constitutional arrangement? Would it mean the end of the Union if we devolved the power over hovercraft, time or the Children's Commissioner? Should there not be a principle—I suggest there should be—that if something is good enough to be devolved to Northern Ireland and Scotland, it should be devolved to Wales as well? Better still, perhaps we should have started from the principle that all powers are devolved and that it is the duty of the Wales Office and Westminster to argue the case for reserving them to Westminster. Whitehall would not have had a difficult time—from some of us at least, and I part company with my friends in Plaid Cymru on this—convincing us that defence should be reserved. However, I would love to hear the argument for why most of these other powers are still being reserved to this place.

Many of these items were referred to in Silk—for instance, ports and their development, harbour orders and the oversight of trust ports. There is no mention in Silk of reserved ports at Milford Haven. Silk also talked about speed limits and drink-driving limits. I respect those hon. Members who moved amendment 161, but they should have more faith in their Front Benchers, in the Department for Transport and, indeed, in our friends in the Cynulliad. I remember sitting, as the Liberal, in the St David's day discussions at Gwydyr House, and the Conservatives, the Labour party and Plaid Cymru were all united on the Government's suggestion. Members must have more faith in members of their own parties.

Silk talked about water and sewerage. He asserted that they should be devolved, but that the boundary for legislative competence should be aligned with the national boundary—a tall order indeed. He called for further consideration of the practical issues of alignment, with particular interest given to the interests of consumers, and for discussions with the regulator, consumer representatives, water companies and both Governments. When we discussed these matters, it was agreed that, to get consensus between the four parties, a joint Government water and sewerage devolution board would be established to consider aligning legislative competence with the national border. That work has now concluded, and I would be grateful to hear the Government's interpretation of the conclusions. Is it not true that the conclusions that have been reached could be enacted with minimal impact on the consumers of water and sewerage services? Why, therefore, have this reservation?

I want to talk specifically about teachers' pay and conditions. The issue is dear to my heart because I was a teacher before coming to this place. I taught in England and in the great county of Powys—indeed, I taught in the great constituency of Brecon and Radnorshire, at an excellent school called Ysgol Llangorse. I had a seamless move across the border from England into Wales, and I was able to benefit from remaining on the same teaching pay spine—it must be said that I had a bit of a promotion at Llangorse, for which I was very grateful—with the same conditions. I should also say, although not to infuriate friends on the Conservative Benches, that I remain a very proud member of NASUWT and pay my subs regularly.

6.30 pm

For some, those arrangements might be a case for retaining the status quo. Silk acknowledged, as have the Welsh Government—this is now getting a little dated,

but it was relevant then and is relevant now—that teachers' pay and conditions are an integral aspect of the school system and should be closely related to the devolved education function. However, time has moved on with regard to the English and Welsh education systems. As the hon. Member for Newport West (Paul Flynn) said—I think we might have a brief from the same source, but this is a valid point, so I will repeat it—priorities in Wales are different. The national pay systems and structures were established to support a different employment model. There is now not even consistency within England as academisation means that schools are not required to comply in the same way with the schoolteachers' pay and conditions document. We also operate different professional registration standards. There is still a General Teaching Council for Wales—I still send off my £35 a year to be a member—but the General Teaching Council for England no longer exists. The freedom not to comply with the professional registration standards when working in academies in England does not operate in Welsh maintained schools. That all means that when the School Teachers Review Body reports each year, it reports on different things, reflecting an educational context that is not relevant to Wales. We need to recognise that changing policy in England means that the role of the School Teachers Review Body is diminishing in Wales.

Welsh Ministers need the capacity to deal with these issues. It is, very occasionally, refreshing to have brief opportunities to talk about the delivery of policy. As a former teacher, I suppose I should rely on the great Kirsty Williams, my colleague in the Cynulliad, to deliver on these matters. However, there are practical problems. The difficulty of recruiting headteachers in rural Wales and of keeping staff in village schools represents a real challenge. If we permit the National Assembly to have powers on teachers' pay and conditions, it can address some of these concerns—if, of course, sufficient resources go to Wales as well. Silk was clear that teachers' pay and conditions must be devolved to the National Assembly, although the issue of pensions stays here. That is why it is so important to remove, through amendment 115, the reservation in section N9 in proposed new schedule 7A.

The issue of time will still be reserved to this place. Those who have read the Bill from cover to cover will have seen, tucked away in section N4, the reservation on time: the Assembly Government will have no capacity to change:

"Timescales, time zones…the calendar…the date of Easter"

and the subject matter of the Summer Time Act 1972, as if there was ever a call to change those things. Section N4 also refers to bank holidays. The Committee may or may not recall—probably not; attendance was not great on St David's day this year—that I introduced a ten-minute rule Bill to devolve responsibility for bank holidays to the National Assembly. I have probably exchanged views with most Members on this subject, not least the Under-Secretary during a Westminster Hall debate some time ago. There are different views about this that will lead to a spirited debate, but the essential principle is that the designation of St David's day as a bank holiday should be a matter not for us here, but for our colleagues in the Assembly. We now, unfortunately, have five parties in the National Assembly, but when there were four—the Liberal Democrats, the Conservatives, Labour, and Plaid Cymru—all endorsed the call for the Assembly to have that power.

Mr David Jones: As a matter of pure interest, which of the current bank holidays would the hon. Gentleman propose to dispense with in order to create one on St David's day?

Mr Williams: I remember the right hon. Gentleman making that point in a previous Westminster Hall debate. I am not going to make that judgment because it is for the National Assembly. When the Under-Secretary responded to my debate, he talked about a review, but regrettably its results were parked in the proverbial long grass and are now in a cul-de-sac. This is a matter not for me, the right hon. Gentleman or the rest of us sitting on these green Benches, but for colleagues and friends in the Cynulliad.

Mr Jones: I recall that on the previous occasion this was considered, any change to the bank holidays proved deeply unpopular with the tourist industry in Wales.

Mr Williams: Without digging into the depths of the argument, I have made the position clear. Let the tourist industry make its representations to Ministers in our Cynulliad in Cardiff, not here. Let us not sit here, viceroy-like, dictating to the National Assembly. We should let the Assembly have that discussion with the tourist operatives, with the responsible Minister engaged with them, and then it can make the decision. It is a decision not for the right hon. Gentleman and me, but for our friends in the Assembly. That is what devolution means.

I want briefly to talk about policing. Silk said that:

"policing and related areas of community safety and crime prevention should be devolved".

I must describe—I do not know whether Chatham House rules applied to our discussions in Gwydyr House, but they probably did—the genuine shock and anguish that was felt when we reported back on this matter to our National Assembly colleagues. Two of us from each party were sitting in an office somewhere in this House that I had never been to where big board meetings happen. There was shock and dismay that matters of youth justice were not, as recommended by the Silk commission, followed through in the St David's day document. I understand how the Government have reached this position, and how the process was set in train when they talked to their colleagues in the Ministry of Justice, but that does not negate the case. Youth justice, of all issues, given its links between education, skills and health as part of rehabilitation, was not followed through in a devolutionary way.

I will now conclude my remarks, although such is the list of reservations that we could go on for hours. I hope that the Minister will respond to some of the concerns that many of us still have about the list, slightly shortened though it is.

Susan Elan Jones: One could talk about a lot of aspects in the Bill, as we know, because at one time or another most of us have done so. I will therefore concentrate on one particular amendment: amendment 123, which has been signed by my hon. Friend the shadow

Secretary of State and others, which concerns the devolution of licensing of the provision of entertainment and late-night refreshments, and the sale and supply of alcohol.

My hon. Friend is a great scholar of Welsh history, so I am surprised that he did not mention that the first Wales-only legislation came with the Sunday Closing (Wales) Act 1881. That means that there is real sense of history behind this amendment. Most of us would agree that it makes perfect sense to devolve such provisions to the Assembly's legislative competence so I, for one, strongly support the amendment. We must recognise that there needs to be a greater debate about this whole subject, because alcohol abuse has relevance to health services as well as local government services. We are not living in the days of the 1881 Act, following which areas voted on whether to be wet or dry. People from dry areas would often travel a little further along the lanes to get to a wet area. However, we are now dealing with problems of alcohol abuse and of pre-loading in many of our communities. Years ago, the mudiad dirwest—the Welsh temperance movement—would often decry other cultures and say, "Fancy the French—they give wine to their children!" In reality, alcohol and food have always gone together naturally in many continental cultures, but that is not the case with pre-loading. We need to think about that very seriously indeed.

We also need to consider our rural areas. I am sure that all of us take very seriously issues relating to drink or drug-driving. Those of us who represent rural and semi-rural areas will know from talking to our constituents and others that some people still take chances on country roads and drive when they are above the legal limit. I appreciate that the culture has changed for the better in many ways and that fewer people do that, but it is still a problem in many of our rural communities. Frankly, if someone in a car finds themselves on a narrow single lane faced by a drink-driver, their chances of survival are fairly low.

Devolving the relevant powers would affect how we consider health, social care and local government provision. Great problems are connected to alcohol and drug abuse. I do not wish to sound like a member of the Committee that considered the 1881 Act, because I think that many of us welcome wine, real ale and the conviviality provided by food and drink, but we do not welcome alcohol or drug abuse. We would, however, welcome sensible devolved provisions to make tackling those problems easier.

The Secretary of State for Wales (Alun Cairns): It is a pleasure to welcome you to the Chair, Mr Hoyle, and to respond to Members' comments about the amendments. I echo what was said about the Welsh football team. The Prime Minister has already congratulated them, and it is a pleasure for me to do so as Secretary of State for Wales.

The amendments go to the heart of the new devolution settlement for Wales that the Bill puts in place. Clause 3 and schedules 1 and 2 insert new section 108A and new schedules 7A and 7B into the Government of Wales Act 2006 to provide for a reserved powers model of Welsh devolution. The Bill devolves significant new powers and will enable the Welsh Government and Assembly Members to legislate on the things that really matter to Wales.

Clause 3 sets out the parameters of the legislative competence of the Assembly under the reserved powers model. An Act of the Assembly will be outside competence—it therefore will not be law—if it falls foul of any one of the five tests set out in paragraphs (a) to (e) of new section 108A(2). I will first say something about how it is intended that each of those tests will work before turning to the proposed amendments to the clause.

The five tests are separate and independent assessments, each of which must be satisfied for a provision to be within competence. The first test is that an Assembly Act provision cannot form part of a legal jurisdiction other than that of England and Wales. We debated many aspects of that during our first day in Committee.

Test 2 is that an Assembly Act provision cannot apply "otherwise than in relation to Wales".

There is an exception to that prohibition, however, because new section 108A(3) states that an Assembly Act provision can apply beyond Wales, but only when it is ancillary to a provision that is within competence and if there is no greater effect beyond Wales than is necessary to give effect to that provision. It is worth noting that we have used the word "ancillary" as shorthand for the Assembly's existing enforcement and consequential-type powers under section 108(5) of the Government of Wales Act 2006.

6.45 pm

In the context of the draft Wales Bill, there was much debate about the words "necessity test". Let me be clear that "necessary" does not mean that there would only ever be one option that would satisfy that test. There could be a number of different options to achieve the same policy objective, all of which could satisfy the requirement not to have effects beyond Wales that are more than necessary.

Test 3 is that an Assembly Act provision must not relate to a reserved matter listed in proposed new schedule 7A, which we will come to later. The question of whether an Assembly Act provision relates to a reserved matter is to be interpreted by reference to the purpose of the provision, having regard to, among other things, the effect in all the circumstances set out in section 108A(6). The test is the same as that which currently applies in the context of the conferred powers model. It has become known as the "purpose test".

Let me explain the technical issues that I have highlighted. Although the policy documents that give rise to an Assembly Bill may be relevant in determining its purpose, the essential question is what the Bill provision is seeking to achieve and what effect the provision has in legal, practical and policy terms. In other words, it will not be enough for the Welsh Government simply to assert the purpose of the provision. Why it is being enacted and what it actually does is what is really relevant in determining its purpose and, ultimately, whether an Assembly Act provision is within the Assembly's legislative competence under test 3.

Test 4 is that an Assembly Act provision must not breach any of the restrictions in new schedule 7B, which I shall say more about in a moment. Finally, test 5 is the requirement that the Assembly Act provision must comply with the European convention on human rights and EU law. Those five tests represent clear, proportionate and

reasonably parameters on the Assembly's legislative competence, and it is important that I have put them on the record.

Liz Saville Roberts: I appreciate that the right hon. Gentleman has listed a number of tests, but does he agree that, for them to be justifications in a reserved power model, we should see how the reservations apply to each area?

Alun Cairns: I will cover those points, but I have sought to underline the importance of the tests because they are so fundamental to the reserved powers model. Of course, the reservations will be equally fundamental. The hon. Lady mentioned a significant number of them. As I make progress, I will cover many of the points she made and invite her to intervene then.

Amendments 118 and 119, tabled by the main Opposition party, and Plaid Cymru's amendments 148 and 149 seek to broaden the Assembly's competence significantly by enabling it to legislate in relation to reserved matters so long as the provision is ancillary to a provision on a devolved matter. These amendments would drive a coach and horses through the key principle underpinning the new model, which is a clear boundary between what is devolved and what is reserved. They would give the Assembly the power to make unfettered changes to reserved matters such as the justice system, which we debated in detail last week, provided only that some connection to a devolved provision was established. What is more, they are simply not needed. We want to ensure that the Assembly can enforce its legislation and make it effective. We provide for this in paragraphs 1 and 2 of new schedule 7B by enabling the Assembly to modify the law on reserved matters. This is suitable to ensure that the Assembly's devolved provisions can be enforced without compromising the principle of reserved matters.

I turn now to the proposed new schedule 7A to the Government of Wales Act, which sets out the reserved matters, referred to in general in the legislation as the "reservations". These matters must be seen through the prism of the purpose test. A reservation is a succinct description of the subject area covered. It includes reserved authorities carrying out functions relating to that subject and criminal offences relating to that subject.

The general reservations in part 1 of the new schedule reserve the fundamental tenets of the constitution: the Crown, the civil service, defence and the armed forces, the regulation of political parties, and foreign affairs. As a single legal jurisdiction operates in England and Wales, we also reserve matters such as courts and non-devolved tribunals, judges, and civil and criminal proceedings. However, we have made appropriate exceptions to these reservations to enable the Assembly to exercise devolved functions. For example, the Assembly can confer devolved functions on the courts or provide for appeals from devolved tribunals to reserved tribunals.

Amendment 6, tabled by Plaid Cymru, seeks to modify these core reservations by allowing the Assembly to consolidate the constitutional arrangements for Wales. It surely must be a fundamental principle that the UK's constitutional arrangements, including Parliament's authority to devolve its own powers, are reserved. We have a constitutional settlement for Wales, the Government of Wales Act 2006 as amended, and amendment 6 is simply not necessary.

Part 2 lists the specific reservations. We want there to be no doubt where the boundary of the Assembly's legislative competence lies. The list is lengthy because it is quite specific in its reservations and provides exceptions to those reservations. Previously, in the draft, there were some broad headlines, but the current Bill is far more specific, which necessitates further detail on what is included.

Jonathan Edwards: During this afternoon's debate, the Secretary of State has been challenged on many of the reservations listed in part 2. In the interests of transparency, and before we get to the remaining stages of the Bill, will he commit the Wales Office to publishing a document outlining why each reservation has been made?

Alun Cairns: The hon. Member is aware that I have an open style and am happy to maintain dialogue and work with all opposition parties, as well as with the Welsh Government, in seeking to come to an accommodation. However, hovercrafts, for example, have been highlighted a couple of times. That reservation relates to technical standards and is about a distinct class of transport, such as ships in relation to shipping and planes in relation to aviation. Therefore, although, on the face of it, one might ask what the purpose of a reservation is, very often there are technical issues well beyond that. I am happy to continue a dialogue in that respect, as we continue to do with the Welsh Government.

Paul Flynn: Will the right hon. Gentleman consider breaking the pattern we have had of passing Wales Bills and, then, five years later, coming back to try to undo the damage we have done with the previous Bill? Will he accept the spirit of unanimity on this side of the Committee when we point out the problem with many of these reservations? Take, for instance, the reservation on dangerous dogs, as was mentioned by the hon. Member for Ceredigion (Mr Williams). If there is any issue on which this Parliament has proved its legislative incompetence over the years it is the Dangerous Dog Act 1991. That is an example of how not to legislate. Wales could do better perhaps.

Alun Cairns: The hon. Member is well aware that 90% of the Welsh population live within 50 miles of the border between England and Wales. Clearly, some reservations are sensible so that people can walk their dogs across that boundary; otherwise, it could lead to significant complications. The hon. Member raised that specific practical example, and I am happy to maintain the dialogue on that.

Mr Hoyle, you would not believe it, but the vast majority of reservations are not contentious. They simply reflect those areas of policy that are best legislated on a Wales basis or at a UK level, and the further powers that are being devolved in the Bill. Constructive discussions on the reservations will continue between the UK Government and the Welsh Government, and, happily, with Opposition Members. I recognise that some reservations reflect the difference in policy between us. Others are subject to further detailed discussions, which I am happy to continue. In the context of the purpose test, the list of reservations before us today will ensure greater clarity and certainty in determining what is within the competence of the Assembly and what is not.

I turn now to the amendments to schedule 1.

Hywel Williams: The Secretary of State says with a flourish and extreme confidence that the list of reservations is sensible. If so, why is he so reticent about publishing his reasoning? He asserts, but he does not explain.

Alun Cairns: The hon. Gentleman will know that I am happy to continue open dialogues. As Secretary of State, that is the style I have sought to use, to build on that set by my predecessor. I hope that the hon. Gentleman will want to continue working in such an open and constructive way.

Jonathan Edwards: Will the Minister give way?

Alun Cairns: I would like to make further progress, if I may.

A whole host of amendments have been tabled in relation to policing and justice. The St David's day process found no consensus to devolve the criminal justice system in Wales. The Government gave a clear manifesto commitment that policing and criminal justice will remain reserved. In our first day in Committee last week, I made clear the Government's commitment to maintain the single legal jurisdiction of England and Wales. Crime, public order and policing are inextricably linked to the criminal justice system. There already exists an All Wales Criminal Justice Board, which consults fully with the Welsh Government and extends to prison provision. The Welsh Government are also in regular dialogue with the National Offender Management Service about its functions.

Amendment 116, tabled by Plaid Cymru, and amendment 87, tabled by Labour, seek to remove the reservations for late-night entertainment and alcohol licensing respectively. There was much debate within this group surrounding this. The Government consider both subjects to be closely connected to policing and maintaining public order. Given that policing and criminal justice remain reserved matters, late-night entertainment and alcohol licensing should also be reserved under the principle that has been established.

Amendment 155, tabled by Plaid Cymru, seeks to reserve "the Crown Prosecution Service" rather than "prosecutors" in the general reservation on the single legal jurisdiction. There is no intention to prevent the Assembly from continuing to specify devolved prosecutors for devolved offences in the legislation. The reservation of prosecutors would not prevent the Assembly from legislating to, for example, make local authorities in Wales the prosecuting authority for particular devolved offences, as was highlighted by the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts). I agree, however, with the underlying policy intention of the amendment and will consider further, before Report, whether the reservation of prosecutors should be modified. I am happy to return to this at that stage.

Government amendments 53 to 58, tabled in my name, seek to put Wales in the same position as Scotland in respect of the reservations in C5, which reserves all prohibition and regulation of imports and exports in and out of the United Kingdom. It does, however, allow the Assembly to control movements of certain things, such as plants, animals, foods and fertilisers, for specified purposes. The amendments seek to put the Assembly in the same position as the Scottish Parliament by extending its competence to regulate movement of these things both within Wales and in and out of Wales.

Significant attention has been given to transport reservations, with a number of amendments being tabled by both Plaid Cymru and the Labour party. The transport reservations were subject to close scrutiny when the Bill was at a draft stage, and there is no basis on which to devolve railway services, coastguard services or aspects of road transport, as the hon. Member for Arfon (Hywel Williams) proposes. It is not what the Silk commission recommended, and my focus has been on delivering powers for a purpose.

7 pm

The amendments are also designed to remove the reservation of reserved trust ports, on which there has been further debate. The Bill devolves responsibility for all ports in Wales other than the largest, nationally significant trust ports. It applies a threshold in order to define reserved trust ports in Wales. In consequence, Milford Haven is expected to be the sole reserved trust port in Wales. Milford Haven is one of the UK's largest leading energy ports, with around 62% of the nation's liquefied natural gas passing through it, and it plays a crucial national role in securing the nation's energy supplies. It is right that it should be a reserved trust port. That is in the interests of the United Kingdom and in the interests of Wales.

Amendment 161, tabled by my right hon. Friend the Member for Clwyd West (Mr Jones), is designed to move in the other direction by reserving speed limits and road traffic signs. The devolution of speed limits was a Silk commission recommendation, and there is consensus under the St David's day process to proceed with its implementation. Traffic signs are devolved in Scotland following the Smith agreement and, given the wider competence of the Assembly and Welsh Ministers in relation to highways and transport matters, it is sensible to devolve responsibility for them to Wales.

Mr David Jones: The Secretary of State mentioned the Silk commission's recommendations, but he will recall that I asked for the rationale. I wonder whether he could explain it, please.

Alun Cairns: I am happy to explain that given that local authorities already have the power to vary speed limits, it is a logical, sensible extension to give further powers to the Welsh Government in this area.

Time does not permit me to address in detail all the remaining amendments to schedule 1. That is in part because hon. Members from Plaid Cymru seem to seek the devolution of just about everything, and they seem to want to reverse the principles on which the Bill is based. I am pursuing a pragmatic, practical approach as we amend and develop the Bill, so I reject the amendments to devolve Sunday trading, the generation, transmission, distribution and supply of electricity, coal, heat and cooling networks, energy conservation, working-age benefits, child benefit, guardians allowance, most employment and industrial relations, employment support programmes, abortion, health and safety, broadcasting, safety at sports grounds, equal opportunities, bank holidays and the Children's Commissioner.

Amendment 124, which was tabled by the hon. Member for Newport West (Paul Flynn), seeks to carve out from the employment reservation terms and conditions of employment in relation to Wales public authorities. The Government believe strongly that the underlying legislative

[Alun Cairns]

framework of rights and responsibilities in the workplace must be reserved for the labour market to work most effectively across Great Britain.

Stephen Doughty: Does the Secretary of State accept that, as a Minister told me during proceedings on the Trade Union Bill, the reserved powers granted under the legislation effectively allow any Minister in the UK Government to undermine a partnership or industrial relations decision made by a Welsh Minister in the running of the Welsh NHS or the education service, for example?

Alun Cairns: The hon. Gentleman will be familiar with the legislative background of the Government of Wales Act 2006, and the Bill seeks to expand on the 2006 Act in relation to employment rights. There was no intention in that Act to devolve those purposes, and we have continued the principle that was well established by the previous Labour Government.

I shall deal with amendments on three further areas. First, in relation to amendment 88, which was tabled by members of Plaid Cymru, and amendments 127 to 129 and new clause 10, the Government are considering the conclusions of the joint Governments' programme board in relation to the Silk recommendations on water and sewerage. The joint committee reported only a couple of weeks ago, and it is only appropriate that the Government give proper, full consideration to that report. I hope that we can find a consensus among the Welsh Government and the opposition parties on a way forward, but there are a whole range of technical issues that need further consideration.

Secondly, in response to amendment 107, I assure the hon. Member for Arfon that the Assembly will have the competence to legislate in relation to party election broadcasts at Assembly and local government elections in Wales. Party political broadcasts are considered to be part of the conduct of elections, and there is no need to modify the broadcasting reservation to achieve that. Thirdly, on amendment 115, which relates to teachers' pay, I am in principle in favour of devolving teachers' pay and conditions, but there is a case for further discussions between the UK Government and the Welsh Government about how that can best be achieved.

Finally, new clause 1 and consequential amendment 2 are intended to devolve the management functions of the Crown Estate commissioners in relation to Wales to Welsh Ministers or to a person who is nominated by them. That broadly reflects the provisions in the Scotland Act 2016. The devolution of the Crown Estate in Scotland was recommended by cross-party consensus in the Smith agreement but, as hon. Members know, the St David's day process found no similar consensus in respect of Wales.

Paragraph 1 of proposed new schedule 7B to the Government of Wales Act 2006 will prevent an Assembly Act from modifying the law on reserved matters. Paragraph 2 will provide flexibility for an Assembly Act provision to be able to modify the law on reserved matters, where doing so is ancillary to a provision that does not relate to a reserved matter and there is no greater effect on reserved matters than is necessary to give effect to the purpose of the provision. The restriction relating to the private law in paragraph 3 and the restriction concerning the criminal law in paragraph 4 are intended to provide a general level of protection for the unified legal system of England and Wales while enabling the Assembly to enforce its legislation.

The protected areas of private law include core subjects such as the law of contract and property. However, the Assembly is given the power to modify the private law where the purpose of doing so does not relate to a reserved matter. Importantly, the Assembly is not permitted to modify the private law for its own sake and cannot make wholesale changes to the private law, such as the wholesale rewriting of contract law. Any modification of the private law must be for a range of devolved purposes.

On the criminal law side, in paragraph 4 the serious offences protected from modification include treason, homicide offences, sexual offences and serious offences against the person. It is right that these serious offences remain consistent across the UK. In addition, the Assembly will not be able to alter the law that governs the existing framework of criminal law, such as sentencing and capacity to commit crimes.

I am conscious of the fact that a whole host of issues have been raised, so I will conclude. This has been a full and wide-ranging debate. I hope I have been able to assure the Committee that the reserved powers model will provide a clear, robust and lasting devolution settlement for Wales. I urge Opposition Members to withdraw amendment 118.

Paul Flynn: We will press amendment 123 to a Division, but I beg to ask leave to withdraw amendment 118.

Amendment, by leave, withdrawn.

Clause 3 accordingly ordered to stand part of the Bill.

Schedule 1

New Schedule 7A to the Government of Wales Act 2006

Amendment proposed: 83, page 47, line 32, leave out Section B5. *—(Liz Saville Roberts.)*

This amendment removes the reservation of crime, public order and policing from the list of reserved powers.

Question put, That the amendment be made.

The Committee divided: Ayes 47, Noes 270.

Division No. 37] [7.8 pm

AYES

Ahmed-Sheikh, Ms Tasmina	Edwards, Jonathan
Arkless, Richard	Ferrier, Margaret
Bardell, Hannah	Gethins, Stephen
Black, Mhairi	Gibson, Patricia
Blackford, Ian	Grant, Peter
Boswell, Philip	Gray, Neil
Brake, rh Tom	Hendry, Drew
Brock, Deidre	Kerevan, George
Brown, Alan	Kerr, Calum
Cameron, Dr Lisa	Mc Nally, John
Cherry, Joanna	McCaig, Callum
Cowan, Ronnie	McDonald, Stuart C.
Day, Martyn	McGarry, Natalie
Docherty-Hughes, Martin	McLaughlin, Anne
Donaldson, Stuart Blair	Monaghan, Dr Paul
Durkan, Mark	Mullin, Roger

Newlands, Gavin
O'Hara, Brendan
Pugh, John
Ritchie, Ms Margaret
Saville Roberts, Liz
Sheppard, Tommy
Stephens, Chris
Thewliss, Alison
Thomson, Michelle
Weir, Mike
Whiteford, Dr Eilidh
Williams, Hywel
Williams, Mr Mark
Wilson, Corri
Wishart, Pete

Tellers for the Ayes:
Owen Thompson and Marion Fellows

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Argar, Edward
Atkins, Victoria
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Barwell, Gavin
Bebb, Guto
Bellingham, Sir Henry
Beresford, Sir Paul
Berry, Jake
Berry, James
Bingham, Andrew
Blackman, Bob
Blackwood, Nicola
Boles, Nick
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, rh James
Bruce, Fiona
Buckland, Robert
Burns, Conor
Burns, rh Sir Simon
Burt, rh Alistair
Cairns, rh Alun
Carmichael, Neil
Cartlidge, James
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Kenneth
Cleverly, James
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Colvile, Oliver
Costa, Alberto
Crouch, Tracey
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Dr James
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Donelan, Michelle
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evennett, rh Mr David
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fysh, Marcus
Gale, Sir Roger
Garnier, rh Sir Edward
Garnier, Mark
Ghani, Nusrat
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matthew
Hands, rh Greg
Harper, rh Mr Mark
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, Sir Oliver
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollinrake, Kevin
Hollobone, Mr Philip
Hopkins, Kris
Howell, John
Howlett, Ben
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, rh Sajid
Jenkin, Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
Johnson, Boris
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, Seema
Kirby, Simon
Knight, rh Sir Greg
Knight, Julian
Lancaster, Mark
Latham, Pauline
Leadsom, Andrea
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Lumley, Karen
Mackinlay, Craig
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McPartland, Stephen
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Miller, rh Mrs Maria
Milling, Amanda
Milton, rh Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, rh Nicky
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mowat, David
Mundell, rh David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nuttall, Mr David
Offord, Dr Matthew
Opperman, Guy
Paisley, Ian
Parish, Neil
Pawsey, Mark
Penning, rh Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Philp, Chris
Pickles, rh Sir Eric
Pincher, Christopher
Poulter, Dr Daniel
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Mr Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robinson, Mary
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Henry
Smith, Royston
Solloway, Amanda
Spelman, rh Mrs Caroline
Spencer, Mark
Stephenson, Andrew
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Graham
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Mr Hugo
Syms, Mr Robert
Thomas, Derek
Throup, Maggie
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Tredinnick, David
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
Turner, Mr Andrew
Tyrie, rh Mr Andrew
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Walker, Mr Charles
Walker, Mr Robin
Warburton, David
Wharton, James
Whately, Helen
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill

Williams, Craig
Williamson, rh Gavin
Wilson, Mr Rob
Wollaston, Dr Sarah
Wragg, William
Wright, rh Jeremy
Zahawi, Nadhim

Tellers for the Noes:
Julian Smith and George Hollingbery

Question accordingly negatived.

Amendment proposed: 123, page 49, leave out lines 24 to 29.—*(Paul Flynn.)*

Paragraph 55 of the new Schedule 7A to be inserted into the Government of Wales Act 2006 by Schedule 1 would reserve the licensing of the provision of entertainment and late night refreshment from the Assembly's legislative competence. Paragraph 56 would reserve the sale and supply of alcohol. This amendment removes both reservations.

Question put, That the amendment be made.

The Committee divided: Ayes 210, Noes 270.

Division No. 38] [7.21 pm

AYES

Abrahams, Debbie
Ahmed-Sheikh, Ms Tasmina
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Allin-Khan, Dr Rosena
Arkless, Richard
Ashworth, Jonathan
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Kevin
Beckett, rh Margaret
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, Ian
Blackman-Woods, Dr Roberta
Blenkinsop, Tom
Blomfield, Paul
Boswell, Philip
Bradshaw, rh Mr Ben
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Champion, Sarah
Chapman, Jenny
Cherry, Joanna
Clwyd, rh Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Corbyn, rh Jeremy
Cowan, Ronnie
Coyle, Neil
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Danczuk, Simon
David, Wayne
Day, Martyn
Docherty-Hughes, Martin
Donaldson, Stuart Blair
Doughty, Stephen
Dowd, Jim
Dowd, Peter
Dromey, Jack
Durkan, Mark
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Fellows, Marion
Ferrier, Margaret
Fitzpatrick, Jim
Flello, Robert
Fletcher, Colleen
Flynn, Paul
Fovargue, Yvonne
Furniss, Gill
Gapes, Mike
Gardiner, Barry
Gethins, Stephen
Gibson, Patricia
Glass, Pat
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew
Haigh, Louise
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Healey, rh John
Hendry, Drew
Hodgson, Mrs Sharon
Hollern, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Huq, Dr Rupa
Hussain, Imran
Johnson, Diana
Jones, Gerald
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Kerevan, George
Kerr, Calum
Kinnock, Stephen
Kyle, Peter
Lavery, Ian
Lewell-Buck, Mrs Emma
Lewis, Clive
Long Bailey, Rebecca
Lynch, Holly
Mactaggart, rh Fiona
Madders, Justin
Mann, John
Marris, Rob
Marsden, Mr Gordon
Maskell, Rachael
Matheson, Christian
McCabe, Steve
McCaig, Callum
McCarthy, Kerry
McDonald, Andy
McDonald, Stuart C.
McDonnell, John
McFadden, rh Mr Pat
McGarry, Natalie
McInnes, Liz
McKinnell, Catherine
McLaughlin, Anne
Mearns, Ian
Monaghan, Dr Paul
Morden, Jessica
Morris, Grahame M.
Mullin, Roger
Murray, Ian
Newlands, Gavin
O'Hara, Brendan
Onn, Melanie
Onwurah, Chi
Osamor, Kate
Owen, Albert
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillips, Jess
Phillipson, Bridget
Powell, Lucy
Pugh, John
Rayner, Angela
Reed, Mr Steve
Rees, Christina
Reynolds, Jonathan
Ritchie, Ms Margaret
Robinson, Mr Geoffrey
Rotheram, Steve
Saville Roberts, Liz
Shah, Naz
Sharma, Mr Virendra
Sheppard, Tommy
Sherriff, Paula
Shuker, Mr Gavin
Skinner, Mr Dennis
Slaughter, Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Cat
Smith, Nick
Smith, Owen
Smyth, Karin
Starmer, Keir
Stephens, Chris
Streeting, Wes
Stringer, Graham
Stuart, rh Ms Gisela
Tami, Mark
Thewliss, Alison
Thompson, Owen
Thomson, Michelle
Thornberry, Emily
Trickett, Jon
Turley, Anna
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Watson, Mr Tom
Weir, Mike
West, Catherine
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Williams, Hywel
Williams, Mr Mark
Wilson, Corri
Winnick, Mr David
Winterton, rh Dame Rosie
Wishart, Pete
Woodcock, John
Zeichner, Daniel

Tellers for the Ayes:
Jeff Smith and Vicky Foxcroft

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Argar, Edward
Atkins, Victoria
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Barwell, Gavin
Bebb, Guto
Bellingham, Sir Henry
Beresford, Sir Paul
Berry, Jake
Berry, James
Bingham, Andrew
Blackman, Bob
Blackwood, Nicola
Boles, Nick

Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, rh James
Bruce, Fiona
Buckland, Robert
Burns, Conor
Burns, rh Sir Simon
Burt, rh Alistair
Cairns, rh Alun
Carmichael, Neil
Cartlidge, James
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Kenneth
Cleverly, James
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Colvile, Oliver
Costa, Alberto
Crouch, Tracey
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Dr James
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Donelan, Michelle
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duncan, rh Sir Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evennett, rh Mr David
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fysh, Marcus
Gale, Sir Roger
Garnier, rh Sir Edward
Garnier, Mark
Ghani, Nusrat
Gibb, Mr Nick
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, rh Robert
Hall, Luke
Hammond, Stephen
Hancock, rh Matthew
Hands, rh Greg
Harper, rh Mr Mark
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, Sir Oliver
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollinrake, Kevin
Hollobone, Mr Philip
Hopkins, Kris
Howell, John
Howlett, Ben
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, rh Sajid
Jenkin, Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
Johnson, Boris
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, Seema
Kirby, Simon
Knight, rh Sir Greg
Knight, Julian
Lancaster, Mark
Latham, Pauline
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Lumley, Karen
Mackinlay, Craig
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McPartland, Stephen
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Miller, rh Mrs Maria
Milling, Amanda
Milton, rh Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, rh Nicky
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mowat, David
Mundell, rh David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nuttall, Mr David
Offord, Dr Matthew
Opperman, Guy
Paisley, Ian
Parish, Neil
Paterson, rh Mr Owen
Pawsey, Mark
Penning, rh Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Philp, Chris
Pickles, rh Sir Eric
Pincher, Christopher
Poulter, Dr Daniel
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Mr Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robinson, Mary
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Henry
Smith, Royston
Solloway, Amanda
Spelman, rh Mrs Caroline
Spencer, Mark
Stephenson, Andrew
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Graham
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Mr Hugo
Syms, Mr Robert
Thomas, Derek
Throup, Maggie
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Tredinnick, David
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
Turner, Mr Andrew
Tyrie, rh Mr Andrew
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Walker, Mr Charles
Walker, Mr Robin
Warburton, David
Wharton, James
Whately, Helen
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williams, Craig
Williamson, rh Gavin
Wilson, Mr Rob
Wollaston, Dr Sarah
Wragg, William
Wright, rh Jeremy
Zahawi, Nadhim

Tellers for the Noes:
George Hollingbery and Julian Smith

Question accordingly negatived.

Amendments made: 53, page 51, line 15, leave out

"Imports, exports and movement of plants etc"

and insert "Import and export control".

This is a drafting change consequential on amendment 54.

Amendment 54, page 51, line 17, leave out from "exports" to end of line 19.

This amendment removes the reservation of prohibition and regulation of the movement of food, plants, animals and other things within the United Kingdom.

Amendment 55, page 51, line 21, leave out "which relates to" and insert

"of movement into and out of Wales of".

The effect of this amendment and amendments 56, 57 and 58 is to make the exceptions in Section C5 similar to those in the corresponding Section of Schedule 5 to the Scotland Act 1998.

Amendment 56, page 51, line 22, leave out ", and which is".

See the explanatory statement for amendment 55.

Amendment 57, page 51, line 27, leave out "which relates to" and insert

"of movement into and out of Wales of".

See the explanatory statement for amendment 55.

Amendment 58, page 51, line 29, leave out ", and which is".

See the explanatory statement for amendment 55.—(Guto Bebb.)

Schedule 1, as amended, agreed to.

Schedule 2 agreed to.

Clause 22

Onshore petroleum licensing

The Parliamentary Under-Secretary of State for Wales (Guto Bebb): I beg to move, That the clause stand part of the Bill.

The Temporary Chair (Sir Alan Meale): With this it will be convenient to discuss the following:

Clauses 23 to 27 stand part.

Amendment 74, in clause 36, page 29, line 17, leave out from "wind" to end of line 18.

This amendment removes the 350 megawatts limit on the Welsh Government's legislative competence in the field of energy.

Amendment 75, page 29, line 21, leave out from "zone" to end of line 22.

See amendment 74.

Amendment 76, page 30, line 2, leave out paragraph (c).

This amendment is consequential on amendments 74 and 75.

Amendment 77, page 30, line 16, leave out from "waters" to end of line 21.

This amendment is consequential on amendments 74 and 75.

Amendment 78, page 30, line 37, leave out from "waters" to end of line 39.

This amendment is consequential on amendments 74 and 75.

Amendment 79, page 30, line 40, leave out sub-paragraph (a)(ii).

This amendment is consequential on amendments 74 and 75.

Amendment 80, page 30, line 47, leave out from "waters" to end of line 48.

This amendment is consequential on amendments 74 and 75.

Clause stand part.

Clause 37 stand part.

Government amendments 47 to 49.

Clause 38 stand part.

Amendment 158, in clause 39, page 32, line 23, leave out "or (4A)" and insert "to (4D)".

See amendment 160.

Amendment 159, page 32, line 27, at beginning insert

"subject to subsections (4B) to (4D),".

See amendment 160.

Amendment 160, page 32, line 31, at end insert—

"(4B) Where Welsh Ministers are minded to grant planning consent for the construction or extension of a station generating electricity from wind which would have a capacity greater than 50 megawatts, they must not determine the application unless—

(a) they have sent to the Secretary of State—

(i) a copy of any representations made to them in respect of the application;

(ii) a copy of any report on the application prepared by an officer of the Welsh Government;

(iii) a statement of the decision they propose to make; and

(iv) where they propose to grant consent, a statement of any conditions they propose to impose and a draft of any planning obligation they propose to enter into and details of any proposed planning contribution; and

(b) either—

(i) a period of 14 days has elapsed beginning with the date notified in writing by the Secretary of State to Welsh Ministers as the date on which he received the documents referred to in paragraph (a); or

(ii) the Secretary of State has notified Welsh Ministers in writing that he is content for them to determine the application in accordance with the statement referred to in sub-paragraph (a)(iii) and, if applicable, the matters referred to in sub-paragraph (a)(iv).

(4C) Within the period of 14 days set out in paragraph (4B)(b)(i) the Secretary of State may direct Welsh Ministers empowered to determine the application for the construction or extension of a station generating electricity from wind which would have a capacity greater than 50 megawatts—

(a) to withhold consent for a further period up to six months;

(b) to provide further information about the application; and

(c) where he makes a direction under paragraph (4C)(a) within the period specified in the direction to direct them to—

(i) grant consent subject, if necessary, to the conditions set out at paragraph (4B)(a)(iv); or

(ii) refuse consent.

(4D) The Secretary of State may give a direction to Welsh Ministers that applications for consent for the construction or extension of stations generating electricity from wind which would have a capacity less than 51 megawatts must be determined by local planning authorities and must not be called in or determined by Welsh Ministers."

Clause 39 would devolve powers for onshore wind development approval to the Welsh Assembly. This amendment empowers the Secretary of State to be notified and veto projects considered a Nationally Significant Infrastructure Project (NSIP). The Secretary of State would be given two weeks to inform Welsh Ministers that he wished to consider a project and he would have up to six months to direct refusal of the application. The amendment also empowers the Secretary of State to require Welsh Ministers to devolve approval for projects not considered a NSIP to local council level.

Clause stand part.

Clauses 40 to 43 stand part.

Amendment 81, in clause 44, page 34, leave out line 37 to line 5 on page 35 and insert—

"Omit sections 114 and 152 of the Government of Wales Act 2006."

This amendment removes the power of the Secretary of State to veto any Welsh legislation or measures that might have a serious adverse impact on water supply or quality in England.

Amendment 125, in clause 44, page 34, line 38, leave out from "(1)," to end of line 40 and insert "omit paragraph (b)."

This amendment removes both the extension of the power in section 114 of the Government of Wales Act 2006 that would be introduced by clause 44(1) and the power in section 114 to block Assembly Bills in respect of water matters.

Amendment 126, page 34, line 41, leave out subsection (2) and insert—

'( ) Omit section 152 of the Government of Wales Act 2006 (intervention in case of functions relating to water etc)."

This amendment removes both the extension of the power in section 152 of the Government of Wales Act 2006 that would be introduced by clause 44(2) and the power in section 152 of the Government of Wales Act 2006 to intervene in the exercise of devolved functions in respect of water matters.

Clause stand part.

Clause 45 stand part.

Amendment 130, in clause 46, page 35, line 33, leave out "consult" and insert "obtain the consent of".

Clause 46 would require the Secretary of State to consult the Welsh Ministers before establishing or amending a renewable energy scheme as it relates to Wales. This amendment would require the Secretary of State to obtain the consent of the Welsh Ministers instead.

Amendment 132, leave out lines 1 to 3.

New section 148A(3) of the Government of Wales Act 2006 (as inserted by Clause 46) provides an exception to the consultation requirement for renewable energy schemes in respect of any levy in connection with such a scheme. This amendment is partly consequential upon amendment 130, but it would also mean that there would be a requirement for the Secretary of State to obtain the consent of the Welsh Ministers for any levy in connection with a renewable energy scheme as it relates to Wales.

Amendment 131, page 36, line 17, leave out subsection (2).

This amendment is consequential upon amendment 130.

Clause stand part.

Clauses 46 to 50 stand part.

Amendment 144, in clause 51, page 39, line 2, at end insert—

"( ) If a statutory instrument containing regulations under subsection (2) includes provision within devolved competence or provision modifying a devolution enactment, the Secretary of State must send a copy of the instrument or, if subsection (8A) applies, a draft of the instrument to the First Minister for Wales and the First Minister must lay it before the Assembly."

This amendment and amendments 145, 146 and 147 are intended to apply appropriate Assembly procedures to regulations which make provision within the Assembly's competence or which adjust the Welsh devolution settlement by modifying the Government of Wales Act 2006 or the Wales Act 2014 and provide for regulations containing provisions of this kind that amend primary legislation to be subject to an affirmative Assembly procedure, and for regulations containing provisions of the same kind which modify subordinate legislation to be subject to a negative Assembly procedure.

Amendment 147, page 39, line 2, at end insert—

"( ) In this section 'devolution enactment' means a provision contained in—

(a) the Government of Wales Act 2006 or an instrument made under or having effect by virtue of that Act;

(b) the Wales Act 2014 or an instrument made under or having effect by virtue of that Act.

( ) For the purposes of this section—

(a) 'modifying' includes amending, repealing and revoking;

(b) 'within devolved competence' is to be read in accordance with subsections (7) and (8) of section 17, but no account is to be taken of the requirement to consult the appropriate Minister in paragraph 11(2) of Schedule 7B."

See the statement for amendment 144.

Amendment 150, page 39, line 4, leave out "primary legislation" and insert "an Act of Parliament".

The amendment introduces separate provisions for the use of the power in clause 51 in relation to an Act of Parliament.

Amendment 82, page 39, line 6, after "Parliament" insert

"and the National Assembly for Wales."

This amendment ensures that when exercising the power to amend, repeal, revoke or modify any Acts or Measures of the National Assembly for Wales, the Secretary must seek the permission of the National Assembly, as well as both Houses of Parliament.

Amendment 145, page 39, line 6, at end insert—

"(6A) A statutory instrument containing regulations under subsection (2) that includes—

(a) provision within devolved competence modifying any provision of primary legislation, or

(b) provision modifying any devolution enactment in primary legislation,

may not be made unless a draft of the instrument has been laid before and approved by a resolution of the Assembly."

See the statement for amendment 144.

Amendment 151, page 39, line 6, at end insert—

"(6A) A statutory instrument containing regulations under subsection (2) that includes provision amending or repealing any provision of a Measure or Act of the National Assembly for Wales may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament and the Assembly."

The amendment provides that where the Secretary of State uses the power in clause 51 to make regulations that amend or repeal an Assembly Act or Assembly Measure, then the regulations must be approved by the Assembly and each House of Parliament.

Amendment 152, page 39, line 7, at beginning insert "Subject to subsection (7A),".

The amendment is linked to the provision that where the Secretary of State uses the power in clause 51 to make regulations that amend or revoke subordinate legislation made by the Welsh Ministers or the Assembly, the regulations would be subject to annulment by the Assembly and each House of Parliament.

Amendment 146, page 39, line 9, leave out

", is subject to annulment in pursuance of a resolution of either House of Parliament"

and insert

"or the Assembly, is subject to annulment in pursuance of a resolution of—

(a) either House of Parliament, and

(b) if it includes provision that would be within devolved competence or provision modifying a devolution enactment, the Assembly."

See the statement for amendment 144.

Amendment 153, page 39, line 10, at end insert—

"(7A) A statutory instrument containing regulations under subsection (2) that includes provision amending or revoking subordinate legislation made by—

(a) the Welsh Ministers, or

(b) the National Assembly for Wales as constituted by the Government of Wales Act 1998,

if made without a draft having been approved by a resolution of each House of Parliament and the Assembly, is subject to annulment in pursuance of a resolution of either House of Parliament or the Assembly."

The amendment provides that where the Secretary of State uses the power in clause 51 to make regulations that amend or revoke subordinate legislation made by the Welsh Ministers or the Assembly, the regulations would be subject to annulment by the Assembly and each House of Parliament.

Amendment 154, page 39, line 11, leave out subsection (8).

The amendment removes the definition of "primary legislation".

Clause stand part.

That schedule 5 be the Fifth schedule to the Bill.

Clause 52 stand part.

Government amendments 59 and 60.

That schedule 6 be the Sixth schedule to the Bill.

Government amendments 50 to 52.

Amendment 12, in clause 53, page 40, line 8, at end insert—

'(4) Section 16(6) comes into force on the day appointed by the Treasury by order under section 14(2) of the Wales Act 2014 for the coming into force of sections 8 and 9 of that Act."

The new limits proposed by New Clause 6 on borrowing by the Welsh Ministers are calculated by reference to the financial consequences of commencing the income tax provisions of the Wales Act 2014. This provision ensures that the new borrowing limits come into effect at the same time as commencement of the income tax provisions.

Clause stand part.

Clause 54 stand part.

New clause 4—*Assignment of VAT*—

"(1) The Government of Wales act 2006 is amended as follows.

(2) In section 117 (Welsh Consolidated Fund), after subsection (2) insert—

'(2A) The Secretary of State shall in accordance with section 64A pay into the Fund out of money provided by Parliament any amounts payable under that section.'

(3) After that section insert—

'117A Assignment of VAT

(1) Where there is an agreement between the Treasury and the Welsh Ministers for identifying an amount agreed to represent the standard rate VAT attributable to Wales for any period ("the agreed standard rate amount"), the amount described in subsection (3) is payable under this section in respect of that period.

(2) Where there is an agreement between the Treasury and the Welsh Ministers for identifying an amount agreed to represent the reduced rate VAT attributable to Wales for that period ("the agreed reduced rate amount"), the amount described in subsection (4) is payable under this section in respect of that period.

(3) The amount payable in accordance with subsection (1) is the amount obtained by multiplying the agreed standard rate amount by—

$$\frac{10}{SR}$$

where SR is the number of percentage points in the rate at which value added tax is charged under section 2(1) of the Value Added Tax Act 1994 for the period.

(4) The amount payable in accordance with subsection (2) is the amount obtained by multiplying the agreed reduced rate amount by—

$$\frac{2.5}{RR}$$

where RR is the number of percentage points in the rate at which value added tax is charged under section 29A(1) of the Value Added Tax Act 1994 for the period.

(5) The payment of those amounts under section 64(2A) is to be made in accordance with any agreement between the Treasury and the Welsh Ministers as to the time of the payment or otherwise.'

(4) The Commissioners for Revenue and Customs Act 2005 is amended as follows.

(5) In subsection (2) of section 18 (confidentiality: exceptions) omit 'or' after paragraph (j), and after paragraph (k) insert ', or

(l) which is made in connection with (or with anything done with a view to) the making or implementation of an agreement referred to in section 117A(1) or (2) of the Government of Wales Act 2006 (assignment of VAT).'

(6) After that subsection insert—

'(2B) Information disclosed in reliance on subsection (2)(l) may not be further disclosed without the consent of the Commissioners (which may be general or specific).'

(7) In section 19 (wrongful disclosure) in subsections (1) and (8) after '18(1) or (2A)' insert 'or (2B).'"

This new clause would allow the payment into the Welsh Consolidated Fund of half the receipts of Value Added Tax raised in Wales, on the lines of section 16 of the Scotland Act 2016.

New clause 5—*Tax on carriage of passengers by air*—

"(1) In Part 4A of the Government of Wales Act 2006, after Chapter 4 insert—

CHAPTER 5

TAX ON CARRIAGE OF PASSENGERS BY AIR

116O Tax on carriage of passengers by air

'(1) A tax charged on the carriage of passengers by air from airports in Wales is a devolved tax.

(2) Tax may not be charged in accordance with that provision on the carriage of passengers boarding aircraft before the date appointed under subsection (6).

(3) Chapter 4 of Part 1 of The Finance Act 1994 (air passenger duty) is amended as follows.

(4) In section 28(4) (a chargeable passenger is a passenger whose journey begins at an airport in the United Kingdom), for "England, Wales or Northern Ireland" substitute "England or Northern Ireland".

(5) In section 31(4B) (exception for passengers departing from airports in designated region of the United Kingdom) for "England, Wales or Northern Ireland" substitute "England or Northern Ireland".

(6) Subsections (3) to (5) have effect in relation to flights beginning on or after such date as the Treasury appoint by regulations made by statutory instrument.'"

This new clause would make air passenger duty a devolved tax in Wales, on the lines of section 17 of the Scotland Act 2016.

New clause 6—*Lending for capital expenditure*—

"In section 122A(1) and (3) of the Government of Wales Act 2006 (lending for capital expenditure), for '£500 million' substitute '£2 billion'."

Section 122A of the Government of Wales Act 2006 (inserted by section 20(10) of the Wales Act 2014) makes provision for limits on borrowing by the Welsh Ministers for capital expenditure. This new clause changes the limit on the aggregate at any time outstanding from £500 million to £2 billion.

New clause 8—*Corporation tax*—

"(1) In Part 4A of the Government of Wales Act 2006, after Chapter 4 insert—

'Chapter 4A

Corporation Tax

116P Corporation tax

A tax charged on trading profits in Wales is a devolved tax.'"

This new clause would make corporation tax a devolved tax.

New clause 9—*Trading profits taxable at the Welsh rate*—

"After part 8B of the Corporation Tax Act 2010 insert—

"Part 8C

357Y The Welsh rate

'(1) The Welsh rate of corporation tax for a financial year is—

(a) if a resolution of the National Assembly for Wales—

(i) sets a rate under section 357YA for the year, and

(ii) is passed before the beginning of the year,

the rate set by the resolution;

(b) if the Welsh rate for the year is not determined under paragraph (a), but the Welsh rate for one or more earlier financial years was determined under that paragraph, the rate for the most recent of those earlier years;

(c) otherwise, the main rate.

(2) For the purposes of subsection (1)(a)(ii), a resolution passed before the beginning of a financial year is treated as not having been so passed if it is cancelled by a resolution under section 357YA that is itself passed before the beginning of the year.

357YA Power of National Assembly for Wales to set Welsh rate

(1) The National Assembly for Wales may by resolution set the Welsh rate for one or more financial years specified in the resolution.

(2) The Assembly may by resolution cancel a resolution under subsection (1).

(3) A resolution under this section may not be passed by the National Assembly for Wales except in pursuance of a recommendation which is made by Welsh Ministers and which is signified to the National Assembly for Wales.

(4) This section authorises the setting of a nil rate.

357YB Welsh rate supplementary provision

(1) The Secretary of State must lay draft regulations before the House of Commons and the National Assembly for Wales within twelve months of this Act coming into force.

(2) The Secretary of State must seek the consent of the Treasury before laying draft regulations under this section.

(3) The Secretary of State may make regulations under his section only if both the House of Commons and the National Assembly for Wales have approved those regulations in draft.

(4) Regulations under this section may make any necessary provision, including modifying or amending any enactment, that the Secretary of State or the Treasury considers necessary for the introduction of a Welsh rate of corporation tax.

(5) Regulations under this section may, for example, include—

(a) provision for the application of the Welsh rate of corporation tax to Welsh profits;

(b) provision about the operation of certain reliefs for trading losses that are given against profits;

(c) definitions of "Welsh company", "qualifying trade", "small or medium-sized enterprise" and "Welsh employer";

(d) provision about whether a company has a Welsh regional establishment;

(e) rules for determining whether profits or losses of a trade are "Welsh profits" or "Welsh losses";

(f) rules applying in the case of a Welsh company that is a small or medium-sized enterprise;

(g) rules applying in the case of a Welsh company that is not a small or medium-sized enterprise;

(h) the treatment of intangible fixed assets in relation to Welsh companies;

(i) provision about R&D expenditure credits and relief for expenditure relating to research and development;

(j) provision about relief for expenditure relating to the remediation of contaminated or derelict land;

(k) provision about film tax relief, television production, video games development and theatrical productions;

(l) provision about profits arising from exploitation of patents etc.;

(m) rules for determining whether profits or losses of a trade are "Welsh profits" or "Welsh losses" in the case of a company that is a partner in a Welsh firm;

(n) definitions of "excluded trade" and "excluded activity" (profits of which are not Welsh profits); and

(o) provision about the meaning of "back-office activities" (profits imputed to which may be Welsh profits).'"

This new clause mirrors the approach of the Corporation Tax (Northern Ireland) Act 2015 in defining a Welsh rate of corporation tax, but leaves the details to be set out in secondary legislation.

Guto Bebb: It is a pleasure to serve under your chairmanship this evening, Sir Alan.

Clause 22, alongside detailed technical provisions in part 2 of schedule 5, devolves onshore petroleum licensing in Wales to Welsh Ministers, fulfilling the St David's Day commitment. Clause 23 is necessary to facilitate a smooth transfer of existing onshore licences. Clause 24 transfers to Welsh Ministers the regulation-making powers in the Infrastructure Act 2015 with respect to the right to use deep-level land below 300 metres for the purpose of exploiting onshore petroleum.

The St David's day agreement stated that responsibility for speed limits in Wales should be devolved. It also committed the Government to consider the Smith agreement, to determine which recommendations for Scotland should also apply to Wales. As a result of this work, powers over traffic signs, including pedestrian crossings, will also be devolved. Clause 25 and section E1 of schedule 1 devolve these powers by reserving only powers relating to the exemption of vehicles from speed limits and certain traffic signs—for example, emergency vehicles attending incidents.

Together, the clause and the schedule have the effect of devolving to the Assembly and Welsh Ministers legislative and executive competence in respect of substantially all the provisions of the Road Traffic Regulation Act 1984 that concern speed limits and traffic signs. This means the Assembly will be able to legislate in respect of substantially all aspects of speed limits and traffic signs on all roads in Wales.

Clause 26 fulfils a St David's day commitment and implements a Silk commission recommendation to devolve the registration of local bus services, including the relevant functions of the traffic commissioner. Devolution of bus registration is achieved by the matter not being listed as a reserved matter in schedule 7A. Clause 26 gives effect to the devolution of the relevant traffic commissioner functions to Welsh Ministers. Clause 27 also fulfils a St David's day commitment and a Silk commission recommendation by devolving the regulation of taxi and private hire vehicle services in Wales to Welsh Ministers.

[Guto Bebb]

This complements the devolution of legislative competence to the Assembly for taxi and private hire vehicle licensing in new schedule 7A. Taxi and PHV services are currently licensed by local authorities under legislation that covers England and Wales outside London. Local licensing authorities set their own policies and standards. I therefore support these clauses standing part of the Bill.

Paul Flynn: These considerable and weighty clauses will bring significant benefits to the people of Wales. We are grateful for the improvements that have taken place as a result of the Government accepting the criticisms made of the draft Bill. Real progress is being made.

The main issues I wish to raise with this group of amendments involve energy, because there is a great opportunity for Wales to become a powerhouse for energy for the whole United Kingdom. For too long, we have neglected the vast energy of the tide that sweeps around the Welsh coast at different times of the day, providing pulses of energy that could be coupled with demand-responsive schemes such as pumped storage schemes in order to give completely demand-responsive electricity not only cleanly, but by providing renewable power in an entirely predictable way—the tide will always come in.

We have made huge strides in Wales on hydro schemes in Rheidol, Ffestiniog and Dinorwig. The possibility of using the topography of Wales to produce energy has been long neglected. When we look at the problems of the Port Talbot steelworks, we need to realise that washing along the shore of those steelworks is the highest rise and fall of tide in the world. They are in trouble because their energy is so expensive, yet a source of energy is available on their doorstep—free, British, eternal and absolutely predictable.

Amendments 130 to 132 deal with renewable energy schemes. These Welsh Government amendments would create a duty on the Secretary of State to consult Welsh Ministers before establishing or amending a renewable energy incentive scheme in Wales. As drafted, the clause excludes the requirement for the Secretary of State to consult in relation to the creation of a levy to fund an incentive scheme.

The obligation merely to consult is insufficient in respect of this important matter. The Energy Act 2013 provides that the Secretary of State must consult Welsh Ministers before making regulations in relation to contracts for difference. This is a fairly fresh concept, but it has been used widely by this Government and the previous one. Interested parties should also be consulted before a renewables obligation closure order is issued. When the UK Government announced the early closure of the renewables obligation scheme for onshore wind in 2015, there was no prior consultation with Welsh Ministers. We therefore think it essential that, as part of establishing an appropriate devolution settlement for energy, the requirement is put on a firmer and clearer footing. The amendment therefore provides that the Welsh Ministers' agreement must be sought in relation to renewable energy incentive schemes in Wales either proposed or, in the case of existing schemes, proposed for amendment.

We further propose the omission of clause 46(3), which inappropriately limits the scope of the responsibility of the Secretary of State to engage constructively with Welsh Ministers. We see no reason, and none is offered in the explanatory notes accompanying the Bill, why that engagement should not extend to the consideration of matters relating to levies to fund renewable energy incentive schemes.

Amendments 144 and 147 relate to clause 51. Clause 51 provides the Secretary of State with order-making powers to make consequential provision following the enactment of the Wales Bill. This includes powers to amend, repeal, revoke or otherwise modify primary or secondary legislation as he considers appropriate. Affirmative procedure in both Houses is provided for where the amendment or repeal of primary legislation is envisaged in any such order. There is, however, no provision for Assembly approval of a draft order that would repeal or modify Assembly legislation. Furthermore, as the Bill is drafted, the Secretary of State could propose orders making modifications to the Acts of Parliament underpinning the Welsh devolution settlement without requiring the Assembly's consent, although parliamentary consent would be needed. Even if such modifications were contained in a parliamentary Bill, the Assembly's consent would be required. This is wrong in principle. If the Secretary of State wishes to take powers by order to make amendments, up to and including repeal, to Assembly legislation, that should be possible only with the consent of the Assembly itself. If orders are proposed that would make changes to the parliamentary legislation establishing the Welsh devolution settlement, they, too, should require Assembly consent before they can be made. The Welsh Government amendments would give effect to those important principles.

I welcome the agreement in this House across all parties. Plaid Cymru introduced a slightly tribal note by attacking Labour for not going to the same lengths that it has gone to in some of its amendments, but I think Labour has taken a pragmatic view. Where the Government made it clear they are not going to change their minds, we have tried to introduce amendments that are halfway between the Opposition and Government positions, and which might be acceptable to the Government. It should not be concluded from that that we have shown any lack of enthusiasm for the process of devolution.

Plaid Cymru's amendment 74 relates to energy limits. The Welsh Government would have no powers over schemes above 350 MW. That is a very low level. It would include the tidal lagoon in the constituency of my hon. Friend the Member for Swansea East (Carolyn Harris), but it would not include the two tidal lagoons planned for either side—the Cardiff side and the Newport side—of the River Usk. The two schemes have enormous possibilities to produce huge amounts of electricity, particularly if they are linked with pumped storage schemes in the valleys. If the pulse of electricity comes in the early hours of the morning when it is not required, the energy can be used to pump the water up to the adjacent hills very close to the shore in Newport, and then drawn down to produce electricity throughout the day. This is a form of energy production that we have long, long neglected. We have ignored the power of the tide and we have used other, polluting forms of energy.

7.45 pm

We are admirably suited in Wales, because of our geography, to hydroelectric schemes. Three splendid schemes already function quietly: Ffestiniog, Rheidol, which is quite small, and Dinorwig. Dinorwig is the great battery of the nation, which is hugely valued by the National Grid. It knows that in times of peak demand, in breaks between television programmes and so on, it can press a button here in London and send the water cascading down the mountain in Dinorwig. These are functions that should be under the control of the Welsh Assembly, where there is the enthusiasm to make Wales the great powerhouse of the United Kingdom with energy that is green, clean, eternal and British.

Chris Davies: I rise to speak to my amendments 158, 159 and 160. The Committee knows I have many concerns about the Bill and I have stated them very clearly over the past few weeks and months.

Today, I turn to the devolving of wind energy to the Welsh Assembly, which is of great concern to the people of Brecon and Radnorshire in mid-Wales, whom I represent. This is not a common-sense approach to energy. I was very concerned to hear the hon. Member for Newport West (Paul Flynn) state that Wales could be the energy centre of Great Britain. That makes the people I represent fear that the whole of mid-Wales will be covered with wind turbines. I am sure he is referring to other matters—I hope he is—but we have to remember the way that Cardiff Bay has looked at mid-Wales over the years. We are fearful that we will be littered, covered and blanketed with wind turbines.

We all have a great confidence in the Secretary of State, so I would like to see him have a veto over a UK-wide energy plan that is in the national interest. To have powers particular to the Welsh Assembly does not fit in with the strategic plan for power in Great Britain as a whole—that is the underlying concern. Cardiff Bay should not just be able to make those points and make arrangements for Wales; it needs to be done by Britain as a whole. A veto would give local people an appeal over proposals that may not be in the UK-wide interest. It would also allow local people to have a say in local decisions.

Before coming into this place, I was a councillor on Powys County Council. There was a possibility—more than a possibility—that planning permission was going to be granted so that the whole of mid-Wales would be covered in turbines. The council had to contribute £4 million to fight a legal case against the Government of the day. That money would have been better spent—as we know, Powys is under-utilised as far as money from the Assembly is concerned—on providing local services to local people, instead of having to fight a legal case against wind turbines. For many reasons, I would therefore like the Secretary of State to hold a veto. I repeat the fact that we have confidence in him. We had confidence in his predecessors and I have no doubts that we will have confidence in future Secretaries of State, so let the power stay there.

Paul Flynn: Wales suffered for centuries the dirt, the pollution and the danger of extracting coal from the ground, while the comfort and the money made from it was enjoyed throughout the United Kingdom. Nobody wants to go back to that. The sources of power I specifically mentioned were hydropower and tidal power. They are not only very good neighbours but they can enhance the landscape by providing lakes and other facilities. The hon. Gentleman should concentrate on the wider picture and see the possibilities, through the amendment, that the Welsh Government could develop.

Chris Davies: I agreed with most of what the hon. Gentleman said, but I do not think he listened to what I said. I am talking specifically about wind energy, to which my amendment relates, not about hydro-energy, off-coast energy or land energy.

I ask the Secretary of State to retain the possibility of a veto. I will not press the amendment to a vote—I am sure that you and many others will be delighted to hear that, Sir Alan—but I hope that the Secretary of State will look at the clause again.

Hywel Williams: I want to speak to amendments 74 to 80, 81 and 82, 151 and 154, which I tabled along with my hon. Friends.

I welcome clauses 22, 23 and 24, which confer competence on Welsh Ministers in relation to onshore petroleum licensing, including hydraulic fracturing, or fracking, about which the Welsh people care a great deal. If the people of Wales do not want fracking, our Government should be able to ensure that it does not happen. Given that the Welsh Government and the National Assembly as a whole voted unanimously against fracking in Wales, I hope that the Secretary of State will work with his Cabinet colleagues to ensure that until the Bill is passed, the United Kingdom Government honour that unanimous opposition in Wales and no new licences are issued there. I hope that, at the end of the debate, either the Secretary of State or the Under-Secretary will give some indication that that will be the case.

I also welcome clause 26. Some time ago, I had a meeting with the traffic commissioner for Wales, who was based in Birmingham at the time. He was very unhappy about being traffic commissioner for Wales, and pointed out that not only did he work from Birmingham, but he lived in Derby, which is a considerable distance from Wales. Many years ago, the Welsh Affairs Committee called for the commissioner to be moved to Cardiff, and I am glad that the clause achieves a great deal more than that.

Amendments 74 and 75, and consequential amendments 76 to 80, would remove the 350 MW limit on the Welsh Government's legislative competence in the field of energy. I would happily put a fiver on what is on the Under-Secretary of State's notepad: my guess is that he intends to say that the limit was recommended by the Silk commission. I wish I had put that fiver down, because I see that the Under-Secretary is smiling.

Of course I accept that the Silk commission recommended the limit, but let us return for a moment to the purpose and the terms of the commission. It was set up by the coalition Government, with a Conservative Secretary of State for Wales. It consisted of one nominee from each of the four main parties at the time, including the Secretary of State's and mine, along with various academic and other experts. It consulted widely and extensively with the political parties, civic society, academia and industry experts, as well as the public. Its two

[Hywel Williams]

reports represented a consensus, reflecting not only the views of the political parties but, crucially, those of the public and of experts—that is, the views of civic society in general.

With that purpose in mind, the players in all four political parties had to compromise, and all four—including the Secretary of State's party and mine—did so, in order to achieve a national consensus. That was a contrast with the St David's day process, in which I played a minor part. At the time, the Secretary of State appeared to hand a veto to each party in respect of what it wished to reject. Labour used its veto to the full, which reflected the stance of the then shadow Secretary of State, as a self-confessed "proud Unionist". It seemed to me that the veto extended to Whitehall Departments, in terms of which matters they wanted to reserve.

As was clear from my earlier intervention on the Secretary of State, I am still slightly unconvinced about this process—

Alun Cairns *rose—*

Hywel Williams: I will gladly give way to him.

Alun Cairns: What example has there been of devolution to Wales in the past where the Secretary of State has really sought to bring about agreement throughout the House on a pragmatic, practical way forward, rather than bulldozing one particular model over another?

Hywel Williams: I was very glad to play a minor part in the St David's day process, as was my colleague at the time, Elfyn Llwyd. I think there was a structural deficiency in that process, in that if individual parties wanted to veto a particular matter, they could do so—fine: that was what the process was about—but, to my mind at least, one party made rather a meal of that dispensation, and vetoed a great deal that could quite reasonably have been included. The criticism of the first draft of the Bill reflects that, but the current version is a great improvement, and I am happy to pay tribute to the Secretary of State and his predecessor for their achievement.

Some parties compromised on policing, and some on broadcasting. My party compromised on energy. We have always believed that Wales's natural resources should be in the hands of the people of Wales, and that the people of Wales are best placed to make decisions about how best to put those resources to use. That is our historic stance. We have never believed in placing a limit on that principle, above which the people of Wales should no longer have a say. We never thought that that was a good idea, and never thought that it was necessary. However, we compromised, for the good of the Silk process and to ensure good order and progress. We agreed to the arbitrary limit of 350 MW in return for the support of others on policing and broadcasting.

The Secretary of State has chosen not to follow that consensual path, and to pick and choose from the Silk Commission's recommendations which matters to accept and which to forgo. Indeed, he has chosen to ignore the majority of what Silk had to say. He cannot now reasonably defend that Westminster power grab and attack Plaid Cymru by claiming that he is only following the commission's recommendations. We shall see what the Under-Secretary of State has to say about that one.

Clause 36 must be understood as it stands. Having voted to give Scotland complete control over its natural resources, with no limits, the Secretary of State is proposing to devolve energy in Wales only up to a limit of 350 MW, with anything above that threshold being reserved to Westminster. Why does he believe that Scottish natural resources should be in the hands of the people of Scotland, but Wales's natural resources, above the limit, should be deemed to be the preserve of Westminster? Does he think that the people of Wales cannot be trusted with any energy projects above 350 MW? Do we suffer from some congenital infirmity in that respect? For that matter, why should it be 350 MW rather than 351, or 349? Perhaps the Under-Secretary of State will enlighten us. What factual evidence has he to justify that figure?

The hon. Member for Newport West (Paul Flynn) referred to the Swansea Bay tidal lagoon. It is proposed that the lagoon should be devolved to Wales, but that the proposed Cardiff and Colwyn Bay tidal lagoons, which are identical apart from scale, should be reserved to Westminster. What is the rhyme or reason for that? What practical reasons are there for such a distinction?

Let me give another practical example. In my constituency, there is a great capacity for hydro-electric power. The Dinorwig scheme, which has been mentioned, is a massive scheme that can power Manchester for five hours at the throw of a switch. It takes eight seconds for the turbines to start turning. It is an astonishing scheme, which I think is one of the great energy production secrets of Wales. I understand that the switch is thrown in Connah's Quay and not in London, and that it controls not only Dinorwig but the Stwlan facility in Blaenau Ffestiniog, as well as Maentwrog. So here we have an astonishingly good scheme and the potential for several more, some of the same scale but also some smaller ones.

8 pm

A smaller scheme was proposed just outside Llanberis. The proposers came to see me and said that they were going to restrict it to 49 MW. When I asked them why they said that if it was 51 MW, it would get entangled in the processes down in Whitehall. When I met them recently they said that they are now proposing 350 MW. I asked why not 351 MW, and they said, "Because it would get entangled in the processes down in Whitehall." That is a clear example.

I will give one further example that illustrates this point. When foot and mouth disease was active in Wales, I wrote to the Welsh Minister and the Minister in the Department for Environment, Food and Rural Affairs about the autumn movement of livestock scheme. I got a reply from Cardiff within two weeks, and one in May—it was about the autumn movement of livestock scheme—from London. That is the sort of problem these people thought they might be struggling with. I urge the Secretary of State to reconsider his position on this limit, and unless he comes up with a plausible answer, we will seek leave to divide the House on amendment 74.

Clause 38 is of course linked to clause 36, which we are seeking to amend, and we disagree with Government amendments 47 to 49 because they seek to add the 350 MW limit to clause 38. I welcome clause 39 which devolves power over onshore wind to Wales, but we are

not supportive of amendments 158 to 160, which seek to give the UK Government a veto. I do not think we need to spend too much time explaining why that is an unacceptable proposal. Members who have put their names to those amendments are well known for their opposition, which I respect and understand, but I disagree fundamentally with them.

While we welcome clause 46 which requires the Secretary of State to consult Welsh Ministers before establishing or amending a renewable energy scheme as it relates to Wales, we fully support the amendment from the official Opposition which proposes that the Secretary of State should obtain the consent of Welsh Ministers rather than simply consult them. So we would support amendments 130 and 131 and 132. I do not know if it is the intention of the hon. Member for Newport West (Paul Flynn) to press those amendments, but our support would be there.

Clauses 48 and 49 are welcome, but we are concerned about Government amendment 60, which again tries to impose this arbitrary limit of 350 MW on the Assembly's competence. We welcome clause 22, which devolves some aspects of road transport, including speed limits, and likewise we welcome clauses 26 and 27 which devolve some responsibility over bus services and taxi regulation respectively.

I shall now turn to clause 28 and amendment 81, which amends clause 44. Clause 44 refers to sections 114 and 152 of the Government of Wales Act 2006, which gives the Secretary of State for Wales a veto over any Acts or measures of the Assembly that might have a serious adverse impact on water quality or supply in England. This has been referred to in earlier debates. While the expectation was that this Bill would remove these sections from the Government of Wales Act, in fact it seems to extend the power of veto to cover sewerage services in England.

These sections embody the peculiar notion that Wales is somehow incapable of managing its own resources. Once again, it is exclusive to the Welsh settlement. Neither the Secretary of State for Scotland nor the Secretary of State for Northern Ireland have such powers, so why must the Secretary of State for Wales have a veto over Welsh water? It makes Wales a special case—a lesser case. It continues and entrenches the status of Wales in Westminster. It protects the legality of English exploitation of Welsh resources, and avoids recognition of what was referred to earlier as a shameful past. I need not go into the history of the drowning of Capel Celyn in 1965, in which the entire community in that part of rural Wales was flooded, but such events remain perfectly legal. Removing sections 114 and 152 from the Government of Wales Act, as amendment 81 would do, would at long last ensure that the actions of this Parliament in 1965 could never be repeated. I will seek to divide the Committee on amendment 81, as I believe it is of particular importance to the people of Wales. For the same reasons, if called, we will be supporting amendments 125 and 126 tabled by the official Opposition, which seek to achieve the same aim.

Needless to say, we will not be supporting clause 44 stand part. We welcome Clauses 45, 47 and 50. If called, we will support Opposition amendments 144 to 147.

Amendment 82 tabled by Plaid Cymru would ensure that when exercising the power to amend, repeal, revoke or modify any Acts or measures of the National Assembly for Wales, the Secretary of State must seek the permission of the National Assembly as well as both Houses of Parliament. Amendments 150 to 154, in the names of my hon. Friends and myself, are similar to amendment 82, but introduce separate provisions for the amendment, repeal or revocation of Acts of Parliament, Assembly primary legislation and Assembly subordinate legislation. They provide that where the Secretary of State uses the power in clause 51 to make regulations that amend or repeal an Assembly Act or Assembly measure, the regulations must be approved by the affirmative procedure in the Assembly as well as each House of Parliament. They make similar provision in respect of the Secretary of State using the power in clause 51 to make regulations that amend or revoke subordinate legislation made by Welsh Ministers or the Assembly. These regulations would be subject to the negative procedure, rather than the affirmative procedure. They also provide that the Assembly would have no role where the power in clause 51 was used to make regulations that amend or repeal an Act of Parliament or amend or revoke non-Assembly subordinate legislation.

We would be happy to support Government amendments 59, 50 and 51, but we do not see why the Secretary of State should make an exception in respect of when the clause 17 functions of Welsh Ministers should come into force. Why should everything else come into force two months after Royal Assent, but for clause 17 we will have to wait until the Secretary of State says so? Perhaps the Under-Secretary might explain.

We agree with Opposition amendment 12, which is linked with new clause 6, to extend the Welsh Government's borrowing capacity. It is absolutely right that the Welsh Government should have fiscal levers at their disposal to facilitate economic growth in all corners of our country—and, I stress, all corners not just in the heartlands of south-east Wales.

Plaid Cymru has taken this Bill extremely seriously. We have tabled a great number of amendments. We shall press two amendments to a vote this evening and, with leave, new clause 2 if there is sufficient time. I look forward to hearing the Under-Secretary's response.

Mr David Jones: I shall speak briefly in support of amendments 158 to 160 in the name of my hon. Friend the Member for Brecon and Radnorshire (Chris Davies). He has dealt very well with the thrust of the amendments and I do not wish to repeat what he has said. However, I would like to focus on proposed new subsection (4D) which provides:

> "The Secretary of State may give a direction to Welsh Ministers that applications for consent for the construction or extension of stations generating electricity from wind which would have a capacity less than 51 megawatts must be determined by local planning authorities and must not be called in or determined by Welsh Ministers."

As I mentioned on Second Reading, there have been unintended consequences of the Energy Act 2016, which is a development of UK Government policy that provides that all applications for onshore wind generating stations should no longer be governed by the Planning Act 2008, but should instead be determined by local planning authorities. This applies also in Wales, but as a consequence of Welsh legislation, the Welsh Government have designated all wind farm developments in Wales as so-called developments of national significance, which fall to be considered by the Welsh Government.

[Mr David Jones]

My hon. Friend the Member for Brecon and Radnorshire is right to insert this provision. We both come from parts of Wales where the development of wind farms has caused huge problems. They have been disproportionately scattered across rural Wales and there are large areas that almost literally have a turbine on every hillside. Local communities certainly want these applications to be determined at local level, and it is entirely right that the Welsh Government, having taken it upon themselves to adopt this power, should now have it taken away from them. The power should be returned to local authorities.

As I have suggested, this has been an example of the law of unintended consequences. I am absolutely sure that the Government did not expect that, as a consequence of the Energy Act 2016, all such applications would fall to be determined by the Welsh Government. That is what has happened, however, and local communities have been disfranchised. This proposal is therefore a sensible one, and I ask my right hon. Friend the Secretary of State to give consideration to it. If he cannot accept it this evening, will he take it away and come back with another proposal on Report to address the concerns that I have outlined?

Jonathan Edwards: I rise to speak to new clauses 4, 5, 8 and 9. I also refer Members to my speech on new clauses 2 and 3 and income tax during our first day in Committee last week.

New clause 5 would devolve air passenger duty to Wales. In 2012, the Silk commission recommended the devolution of a block of financial powers, including air passenger duty, to the National Assembly. That was a carefully crafted package of measures. Those minor taxes were clearly listed as pressing, and the commission recommended that they be devolved in the next possible legislative vehicle, which happened to be the 2013 Finance Bill. For whatever reason, however, APD was missing from that Bill and a Plaid Cymru amendment that would have included it was defeated.

On the publication of its recommendations, the commission had cross-party and governmental support. However, four years on, I am disappointed that the Government have turned their back on the commission and its recommendations. They are instead simply cherry-picking the amendments that will be the least disruptive to the current devolution arrangement for Wales. In that period, we have had a Northern Ireland Act and two Scotland Acts through which APD was devolved to those countries and, needless to say, Labour and Tory MPs based in Wales supported those Acts. Wales is, once again, getting the short end of the stick when it comes to devolved taxation.

I am disappointed that the hon. Member for Cardiff Central (Jo Stevens) is not in the Chamber. Although she is apparently oblivious to her party's inability to support the devolution of APD twice in the previous Parliament, she has rightly stated:

> "Air passenger duty has already been devolved to the Northern Ireland Assembly and…to the Scottish Parliament, but despite this, the Budget did not propose that it be devolved to the Welsh Assembly."—[*Official Report*, 25 May 2016; Vol. 611, c. 521.]

She asked for it to be devolved, and that is an unimpeachable argument—I agree with every word she said.

8.15 pm

Members of this House argued for devolving air passenger duty to Scotland to encourage investment and the expansion of airline networks and coverage. Furthermore, the reservation of APD was cited in a report by the Northern Ireland Affairs Committee as a "stumbling block" to economic growth. Why are those arguments not good enough for Wales? Why is parity with the other devolved Parliaments not even on the table? The Bill's failure to include APD in the list of devolved taxes simply proves once again that Westminster views Wales as a second-class nation.

Devolving APD is the best way to develop Cardiff airport and to boost the Welsh economy. Cardiff airport is the fastest growing airport in the UK. It is the only airport in Wales or the west of England that is capable of accommodating transatlantic aircraft. It serves a catchment area of 6 million people and contributes £104 million to the Welsh economy. Devolving APD to Wales would greatly strengthen the airport's competitiveness, as well as significantly improving its contribution to the Welsh economy. Given that the airport is now owned by the Welsh Government, it seems bizarre that the UK Government are intent on restricting the ability of a Welsh public asset to maximise its potential. Cardiff airport has projected that by devolving APD and then abolishing it, the airport would experience a 27% increase in jobs and a 28% increase in gross value added overall. I am not arguing for complete abolition, but Debra Barber, the managing director and chief operating officer at Cardiff airport, has said:

> "APD is a punitive tax that only serves to hinder Cardiff Airport's ability to continue on this journey of growth and we agree that it should be abolished at the earliest opportunity. We believe that neighbouring airports should work together and complement one another, growing and strengthening side by side for the greater good of a thriving aviation industry across the UK."

Mr David Jones: Has the hon. Gentleman given any consideration to the impact that his proposals might have on north Wales's local airports in Liverpool and Manchester?

Jonathan Edwards: The whole point of devolving APD to Wales is to allow Welsh Ministers to set their own priorities for the aviation industry in Wales. At the end of the day, it will be up to Welsh Ministers to consider the most appropriate APD policy for Wales to maximise revenues from their own public asset. Let us remember that Cardiff airport is owned by the people of Wales. Clearly, increasing footfall at the airport could generate substantial revenues elsewhere, primarily by boosting economic performance across the whole of the economy, especially in the Secretary of State's own Vale of Glamorgan constituency.

I am not privy to the Cardiff airport's strategic planning, but my understanding is that the element of APD that the airport is most interested in is long-haul taxation. As I mentioned, the airport has a superb runway that can accommodate transatlantic flights, which Bristol airport cannot. If Cardiff were to develop that angle of its business, that could surely be of use to Bristol airport, if transport links between both airports could be improved. There lies a challenge for the Welsh Government, because our international airport urgently needs public transport upgrades to get people from

Cardiff—and indeed Swansea—to and from the airport. The current infrastructure is awful, compared with that of Belfast, Glasgow and Edinburgh.

Recent public opinion polls suggest that 78% of Welsh voters agree that APD should be devolved. That does not quite compare with the percentage who support the introduction of Welsh bank notes, but that incredibly high number is still a clear indication of public opinion. It takes a brave politician to ignore opinion poll figures of those proportions.

Furthermore, the National Assembly should have more responsibility for the money it spends. The Secretary of State for Wales himself has said that increasing its taxation responsibilities makes the Assembly "truly accountable" to the people of Wales, so why not include air passenger duty in the list of devolved taxes? Why continue to limit the financial responsibilities of the Welsh Government? Jane Hutt, the former Minister for Finance and Government Business in the Welsh Government, who I am not in the habit of quoting, has said:

> "It is…disappointing that the UK Government has decided to continue its procrastination over the devolution of Air Passenger Duty. This discriminatory approach is unacceptable and unjustifiable".

We have seen during the progress of the Bill that what the Labour Government say in Wales does not necessarily translate into voting behaviour where it counts down here in Westminster. Official Opposition Members might be relieved to hear that I do not intend to press the new clause to a Division, but I will return to the matter on Report. I hope that, in the meantime, the Secretary of State will listen to one of the most important strategic players in his constituency and his country, and I look forward to him bringing forward Government amendments to devolve APD before the Bill completes its progress through the House.

I now turn my attention to new clause 4, which would equalise the situation between Wales and Scotland when it comes to VAT revenues. The Scotland Act 2016 stated that revenues from the first 10 percentage points of the standard VAT rate would be devolved by the 2019-20 financial year. The current UK VAT rate is 20% and half of all the VAT raised in Scotland will be kept in Scotland. It is important to note that the Scottish Government will have no ability to change VAT rates.

Sales taxes in the United States are state taxes, not federal taxes, so different states have different levels of their version of VAT. We propose equalising the situation with Scotland because although EU rules prohibit different sales tax levels within the boundaries of a member state, adopting the Scottish model could pave the way, in a post-Brexit scenario, to devolving VAT in its entirety to Wales, to Scotland and to Northern Ireland. In a post-Brexit UK, it seems clear that significant political and fiscal power will have to be conceded by Westminster unless the post-Brexit vision is an even more lopsided state in which power and wealth are even more concentrated in London and the south-east.

The Scottish model has some incentivising benefits as it would help to galvanise the Welsh Government to boost the spending power of our citizens by basing a job creation strategy around well-paid jobs and seriously getting to grips with our low-wage economy. As page 4 of Cardiff University's excellent "Government Expenditure and Revenue Wales 2016" report states:

> "VAT was the largest source of revenue in Wales (raising £5.2 billion), followed by Income Tax (£4.6 billion) and National Insurance Contributions (£4.0 billion). The composition of revenues in Wales is markedly different from the UK as a whole. Large direct taxes…make up less of a share of total Welsh revenue, while a greater share is raised through indirect taxes".

The report's point is that indirect taxes such as VAT generate more revenue in Wales than direct taxes such as income tax. The report also indicates that Welsh tax revenues have grown by 12.3% since 2011, the main component of which was VAT revenues.

As long as we have a Tory UK Government, economic growth will continue to be based around consumer spending. If that is the case, it is all the more important that the people of Wales directly benefit from that growth and from their own spending power. Denying Wales the same powers as Scotland on VAT seems to be a deliberate attempt to undermine revenues for the Welsh Government.

New clause 4 is probing, so I will not be pressing it to a vote at this stage, but I look forward to hearing the UK Government's justification for why they have not given Wales the same status as Scotland, especially considering the good performance of Wales—for whatever reason—in generating VAT revenues. I may return to this matter during the Bill's later stages.

Similarly probing are new clauses 8 and 9, which would devolve corporation tax to mirror the situation in Northern Ireland. As a proud Welshman, I want my country to succeed. I desperately want our GDP to increase and to close the gap between the GDPs of Wales and the UK. If that is to happen, we unquestionably have to make Wales a more attractive place to do business. I want to make Wales the most attractive place in the UK to do business, and I hope that the Secretary of State for Wales would want the same for his country.

Most other countries are able to set their own rates of corporation tax. It is a lever with which a national Government can influence their country's desirability to potential investors, but Wales is restricted from doing so. We are forced to compete with the other UK nations with our hands tied behind our backs. Northern Ireland has a huge competitive advantage over Wales, and we know about the rate in the Republic of Ireland, with which we share a sea border. We cannot build a High Speed 2 for Wales. We cannot electrify our railways and we cannot offer tax incentives. We are constantly forced to come to Westminster with a begging bowl. We are still waiting for even an inch of electrified railway. We are still not getting full Barnett consequentials from HS2, let alone getting our own high-speed rail, and we are once again being told that we cannot use corporation tax as a way of attracting business.

Alun Cairns: I am listening carefully to the hon. Gentleman's proposal on devolving corporation tax. How would Wales cope with the significant volatility of corporation tax income?

Jonathan Edwards: I am grateful for that intervention because it provides a great insight into the Secretary of State's thinking. If that is his argument on fiscal powers, he should align himself with the Labour party, which opposes Wales having income tax powers for exactly the same reason. This is about whether one believes that the Welsh Government can use such levers effectively to create jobs in our country. That intervention is indicative of the Secretary of State's mindset.

[Jonathan Edwards]

Given that corporation tax is devolved in Northern Ireland, I hope that the Secretary of State will do his job, stand up for Wales and make it a devolved tax in Wales, as was recommended by the Silk commission's report.

Glyn Davies (Montgomeryshire) (Con): Thank you, Sir Alan, for calling me to speak in this hugely important debate. All Welsh Members recognise the Bill as an attempt to create a stable, long-lasting devolutionary settlement for Wales that provides financial accountability to the Welsh Government. I associate myself with many of the comments from both sides of the Committee, although I do not agree with everything that has been said.

I want to refer specifically to amendments 158 to 160, which have featured quite a lot in today's debate. I have been inspired to speak in part by the contribution of the shadow Secretary of State for Wales, in which he was positive about energy. There is real potential for Wales to become an energy giant. I have been to Dinorwig about three times and have been inspired by the history of what Wales has achieved in energy production. We have even had—the shadow Secretary of State will not agree with me on this subject—nuclear energy generation in Wales on a considerable scale. It has formed part of a real decarbonisation effort, which I have supported and which we may well carry on at Wylfa B. We have the Swansea Bay tidal lagoon project and other such projects, and there is wonderful potential for Wales if they go ahead. At this stage, the issue is clearly one of whether they will become financially viable. There is no doubt that the tidal range is amazing, and I certainly hope that those schemes can be approved and that Wales can carry on its history of making a contribution to energy generation.

I am also inspired by those who tabled the amendments, including my hon. Friend the Member for Brecon and Radnorshire (Chris Davies) and my right hon. Friend the Member for Clwyd West (Mr Jones). The devolution of energy is a difficult issue for me, and I want to run through the reasons why. My concern is about onshore wind farms and the implications of onshore wind, particularly for my constituency. I am desperately keen to support the devolution process and keen that the Wales Bill be successful, particularly in relation to financial accountability. The Bill will enable the Assembly to become a Parliament and to grow up. However, the Welsh Government's history when it comes to onshore wind causes huge problems, certainly in my constituency. They are landscape vandals—landscape philistines. That has been the general approach of the Welsh Government to onshore wind in my constituency. There are probably more wind turbines in Montgomeryshire than anywhere else in Wales.

Turning to the scale of what the Welsh Government want, they wanted another 500 turbines and a 40 km, 400 kV cable into Shropshire, which would have devastated my entire constituency. Powys County Council had to spend a huge amount of money simply to defend its constituency. The Ministers know what I am about to say, as they have heard me say it before. The only reason I can support this Bill is, ironically, that the Welsh Government have behaved in a centralising way when the UK Government devolved power to local authorities to decide on onshore wind farms. On the same day they devolved this to local authorities in Wales, the Welsh Government took that power back to themselves, like some old Soviet republic grabbing power to itself and away from the people. It was scandalous but the Welsh Government did that.

8.30 pm

This Bill has within it the movement of power over onshore wind to the National Assembly, a change that has already happened through the Energy Act 2016. The part of this Bill that I am more interested in, and the detail I shall want to return to, is any powers we give the Welsh Government as a consultee to influence the subsidising process. That is where I disagreed fundamentally with the shadow Secretary of State, as he seemed to be suggesting that we give the Welsh Government power over that aspect of onshore wind as well. If that were part of this Bill, for me, representing my constituency and facing a Government in Cardiff who wanted to do it great damage, the Bill would be difficult to support.

Guto Bebb: We have had a decent debate about the issues relating to this group of amendments. Clause 36 is a carefully drafted clause, which, again, gives effect to the St David's day commitment on energy consenting. The combined effect of subsections (1) to (6) is to disapply the Secretary of State's power under the Planning Act 2008 to grant development consent for electricity generating stations in Wales and in the Welsh inshore and offshore zones, not exceeding a capacity of 350MW. This is a compromise, but one based on the views expressed by Silk and the St David's day agreement, which was attempting to reach a consensus. Development consenting for all onshore wind-powered generating stations in Wales has already been devolved through the Energy Act 2016, and I shall say more about that in a moment in relation to some of the amendments put forward by Conservative Members.

Amendments 74 to 80 were tabled by the hon. Member for Arfon (Hywel Williams), and they again seek to reopen the issue of the political consensus we found under Silk and as part of the St David's day process. It is important that we recognise that the Bill is attempting to move forward on the basis of consensus, whereas the amendments are trying to open up the whole issue once more. Clearly, we have to accept that the electricity transmission system in England and Wales is thoroughly integrated, and we must keep that in mind when we legislate on this issue. It is also important to highlight that the consensus on the 350MW figure is appropriate, given that we are dealing with a system that is interrelated and interdependent. It is moving significant changes and decision-making powers to Wales, but it is also recognising the importance of what might be seen as a strategic energy development. One of more than 350MW is considered to be strategic, whereas one of less than that can be done on a Welsh basis.

We have rightly talked a lot about hydroelectric generation in this debate. I am proud that my constituency has several sites that are open to development for hydro energy production. A 350MW rule would imply that all those developments could be decided upon in Wales, which is a major development. The biggest challenge we would have would be ensuring that the electricity infrastructure to take energy out of the Conwy valley was up to speed.

Hywel Williams: Perhaps this is a mischievous point, but may I ask the Minister this: if 350MW and over is "strategic", was 50MW and over strategic in the past? If so, what has changed?

Guto Bebb: It should be stated that a former Secretary of State for Wales and former leader of this party had long argued that there was a need to look at a higher limit. It is fair to say that the process of devolution is an ongoing one, and it is highly unreasonable to criticise the fact that we are moving towards a situation where very large developments of hydro power in north Wales could be decided upon in Cardiff.

Paul Flynn: As the process is ongoing, do we not have a responsibility to catch up with information that was not available to the Silk commission? I do not think that the Newport barrage and Cardiff barrage were envisaged at that time. How does it make sense for the Welsh Government to have control over the Swansea lagoon, but not over the Newport and Cardiff lagoons?

Guto Bebb: I am very sympathetic to the concept of tidal lagoons, but, as the hon. Gentleman will be aware, a review is being undertaken at this time and I would not want to prejudge it. It is being undertaken by Charles Hendry, who is well respected across this House.

Clause 37 allows Welsh Ministers to make declarations extinguishing public rights of navigation, so as to ensure safety out to the seaward limits of the territorial sea in relation to generating stations up to 350MW. Clause 38 aligns, in a single authority, the ability to consent both to a generating station itself and the associated overhead line which would connect that station to the transmission system. It does so by removing consenting applicable requirements under either the Electricity Act 1989 or the Planning Act 2008 for certain associated overhead lines with a transmission capacity of up to 132kV necessary for connecting generating stations of up to 350MW capacity. This is an attempt to generate a one-stop shop for energy opportunities of that size in Wales. The Silk commission rightly identified that a one-stop shop should be developed, and the Bill tries to deliver that in a Welsh context.

Government amendments 47 to 49 correct an inadvertent constraint in the current drafting of clause 38 by removing the presumption that Welsh Ministers are the devolved consenting authority.

On clause 39, the Planning Act 2008 introduced the concept of "associated development"—development that the Secretary of State could consent to as part of the development consent orders which underpin and facilitate major development projects. The ability to grant associated development allows for more of the complete projects to be delivered within a single consent, to try to make the situation easier for developers. In Wales, the benefit of this approach has hitherto been restricted only to certain activities around the construction of underground gas storage facilities. Clause 39 amends relevant definitions in the Planning Act 2008 to extend the scope of associated development in Wales to include activities accompanying generating projects above 350 MW and larger overhead lines connections of 132 kV. Again, it fulfils a St David's day commitment and implements a Silk commission recommendation.

I think it is fair to say that amendments 158 to 160, tabled by my hon. Friend the Member for Brecon and Radnorshire (Chris Davies), seek to re-open matters which have already been debated in the context of the Energy Act 2016. That Act delivered the Government's manifesto commitment to give local people the final say on wind farm applications. It also ensured that in Wales it is for the Assembly and Welsh Ministers to decide how decisions are taken. I see no basis for rowing back from that position now, but I agree wholeheartedly with my hon. Friend that the Welsh Government should ensure that local people in Wales have the final say on these matters.

In our discussion of the Bill, we have talked about the importance of financial accountability, but this is also a case of political accountability. In my constituency, Aberconwy, we had the development of the Gwynt y Môr wind farm. I think I am right in saying that every single councillor in the Conwy local authority area voted against the development, but it was imposed by diktat by the then Energy Secretary. The important point is that the changes and the power given to local communities as a result of Acts passed by the coalition Government were a direct response to that political need for change. If the Assembly Government are guilty of taking powers into their own hands, there is political accountability there which needs to be challenged and needs to be part of the political discourse in Wales.

The Energy Act has ended subsidy for new onshore wind. If an onshore wind project does not already have planning permission, it is not going to be eligible for subsidy under the renewables obligation. In all the circumstances, therefore, the amendment should not be pressed to a vote.

Clauses 40 and 41 devolve further powers to Welsh Ministers in respect of equal opportunities. The powers follow as closely as possible the approach adopted in Scotland, but the two approaches are not identical. Clause 40 covers the operation of the public sector equalities duty. It removes the requirement in section 152 of the Equality Act 2010 that the Welsh Ministers consult a Minister of the Crown prior to making an order amending the list of Welsh public authorities that are subject to the duty, replacing it with a requirement to inform.

Clause 41 provides for the commencement and implementation of part 1 of the Equality Act 2010 in Wales. Part 1 imposes a duty on certain public bodies to have due regard to socio-economic considerations when making strategic decisions. Clause 41 allows the Welsh Ministers to bring part 1 into force in Wales on a date of their choosing. It also enables Welsh Ministers to amend the 2010 Act to add or remove relevant authorities that are to be subject to the duty, without first consulting a Minister of the Crown.

Clauses 42 and 43 extend Welsh Ministers' existing responsibilities for marine licensing and marine conservation in the Welsh inshore region to the Welsh offshore region. The clauses fulfil St David's day commitments and implement recommendations in the Silk commission's second report.

Clause 44 enables the Secretary of State to intervene on legislation or Executive activities where she has reasonable grounds to believe that these might have a serious adverse impact on sewerage in England. As part of this Bill, legislative competence for sewerage will be

[Guto Bebb]

devolved, subject to the matters set out in C15 of new schedule 7A. These powers of intervention are similar to those already held by the Secretary of State in relation to water. They may be used where an Act of the Assembly, or the exercise, or failure to exercise, a relevant function might have a serious adverse impact on sewerage services and systems in England.

Amendments 81,125 and 126, tabled by the hon. Member for Arfon, seek to take forward the recommendations of the Silk commission in relation to water and sewerage. The Silk report recognised that water and sewerage devolution is complex and that further work to consider the practical implications was needed. The Government set up the Joint Governments Programme Board with the Welsh Government to look at these issues and report on the likely effects that implementing the commission's recommendations would have on the efficient delivery of water and sewerage services, consumers and the water undertakers themselves. As my right hon. Friend the Secretary of State explained earlier, that work has concluded and the Government are considering the evidence before deciding whether and how the recommendations will be taken forward. We will consider carefully the interests of customers and businesses on both sides of the border before reaching that decision. It should be stressed that this issue is under consideration.

Liz Saville Roberts: Will this material be available when we are next discussing the Bill? If I remember correctly, I first heard about that working group when we were discussing the 50 years since Capel Celyn. As we are now nine months down the road, it would be appropriate for it to be reported to the House before the Bill comes to the end of its journey.

Guto Bebb: I thank the hon. Lady for her question. Her recollection is correct. We have only just received the report, so consideration of it must now take place. It is now with the Wales Office, and, after it has been considered, we will, in the manner described by my right hon. Friend the Secretary of State, discuss the contents of the report with other parties who have an interest in the Wales Bill.

Clause 45 fulfils a St David's day commitment and a Silk commission recommendation to devolve to Welsh Ministers the power to make building regulations for "excepted energy buildings" such as generating stations and gas storage facilities. Clause 46 formalises the current differing arrangements for consulting the Welsh Ministers on renewable energy incentive schemes.

Amendments 130 to 132, which were submitted by the Opposition, would require the Secretary of State to gain the consent of Welsh Ministers, rather than to consult them. Energy policy is a reserved matter as regards Great Britain. Maintaining consistency provides for workable schemes, certainty to the industry and fairness to consumers. It is right that responsibility for renewable energy incentive schemes should rest with UK Ministers. I hope that that comment has been welcomed by my hon. Friend the Member for Montgomeryshire (Glyn Davies).

Clause 47 implements for Wales the conclusions of the HM Treasury review of the Office for Budget Responsibility, published last year. The OBR has a statutory duty to carry out a number of core functions, including to produce fiscal and economic forecasts. This clause ensures that it will continue to receive information from Wales as necessary to fulfil that duty. It reflects the increased fiscal devolution to the Assembly, and the Welsh Government's competence for economic development. These roles mean that the OBR is more likely to require and use information held in Wales to fulfil its remit.

Clause 48 increases the accountability of Ofgem to the Assembly. Clause 49 provides that where a coal operator wants to mine in Wales, it must seek the approval of Welsh Ministers as part of its application for a licence. Clause 50 increases the accountability of Ofcom to the Assembly and Welsh Ministers. It goes further by giving Welsh Ministers the power to appoint one member to the Ofcom board who is capable of representing the interests of Wales.

Clauses 51 and 52 and schedule 5 and 6 make consequential and transitional provision relating to the Bill. Clause 51 allows the Secretary of State to make consequential amendments by regulations in connection with this Bill, and through amendments 82, 144 to 147 and 150 to 154, the Opposition parties are seeking to give the Assembly a role in approving those regulations. Amendments 144 to 147 would require the Assembly also to approve those regulations where such consequential amendments are within the Assembly's competence or where they alter the Assembly's competence. Amendments 82 and 150 to 154 would achieve the same with regard to consequential amendments that amend Acts or measures of the Assembly or secondary legislation made by the Welsh Ministers.

Clause 51 is a fairly typical consequential provision that ensures that the Government are able to tidy up the statute book where required in connection with this Bill. Indeed, similar provisions are included in Assembly legislation as well. Giving the Assembly a role in approving the Secretary of State's regulations made under this clause would be as unjustified as giving Parliament a role in approving Welsh Ministers' regulations made under Assembly Acts. It would also make the process far more complicated and time consuming than it needs to be. In reality, we would discuss any proposed changes that impacted on the Assembly's competence with the Welsh Government before regulations were laid.

8.45 pm

Government amendments 50 to 52, 59 and 60 are the result of productive discussions between the Wales Office, the Welsh Government and the Assembly Commission. Paragraph 2(1) of schedule 6 provides that the new reserved powers model will apply only to Assembly Bills that have been introduced, but that have not passed stage 1 in the Assembly's legislative process before the day on which the reserved powers model comes into force, or that are introduced after that day. Passing stage 1 means that the Assembly has approved the general principles of a Bill.

Paragraph 2(2) of schedule 6 currently provides that an Assembly Bill that has been introduced under the conferred powers model, but that has not passed stage 1 before the day on which the reserved powers model comes into force, would fall. Amendment 59 removes that provision so that a Bill could still proceed under the new reserved powers model, even if it has not passed stage 1.

Amendment 60 introduces tailored transitional provisions into schedule 6 for relevant energy infrastructure applications. Applications that have been formally accepted for examination under the Planning Act 2008 will continue to be determined by the Secretary of State under that Act. Those that have not been formally accepted will be considered by Welsh Ministers under the devolved planning regime.

Amendments 50 to 52 make some sensible and necessary changes to the commencement provisions in clause 53. Let me quickly touch on amendment 52, because the hon. Member for Arfon mentioned it. It ensures that Welsh Ministers' common law-type powers under clause 17 come into effect at the same time as the new reserved powers model—a change agreed with the Welsh Government.

Clause 53 provides the framework for commencing the provisions of the Bill and for implementing the reserved powers model. Most importantly, subsection (3) provides for the new reserved powers model—at clause 3 and schedules 1 and 2—to come into force on the day appointed by the Secretary of State by regulation. That day is called the "principal appointed day". The Secretary of State must consult Welsh Ministers and the Presiding Officer before making the regulations that establish the principal appointed day. That is to ensure their views are fully taken into account in determining when the reserved powers model comes into force.

Under subsection (4), the other provisions of the Bill come into force on whatever day the Secretary of State appoints by regulations. That may include the regulations made under subsection (3). Indeed, it is the Government's intention to bring into force most of the Bill's provisions devolving further powers to the Assembly and Welsh Ministers at the same time as the reserved powers model—in other words, on the principal appointed day.

Subsection (6) requires the principal appointed day, or a day appointed by regulations made under subsection (4), to be at least four months after the day on which the regulations are made. That is to ensure sufficient time for the Assembly and the Welsh Government to make the appropriate arrangements for the new model. Finally, clause 54 sets out the short title of the Bill as being the Wales Act 2016.

Amendment 12 and new clause 6, which were submitted by the Labour party, seek to quadruple the Welsh Government's capital borrowing limit, which was set in the Wales Act 2014, from £500 million to £2 billion. There are two considerations in relation to the borrowing limit: ensuring that borrowing is affordable for the Welsh Government and that it is appropriate within the fiscal position of the UK as a whole.

In relation to Welsh Government affordability, it is important to ensure that the Welsh Government have sufficient independent revenues to manage their borrowing costs. We therefore need to consider the balance between devolved tax revenues and borrowing. Had the Wales Act 2014 simply followed the precedent set at the time by the Scotland Act 2012, the Welsh Government would have ended up with a borrowing limit of around £100 million. However, the Government agreed to increase it to £500 million to enable the Welsh Government to proceed with the upgrade to the M4 in Wales—something this Government fully support, although we are still waiting for action from the Government in Cardiff Bay.

The existing borrowing limit is therefore relatively large, compared with the position in the Scotland Act 2012, and I would argue that it goes further. Even taking into account the Welsh rates of income tax, this limit remains relatively large and, therefore, appropriate. The Government do not therefore believe it is right to increase the Welsh Government's £500 million capital borrowing limit. Even if this position changes in the future, the Wales Act 2014 already provides for the UK Government to increase the Welsh Government's capital borrowing limit by secondary legislation.

New clause 4, which was spoken to by the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards), seeks to assign a share of the VAT revenues generated in Wales to the Welsh Government in the same manner that a share of Scottish VAT revenues will be assigned to the Scottish Government following the Smith agreement. However, the Silk commission gave full consideration to the case for assigning a share of the VAT receipts generated in Wales, and while it recognised some of the arguments in favour, it ultimately recommended against VAT assignment in Wales. Unlike in Scotland, there is no consensus on this issue. I return to the fact that the Bill is moving through this House on the basis of consensus.

As we committed to do in the St David's day agreement, the Government are considering the case and options for devolving air passenger duty to the Assembly, informed by a review of options to support English regional airports from the potential impacts of APD devolution. However, it is important to note that, as the hon. Gentleman knows to be true, the Silk commission did not recommend the devolving of APD in full, but the devolving of long haul only. It is important to bear in mind that when legislating on devolving a tax such as APD, we have to take into account the impact on other airports within the United Kingdom. We must also take into account whether, as my right hon. Friend the Member for Clwyd West highlighted, the benefits that might arise for an airport owned by the Welsh Government in south Wales would justify the complexity and difficulties of the devolution process, in the context of the economic development and the transport links of north Wales. I very much doubt that.

We are therefore not of the view that the case has been made for devolving APD at this point, but we will remain open to listening to the arguments in future. I fully understand the importance of the aviation sector for creating jobs and growth in Wales. I think it is fair to say, though, that the hon. Gentleman's arguments seemed akin to an argument for state aid for a state-owned asset. In the light of the fact that we have just voted to leave the European Union, he seems very keen to adopt the concept of state aid provision. However, the fact that the Welsh Government have decided to buy the airport does not, in itself, make an argument for devolving APD.

New clauses 8 and 9 relate to the devolution of corporation tax. Together, they intend to replicate for Wales the Northern Ireland corporation tax regime, as set out in the Corporation Tax (Northern Ireland) Act 2015, which allows for devolution to the Northern Ireland Assembly of the power to set a Northern Ireland rate of corporation tax for certain trading income. Commencement of this legislation remains dependent on the Executive demonstrating that their finances are

on a sustainable footing. Northern Ireland faces a number of unique challenges that Wales does not. In particular, it has a land border with the very low corporation tax environment in the Republic of Ireland. The Northern Ireland corporation tax model has been specifically designed for Northern Ireland's economy and needs, and would not be appropriate for Wales. Again, we are saying no to the hon. Gentleman's claims.

I propose that clauses 22 to 54 and schedules 5 and 6 stand part of the Bill, and that amendments 47 to 52, and 59 and 60 are agreed to. I urge Hon. Members not to press their amendments.

Question put and agreed to.

Clause 22 accordingly ordered to stand part of the Bill.

Clauses 23 to 35 ordered to stand part of the Bill.

Clause 36

DEVELOPMENT OF CONSENT FOR GENERATING STATIONS WITH 350MW CAPACITY OR LESS

Amendment proposed: 74, page 29, line 17, leave out from "wind" to end of line 18.—*(Hywel Williams.)*

This amendment removes the 350 megawatts limit on the Welsh Government's legislative competence in the field of energy.

Question put, That the amendment be made.

The Committee divided: Ayes 195, Noes 275.

Division No. 39] [8.53 pm

AYES

Abrahams, Debbie
Ahmed-Sheikh, Ms Tasmina
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Allin-Khan, Dr Rosena
Arkless, Richard
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Kevin
Benn, rh Hilary
Betts, Mr Clive
Black, Mhairi
Blackford, Ian
Blackman-Woods, Dr Roberta
Blenkinsop, Tom
Blomfield, Paul
Boswell, Philip
Bradshaw, rh Mr Ben
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cameron, Dr Lisa
Campbell, rh Mr Alan
Champion, Sarah
Chapman, Jenny
Cherry, Joanna
Clwyd, rh Ann
Cooper, Julie
Cooper, Rosie
Cooper, rh Yvette
Coyle, Neil
Creasy, Stella
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Danczuk, Simon
David, Wayne
Day, Martyn
Docherty-Hughes, Martin
Donaldson, Stuart Blair
Doughty, Stephen
Dowd, Jim
Dowd, Peter
Durkan, Mark
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Ferrier, Margaret
Fitzpatrick, Jim
Flello, Robert
Fletcher, Colleen
Flynn, Paul
Fovargue, Yvonne
Foxcroft, Vicky
Furniss, Gill
Gardiner, Barry
Gibson, Patricia
Glass, Pat
Glindon, Mary
Goodman, Helen
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Gwynne, Andrew
Haigh, Louise
Hanson, rh Mr David
Harris, Carolyn
Hayes, Helen
Healey, rh John
Hendry, Drew
Hodgson, Mrs Sharon
Hollern, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Huq, Dr Rupa
Hussain, Imran
Jones, Gerald
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kerevan, George
Kerr, Calum
Kinnock, Stephen
Kyle, Peter
Lavery, Ian
Leslie, Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Long Bailey, Rebecca
Lynch, Holly
Mactaggart, rh Fiona
Madders, Justin
Mahmood, Shabana
Mann, John
Marris, Rob
Marsden, Mr Gordon
Maskell, Rachael
Matheson, Christian
McCabe, Steve
McCaig, Callum
McCarthy, Kerry
McDonald, Andy
McDonald, Stuart C.
McFadden, rh Mr Pat
McGarry, Natalie
McGinn, Conor
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McLaughlin, Anne
Mearns, Ian
Monaghan, Dr Paul
Morden, Jessica
Morris, Grahame M.
Mulholland, Greg
Mullin, Roger
Murray, Ian
Newlands, Gavin
O'Hara, Brendan
Onn, Melanie
Onwurah, Chi
Osamor, Kate
Paterson, Steven
Pearce, Teresa
Pennycook, Matthew
Perkins, Toby
Phillipson, Bridget
Powell, Lucy
Pugh, John
Qureshi, Yasmin
Rayner, Angela
Reed, Mr Steve
Rees, Christina
Reynolds, Jonathan
Ritchie, Ms Margaret
Robinson, Mr Geoffrey
Rotheram, Steve
Ryan, rh Joan
Saville Roberts, Liz
Shah, Naz
Sharma, Mr Virendra
Sheppard, Tommy
Sherriff, Paula
Skinner, Mr Dennis
Smith, rh Mr Andrew
Smith, Angela
Smith, Cat
Smith, Jeff
Smith, Nick
Smith, Owen
Smyth, Karin
Spellar, rh Mr John
Stephens, Chris
Stringer, Graham
Stuart, rh Ms Gisela
Tami, Mark
Thewliss, Alison
Thomson, Michelle
Thornberry, Emily
Turley, Anna
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Weir, Mike
West, Catherine
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Williams, Hywel
Williams, Mr Mark
Wilson, Corri
Winnick, Mr David
Winterton, rh Dame Rosie
Wishart, Pete
Zeichner, Daniel

Tellers for the Ayes:
Owen Thompson and Marion Fellows

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Argar, Edward
Atkins, Victoria
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Barwell, Gavin
Bebb, Guto

Bellingham, Sir Henry
Beresford, Sir Paul
Berry, Jake
Berry, James
Bingham, Andrew
Blackman, Bob
Blackwood, Nicola
Boles, Nick
Bone, Mr Peter
Borwick, Victoria
Bottomley, Sir Peter
Bradley, Karen
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, rh James
Bruce, Fiona
Buckland, Robert
Burns, Conor
Burns, rh Sir Simon
Burt, rh Alistair
Cairns, rh Alun
Carmichael, Neil
Cartlidge, James
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Kenneth
Cleverly, James
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Colvile, Oliver
Costa, Alberto
Cox, Mr Geoffrey
Crouch, Tracey
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Dr James
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Donelan, Michelle
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evennett, rh Mr David
Fernandes, Suella
Foster, Kevin
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fuller, Richard
Fysh, Marcus
Gale, Sir Roger
Garnier, rh Sir Edward
Garnier, Mark
Ghani, Nusrat
Gibb, Mr Nick
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, rh Matthew
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, Sir Oliver
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollinrake, Kevin
Hollobone, Mr Philip
Hopkins, Kris
Howell, John
Howlett, Ben
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, rh Sajid
Jenkin, Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
Johnson, Boris
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, Seema
Kirby, Simon
Knight, rh Sir Greg
Knight, Julian
Lancaster, Mark
Latham, Pauline
Leadsom, Andrea
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Mackinlay, Craig
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
Maynard, Paul
McCartney, Jason
McLoughlin, rh Mr Patrick
McPartland, Stephen
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Miller, rh Mrs Maria
Milling, Amanda
Milton, rh Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mowat, David
Mundell, rh David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nuttall, Mr David
Offord, Dr Matthew
Opperman, Guy
Parish, Neil
Paterson, rh Mr Owen
Pawsey, Mark
Penning, rh Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Philp, Chris
Pickles, rh Sir Eric
Pincher, Christopher
Poulter, Dr Daniel
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Mr Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robinson, Mary
Rosindell, Andrew
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Henry
Smith, Royston
Soames, rh Sir Nicholas
Solloway, Amanda
Soubry, rh Anna
Spelman, rh Mrs Caroline
Spencer, Mark
Stephenson, Andrew
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Graham
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Mr Hugo
Syms, Mr Robert
Thomas, Derek
Throup, Maggie
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Tredinnick, David
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
Turner, Mr Andrew
Tyrie, rh Mr Andrew
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Walker, Mr Charles
Walker, Mr Robin
Wharton, James
Whately, Helen
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williams, Craig
Williamson, rh Gavin
Wollaston, Dr Sarah
Wragg, William
Wright, rh Jeremy
Zahawi, Nadhim

Tellers for the Noes:
George Hollingbery and Julian Smith

Question accordingly negatived.
Clause 36 ordered to stand part of the Bill.
Clause 37 ordered to stand part of the Bill.

Clause 38

ASSOCIATED DEVELOPMENT OF OVERHEAD LINES

Amendments made: 47, page 32, leave out lines 9 to 12 and insert—

"(2A) Subsection (1) above shall not apply in relation to an electric line that—

(a) has a nominal voltage of 132 kilovolts or less, and

(b) is associated with the construction or extension of a devolved Welsh generating station consented to on or after the day on which section 36 of the Wales Act 2016 comes into force.

(2B) 'Devolved Welsh generating station' means a generating station that—

(a) is in Wales and—

(i) generates electricity from wind, or

(ii) has a maximum capacity of 350 megawatts or less; or

(b) is in Welsh waters and has a maximum capacity of 350 megawatts or less.

(2C) 'Welsh waters' has the meaning given in section 36 above."

This amendment provides for consent for the development of electric lines associated with devolved generating stations to be given by Welsh authorities.

Amendment 48, page 32, line 17, leave out

"generating station consented to by the Welsh Ministers"

and insert

"devolved Welsh generating station consented to on or after the day on which section 36 of the Wales Act 2016 comes into force".

This amendment provides for consent for the development of electric lines associated with devolved generating stations to be given by Welsh authorities.

Amendment 49, page 32, line 19, at end insert—

"(3C) 'Devolved Welsh generating station' means a generating station that—

(a) is in Wales and—

(i) generates electricity from wind, or

(ii) has a capacity of 350 megawatts or less; or

(b) is in waters adjacent to Wales up to the seaward limits of the territorial sea or in the Welsh zone and has a capacity of 350 megawatts or less.

(3D) 'Welsh zone' has the meaning given in section 158 of the Government of Wales Act 2006." *—(Alun Cairns.)*

This amendment provides for consent for the development of electric lines associated with devolved generating stations to be given by Welsh authorities.

Clause 38, as amended, ordered to stand part of the Bill.

Clauses 39 to 43 ordered to stand part of the Bill.

Clause 44

INTERVENTION IN CASE OF SERIOUS IMPACT ON SEWERAGE SERVICES ETC

Amendment proposed: 81, page 34, leave out line 37 to line 5 on page 35 and insert—

"Omit sections 114 and 152 of the Government of Wales Act 2006."*—(Hywel Williams.)*

This amendment removes the power of the Secretary of State to veto any Welsh legislation or measures that might have a serious adverse impact on water supply or quality in England.

Question put, That the amendment be made.

The Committee divided: Ayes 47, Noes 274.

Division No. 40] [9.6 pm

AYES

Ahmed-Sheikh, Ms Tasmina
Arkless, Richard
Bardell, Hannah
Black, Mhairi
Blackford, Ian
Boswell, Philip
Brock, Deidre
Brown, Alan
Cameron, Dr Lisa
Cherry, Joanna
Cowan, Ronnie
Day, Martyn
Docherty-Hughes, Martin
Donaldson, Stuart Blair
Durkan, Mark
Edwards, Jonathan
Ferrier, Margaret
Gibson, Patricia
Grant, Peter
Gray, Neil
Hendry, Drew
Kerevan, George
Kerr, Calum
McCaig, Callum
McDonald, Stuart C.
McGarry, Natalie
McLaughlin, Anne
Monaghan, Dr Paul
Mulholland, Greg
Mullin, Roger
Newlands, Gavin
O'Hara, Brendan
Paterson, Steven
Pugh, John
Ritchie, Ms Margaret
Saville Roberts, Liz
Sheppard, Tommy
Stephens, Chris
Thewliss, Alison
Thomson, Michelle
Vaz, rh Keith
Weir, Mike
Whiteford, Dr Eilidh
Williams, Hywel
Williams, Mr Mark
Wilson, Corri
Wishart, Pete

Tellers for the Ayes:
Owen Thompson and Marion Fellows

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Argar, Edward
Atkins, Victoria
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Barwell, Gavin
Bebb, Guto
Bellingham, Sir Henry
Beresford, Sir Paul
Berry, Jake
Berry, James
Bingham, Andrew
Blackman, Bob
Blackwood, Nicola
Boles, Nick
Bone, Mr Peter
Borwick, Victoria
Bottomley, Sir Peter
Bradley, Karen
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, rh James
Bruce, Fiona
Buckland, Robert
Burns, Conor
Burns, rh Sir Simon
Burt, rh Alistair
Cairns, rh Alun
Carmichael, Neil
Cartlidge, James
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Kenneth
Cleverly, James
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Colvile, Oliver
Costa, Alberto
Cox, Mr Geoffrey
Crouch, Tracey
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Dr James
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Donelan, Michelle
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evennett, rh Mr David
Fernandes, Suella
Field, rh Mark
Foster, Kevin
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fuller, Richard
Fysh, Marcus
Gale, Sir Roger
Garnier, rh Sir Edward
Garnier, Mark
Ghani, Nusrat
Gibb, Mr Nick
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen

Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, rh Matthew
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, Sir Oliver
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollinrake, Kevin
Hollobone, Mr Philip
Hopkins, Kris
Howell, John
Howlett, Ben
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, rh Sajid
Jenkin, Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
Johnson, Boris
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, Seema
Kirby, Simon
Knight, rh Sir Greg
Knight, Julian
Lancaster, Mark
Latham, Pauline
Leadsom, Andrea
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Mackinlay, Craig
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
Maynard, Paul
McCartney, Jason
McLoughlin, rh Mr Patrick
McPartland, Stephen
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Miller, rh Mrs Maria
Milling, Amanda
Milton, rh Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mowat, David
Mundell, rh David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nuttall, Mr David
Offord, Dr Matthew
Opperman, Guy
Parish, Neil
Paterson, rh Mr Owen
Pawsey, Mark
Penning, rh Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Philp, Chris
Pickles, rh Sir Eric
Pincher, Christopher
Poulter, Dr Daniel
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Mr Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robinson, Mary
Rosindell, Andrew
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Henry
Smith, Royston
Solloway, Amanda
Soubry, rh Anna
Spelman, rh Mrs Caroline
Spencer, Mark
Stephenson, Andrew
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Graham
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Mr Hugo
Syms, Mr Robert
Thomas, Derek
Throup, Maggie
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Tredinnick, David
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
Turner, Mr Andrew
Tyrie, rh Mr Andrew
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Walker, Mr Charles
Walker, Mr Robin
Wharton, James
Whately, Helen
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williams, Craig
Williamson, rh Gavin
Wollaston, Dr Sarah
Wragg, William
Wright, rh Jeremy
Zahawi, Nadhim

Tellers for the Noes:
George Hollingbery and Julian Smith

Question accordingly negatived.

Clause 44 ordered to stand part of the Bill.

Clauses 45 to 51 ordered to stand part of the Bill.

Schedule 5 agreed to.

Clause 52 ordered to stand part of the Bill.

Schedule 6

TRANSITIONAL PROVISIONS

Amendments made: 59, page 108, line 12, leave out sub-paragraph (2)

This amendment removes the sub-paragraph which says that an Assembly Bill introduced before the "principal appointed day" falls if it has not passed Stage 1 in the Assembly process by then.

Amendment 60, page 109, line 34, at end insert—

"Development consent for generating stations

7A (1) The amendments made by sections 36(2) to (6) and 38(4) do not apply in relation to an application acceptance of which is notified to the applicant under section 55 of the Planning Act 2008 before the day on which section 36 of this Act comes into force.

(2) Schedule 6 to the Planning Act 2008 has effect in relation to orders granting development consent for devolved Welsh generating stations as if—

(a) references to the Secretary of State were references to the Welsh Ministers;

(b) the following were omitted—

(i) paragraph 2(11);

(ii) paragraph 3(5A);

(iii) paragraph 4(9);

(iv) the references to the Lands Tribunal for Scotland in paragraphs 6(6)(a) and 7(3)(d).

(3) In this paragraph "devolved Welsh generating station" means a generating station that—

(a) is in Wales and—

(i) generates electricity from wind, or

(ii) has a capacity of 350 megawatts or less; or

(b) is in waters adjacent to Wales up to the seaward limits of the territorial sea or in the Welsh zone (within the meaning of the Government of Wales Act 2006), and has a capacity of 350 megawatts or less."—*(Alun Cairns.)*

This amendment creates transitional provision so that applicants accepted by the Secretary of State before the reserved powers model is brought into force will continue to be decided by the Secretary of State under the Planning Act. It also allows the Welsh Ministers to vary consents granted before that time.

Schedule 6, as amended, agreed to.

Clause 53

COMMENCEMENT

Amendments made: 50, page 39, line 41, at end insert—

"( ) sections13 and14;".

The effect of this amendment is that clause 13 (composition of Assembly committees) and clause 14 (Assembly proceedings: participation by UK Ministers etc) will come into force two months after Royal Assent.

Amendment 51, page 39, line 42, at end insert

", and sections 8 and 9 so far as relating to a provision of a Bill that would change the name of the Assembly or confer power to do so".

Under this amendment the "super-majority" provisions of the Bill will come into force two months after Royal Assent—as does clause 15, which concerns changes to the name of the Assembly etc—but only so far as relating to an Assembly Bill providing for a change to the name of the Assembly.

Amendment 52, page 40, line 2, leave out paragraph (d).

—(Alun Cairns.)

The effect of this amendment is that clause 17 (functions of Welsh Ministers) will come into force on whatever day the Secretary of State appoints by regulations under clause 53(4), rather than two months after Royal Assent.

Clause 53, as amended, ordered to stand part of the Bill.

Clause 54 ordered to stand part of the Bill.

New Clause 2

WELSH THRESHOLDS FOR INCOME TAX

w '(1) Part 4A of the Government Wales Act 2006 is amended as follows.

(2) In section 116A(1)(a) (overview), after "of" insert "and thresholds for".

(3) After section 116D insert—

"116DA Power to set Welsh thresholds for Welsh taxpayers

(1) The Assembly may by resolution (a "Welsh threshold resolution") set one or more of the following—

(a) a Welsh threshold for the Welsh basic rate,

(b) a Welsh threshold for the Welsh higher rate,

(c) a Welsh threshold for the Welsh additional rate.

(2) A Welsh threshold resolution applies—

(a) for only one tax year, and

(b) for the whole of that year.

(3) A Welsh threshold resolution—

(a) must specify the tax year for which it applies,

(b) must be made before the start of that tax year, and

(c) must not be made more than 12 months before the start of that year.

(4) If a Welsh threshold resolution is cancelled before the start of the tax year for which it is to apply—

(a) the Income Tax Acts have effect for that year as if the resolution had never been made, and

(b) the resolution may be replaced by another Welsh threshold resolution.

(5) The standing orders must provide that only the First Minister or a Welsh Minister appointed under section 48 may move a motion for a Welsh threshold resolution."'—*(Jonathan Edwards.)*

This new clause would allow the National Assembly for Wales to determine the income thresholds at which income tax is payable by Welsh taxpayers.

Brought up, and read the First time.

Question put, That the clause be read a Second time:—

The Committee divided: Ayes 46, Noes 273.

Division No. 41] [9.18 pm

AYES

Ahmed-Sheikh, Ms Tasmina
Arkless, Richard
Bardell, Hannah
Black, Mhairi
Boswell, Philip
Brock, Deidre
Brown, Alan
Cameron, Dr Lisa
Cherry, Joanna
Cowan, Ronnie
Day, Martyn
Docherty-Hughes, Martin
Donaldson, Stuart Blair
Durkan, Mark
Edwards, Jonathan
Ferrier, Margaret
Gibson, Patricia
Grant, Peter
Gray, Neil
Hendry, Drew
Kerevan, George
Kerr, Calum
McCaig, Callum
McDonald, Stuart C.
McGarry, Natalie
McLaughlin, Anne
Monaghan, Dr Paul
Mulholland, Greg
Mullin, Roger
Newlands, Gavin
O'Hara, Brendan
Paterson, Steven
Pugh, John
Ritchie, Ms Margaret
Saville Roberts, Liz
Sheppard, Tommy
Stephens, Chris
Thewliss, Alison
Thomson, Michelle
Vaz, rh Keith
Weir, Mike
Whiteford, Dr Eilidh
Williams, Hywel
Williams, Mr Mark
Wilson, Corri
Wishart, Pete

Tellers for the Ayes:
Owen Thompson and Marion Fellows

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Allan, Lucy
Allen, Heidi
Amess, Sir David
Andrew, Stuart
Argar, Edward
Atkins, Victoria
Baker, Mr Steve
Baldwin, Harriett
Barclay, Stephen
Barwell, Gavin
Bebb, Guto
Bellingham, Sir Henry
Beresford, Sir Paul
Berry, Jake
Berry, James
Bingham, Andrew
Blackman, Bob
Blackwood, Nicola
Boles, Nick
Bone, Mr Peter
Borwick, Victoria
Bottomley, Sir Peter
Bradley, Karen
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, rh James
Bruce, Fiona
Buckland, Robert
Burns, Conor
Burns, rh Sir Simon
Burt, rh Alistair
Cairns, rh Alun
Carmichael, Neil
Cartlidge, James
Caulfield, Maria
Chalk, Alex
Chishti, Rehman
Chope, Mr Christopher
Churchill, Jo
Clark, rh Greg
Clarke, rh Mr Kenneth
Cleverly, James
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Colvile, Oliver
Costa, Alberto
Cox, Mr Geoffrey
Crouch, Tracey
Davies, Byron
Davies, Chris
Davies, David T. C.
Davies, Glyn
Davies, Dr James
Davis, rh Mr David
Dinenage, Caroline
Djanogly, Mr Jonathan
Donelan, Michelle
Double, Steve
Dowden, Oliver
Doyle-Price, Jackie
Drax, Richard
Drummond, Mrs Flick
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Mr Nigel
Evennett, rh Mr David

Fernandes, Suella
Field, rh Mark
Foster, Kevin
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fuller, Richard
Fysh, Marcus
Gale, Sir Roger
Garnier, rh Sir Edward
Garnier, Mark
Ghani, Nusrat
Gibb, Mr Nick
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Grayling, rh Chris
Green, Chris
Green, rh Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, rh Robert
Hall, Luke
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, rh Matthew
Hands, rh Greg
Harper, rh Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, rh Mr John
Heald, Sir Oliver
Heaton-Harris, Chris
Heaton-Jones, Peter
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoare, Simon
Hollinrake, Kevin
Hollobone, Mr Philip
Hopkins, Kris
Howell, John
Howlett, Ben
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, rh Sajid
Jenkin, Mr Bernard
Jenkyns, Andrea
Jenrick, Robert
Johnson, Boris
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, rh Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, Seema
Kirby, Simon
Knight, rh Sir Greg
Knight, Julian
Lancaster, Mark
Latham, Pauline
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Lumley, Karen
Mackinlay, Craig
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
Maynard, Paul
McCartney, Jason
McLoughlin, rh Mr Patrick
McPartland, Stephen
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Miller, rh Mrs Maria
Milling, Amanda
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, rh Nicky
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mowat, David
Mundell, rh David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, Caroline
Nuttall, Mr David
Offord, Dr Matthew
Opperman, Guy
Parish, Neil
Paterson, rh Mr Owen
Pawsey, Mark
Penning, rh Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Philp, Chris
Pickles, rh Sir Eric
Pincher, Christopher
Poulter, Dr Daniel
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will
Raab, Mr Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robinson, Mary
Rosindell, Andrew
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Chloe
Smith, Henry
Smith, Royston
Solloway, Amanda
Soubry, rh Anna
Spelman, rh Mrs Caroline
Spencer, Mark
Stephenson, Andrew
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Graham
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Mr Hugo
Syms, Mr Robert
Thomas, Derek
Throup, Maggie
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Tredinnick, David
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
Turner, Mr Andrew
Tyrie, rh Mr Andrew
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Walker, Mr Charles
Walker, Mr Robin
Wharton, James
Whately, Helen
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williams, Craig
Williamson, rh Gavin
Wollaston, Dr Sarah
Wragg, William
Wright, rh Jeremy
Zahawi, Nadhim

Tellers for the Noes:
George Hollingbery and Julian Smith

Question accordingly negatived.

The Deputy Speaker resumed the Chair.

Bill, as amended, reported.

Bill to be considered tomorrow.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

PETROLEUM

That the draft Petroleum (Transfer of Functions) Regulations 2016, which were laid before this House on 26 May, be approved.—*(George Hollingbery.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

WATER INDUSTRY

That the draft Water and Sewerage Undertakers (Exit from Non-household Retail Market) Regulations 2016, which were laid before this House on 26 May, be approved.—*(George Hollingbery.)*

Question agreed to.

Great Western Railway's Bicycle Policy

Motion made, and Question proposed, That this House do now adjourn.—*(George Hollingbery.)*

9.30 pm

Mr Ben Bradshaw (Exeter) (Lab): I am going to tell the House a story about myself—although it is not just about me but about the thousands of people who use the Great Western Railway service every year, and the many thousands who have signed a petition protesting about its so-called new policy.

I have not owned a car for more than 20 years. Before being elected to the House and every week since then, I have cycled from this place to Paddington railway station, put my bicycle on a train, travelled back to Exeter, taken my bicycle off the train, and gone about my constituency business. At the end of the weekend, I have done the same in reverse. First Great Western—or Great Western Railway, as it has now rebranded itself—has had a perfectly good and workable cycling policy, which has encouraged people to book a space in advance but has allowed people such as me to turn up and, if there is space in the cycling carriage, to put their bicycles on board. There is a designated space at the front of the train, with room for six bicycles.

In the nearly 20 years for which I have represented Exeter in the House, I have generally not reserved a space. I can count on the fingers of one hand the number of occasions on which I have arrived at Paddington or Exeter and not been able to get my bike on to a train because it has been full. There are nearly always spaces in the cycle carriages. So the House will understand why, when I was told by a Great Western Railway employee at Exeter station in April that the company was about to introduce a compulsory booking system for people with bicycles, I was somewhat concerned. I immediately asked to speak to a senior manager, who reassured me that this was not the case, and that discretion would be allowed. However, I took the precaution of writing to the managing director of Great Western Railway asking him to repeat that assurance. I explained to him the scenario that I have just outlined: it seemed to me to be ridiculous—Orwellian, even—that if people turned up at a station with a bicycle and there were spaces in the carriage designed for carrying bicycles, they should not be allowed to take their bicycle with them.

The managing director gave me a very reassuring response. On 26 April, he wrote:

"We understand that there will be times when booking is not possible and space is available on board."

Booking, of course, is not possible for people like me, and many of the thousands of other people who do not know what train they will be able to catch. The business of the House is very unpredictable, as are my constituency commitments.

The managing director went on to say:

"Station staff have been briefed to allow bikes on board if this is the case, and we are checking that this message has reached colleagues, and you should not therefore have any issues travelling without booking a space for your cycle if there is space on board."

That was back in April. I have to say that, in spite of that reassurance from Mark Hopwood, I was subsequently inundated with emails, letters, tweets and Facebook messages from other people in my position, who told me that they had encountered difficulty getting their bikes on to a train without a reservation, even when there were spaces on board.

I wrote my letter to Mr Hopwood from a train on which I had put my bicycle, without a reservation, and there were spaces on board. To this day, at many Great Western Railway stations, there are signs and tannoy announcements saying "You cannot put your bike on this train unless you have a reservation". That is a lie. It is not true. It is not the policy, as Mr Hopwood told me in his letter. But it is still being represented as the policy at stations, in tannoy announcements and in messages. So it is not surprising that there is confusion among GWR staff.

I was then contacted by a constituent of the hon. Member for Bristol North West (Charlotte Leslie), who has also been lobbied on this. Sadly, she is unwell and cannot be here today. Her constituent had received a missive from another GWR management member that completely contradicted the assurance I had been given by Mr Hopwood. He said: "To be clear, we require you to reserve your bicycle on our high-speed trains, as our publicity states." He went on to say, or to imply, that this was about preparing for the introduction of the new high-speed trains, which we are very much looking forward to serving our part of the world in the far south-west. I understand, however—the Minister may like to clarify this in her reply—that they are not due to come into service for another two years, so I was not quite sure why he was preparing for this event.

Simon Pritchard goes on to explain in his email that the reason they are doing this is that in the new high-speed trains the cycle spaces, instead of being in a designated carriage at the front of the train, will be in three separate areas along the train—two in each area, or more if the train is longer—so in order to try and avoid the chaos and confusion that would ensue from people trying to get their bikes on a train if they had not booked, they were trying to encourage people to book in advance. That is all very well, and I will come back to it in a moment.

Another problem that has exacerbated this whole issue is that it is incredibly difficult, complicated and clunky to book a bicycle on a train. People either have to telephone, although the telephone service operates only within certain working hours, or they can book online, but that can be done only when booking a ticket. So the only way people returning from a journey who already have a ticket can book is by phone, which, as I have said, does not operate for many hours of the week, or by going to a station. Of course, that is massively inconvenient for customers.

I went back to Mr Hopwood to seek clarification. I applied for this Adjournment debate, too, in the hope that this might make something happen. Indeed, as is so often the case when one secures an Adjournment debate, I received another letter from Mr Hopwood today, written last Friday, which is moderately reassuring. He has invited me to a meeting with cycling groups, which I am very happy to take up. He says that this discretion of people being allowed to take their bicycles on a train without a booking will continue, and implies it will do so until the new trains are introduced. He goes on to say they are working on a reservation system that will allow customers to take a bike on a train independently from their ticket purchase at short notice, even after the train

has started its journey. Up until now, people have only been able to book a bike on a train up to two hours before that train has started its journey. On the long journey from Penzance to Paddington that is completely impractical because by the time the train has started its journey and someone has decided what time train they are going to get, the train has already left the station at Penzance so they cannot book their bike on. He also says that there will be an online service, a telephone service and service at stations and that they hope to have this facility available to customers by the start of the December timetable.

That is a welcome improvement and concession by GWR, which I am convinced has happened only as a result of the pressure put on it by customers who have used its service over the years. Mr Hopwood then argues that this will provide the flexibility cyclists have asked for and allow bookings to be made much closer to departure. If that is the case, it is an improvement. However, he also goes on to claim that the requirement to book space on long-distance services is not unusual and he says that other railway companies—he quotes more than three, but the three I am concentrating on are the three I know: CrossCountry, Greater Anglia and South West Trains—also have mandated bicycle reservations.

Well, I can tell Mr Hopwood that I took my bicycle on a CrossCountry service on Saturday without a reservation. I have taken it up to Norwich on Greater Anglia in the past six months without a reservation, and I have also taken it on South West Trains without a reservation in the past six months, so what he says is simply not the case. At a time when we should be encouraging people to use sustainable transport and to travel sustainably, rail companies should be bending over backwards to encourage people to use their bicycles.

Dr Sarah Wollaston (Totnes) (Con): I thank the right hon. Gentleman for securing the debate and absolutely agree with everything he has said so far. Does he agree that it was clear from the Get Britain Cycling inquiry that he and I served on in the previous Parliament that active travel to work is a key aspect of encouraging people to get cycling, and that the health benefits that that brings are not in dispute?

Mr Bradshaw: Yes, I completely agree. I have described the system as Orwellian partly because of the confusion and the contradictory messages that are being given to the public, but the hon. Lady is exactly right that this is a moment in our history when we should be encouraging people to use sustainable transport and to take their bikes on trains. If there is space on trains, people should be allowed to put their bikes on to them.

This is a classic example of a big organisation announcing a policy without consulting any of the people who use the service and without thinking through its implications and repercussions. It then has to backtrack and try to clarify the situation, but does not really clarify it properly. It ends up thinking, "Oh dear, we've got ourselves into a bit of a mess here. How are we going to get out of this?" If only it had consulted the people who actually use the service, it could have avoided this situation. I can think of many examples of this happening in public life. I am sure that the Minister, who has a lot on her plate at the moment, can think of some as well.

The company has introduced this mandatory reservation system, which turns out not to be mandatory, in advance of the introduction of the new trains, but why on earth did it not wait until the trains were actually introduced? Instead, it has introduced the policy now, which has been confusing and might put people off taking their bikes on trains. It is okay for me because I have this letter from Mr Hopwood saying that I can take my bike on a train without a reservation if there is space for it. I have put a copy of it on my iPhone so that if I ever have any problems, I can flash it at the guard and say, "Look, I have an assurance from your boss that this is okay." I have also put a photograph of the letter on Twitter and elsewhere. For the ordinary tourist or non-regular traveller, however, the policy will be a real deterrent to their doing exactly what the hon. Member for Totnes (Dr Wollaston) has said is the right thing to do.

I ask Great Western Railway to issue a clear, comprehensive clarification of its policy, and to make it absolutely clear publicly in the notices that it puts in railway stations and in the announcements on the tannoy, which are still inaccurate, that people can still put a bicycle on its trains without a reservation until the new trains are introduced. Also, as I mentioned a moment ago, Mr Hopwood is wrong about the practice on CrossCountry, Greater Anglia and South West Trains. Those trains already have a system whereby bicycles can be accommodated, with two at the front, two in the middle and two at the back. That is the system that Great Western is about to introduce. It is not difficult for someone to put their bicycle on a train if there is a space for it; they just need to move up and down the platform and put it into the space. This idea that people should be required to book in advance because of the new configuration of the trains, even if no one else has booked and spaces are available, is Orwellian and against the whole thrust of Government policy.

I hope that the Minister, given all the other problems on the railways that she is facing, will be able to have a quiet word with Great Western Railway and sort this issue out to reassure people who, like me, have been using the system perfectly happily for many years. This unnecessary change has created an almighty mess and confusion, and I hope that she will be able to get Great Western to see sense.

9.44 pm

The Parliamentary Under-Secretary of State for Transport (Claire Perry): I thank the right hon. Member for Exeter (Mr Bradshaw) for his long-term commitment to using the railways—like me, he is an assiduous user of Great Western Railway—and to cycling. There is a reason why the right hon. Gentleman looks as good as he does; I imagine that a lot of it is down to him cycling around the Exeter hills and dales. His commitment to his constituents is great. This debate is a perfect example of how something that might seem quite minor to many will be important to a relatively small number of people. By calling a debate and focusing on the issue, changes can actually happen. I want to address some of the main points and then some of the facts that the right hon. Gentleman said that he heard from the company.

It is not for the Government to specify every exact detail of a franchise holder's interaction with its customers, but we set out the broad direction of travel, which is that customers with bicycles must be permitted on

[Claire Perry]

trains. I am the first to recognise the importance of sustainable travel, which my hon. Friend the Member for Totnes (Dr Wollaston) mentioned, and of joining up cycling and railway experiences as part of decarbonising our transport sector and contributing to good health. For many years, various policies have been applied across the country. We have benefited from the 40-year-old high-speed trains that have that wonderful guard's van. They are almost an anachronism, but they have meant that cyclists can put their bikes all in one place in a way that is relatively easy to manage.

The right hon. Gentleman has experience of other operators, but it seems as though Great Western Railway is falling in line with other long-distance operators, including Virgin Trains East Coast and Virgin's west coast franchise, that require reservations for all or part of some of their services. When its policy is implemented, 70% of Great Western Railway's services will still take bicycles without a reservation.

When I was on the platform of Pewsey station on Saturday waiting to catch the 8.12 up to London, I heard the announcement mentioned by the right hon. Gentleman. I tend to read my ministerial box in advance, so I thought that I must mention it in my response to his debate. The announcement did make it sound as though the policy was mandatory, but what he knows, and what Great Western Railway has been at pains to point out, is that this is, in a way, rolling the turf for the introduction of the new intercity express programme trains, which we are all very much looking forward to. They will not have the guard's van, but will instead have cycle spaces dotted around the carriage formations. The right hon. Gentleman says that it is perfectly okay for cyclists to push their bikes up and down, but we want the trains to run on time. We therefore want the loading of people, luggage and bicycles to be as efficient as possible, so there is some merit in the reservation system. The new trains will have more seats, more spaces and more frequent services to the right hon. Gentleman's constituency, and we are all looking forward to that.

Although I am looking to Great Western Railway to solve these issues, I was particularly interested to hear about the right hon. Gentleman's experience of the implementation, because the policy does sound confusing and inconsistent. I have heard from the company that it absolutely recognises those points. It has no doubt been nudged by the right hon. Gentleman's campaigning and by his securing of this debate, as it is improving its booking system. I went online myself and found that it is possible to reserve a cycle space when making an advance booking, but it is not possible to book if someone is not quite sure which train they will be taking. I welcomed the company's announcement that it will have a system in place by December through which people can make bicycle reservations almost as they show up to the station. I had also heard that the phone system was inadequate, so I was pleased to hear from the company that it has changed suppliers. No longer will it be sending calls over to India; they will be dealt with onshore. The right hon. Gentleman and other keen cyclists should be able to look forward to better, more consistent contact with the call centre.

It is important to recognise that the company, like many others, is doing a lot to invest in cycling, in addition to providing new cycle spaces on the new trains. I am intrigued about looking at new ways of solving this problem, because I find that although there are dedicated cycle spaces on many trains, and many rail users have folding bikes which can, in theory, fit in overhead compartments, all too often people will be on trains with bikes stuck in the aisles—that occurs particularly on crowded commuter trains going up the east coast. It would be great to see some innovation in rolling stock to allow bicycles to be accommodated in a different way, so I am encouraging the industry to think about how to do that.

I also recognise that companies are working hard to encourage people to cycle to stations and then leave their bikes there. I suspect that the right hon. Gentleman is in a minority in actually bringing his bike up to London. That shows what a dedicated cyclist he is, as many others leave their bike at the station. It is noteworthy that the company has already invested in 750 cycle spaces in the past two years and secured funding for another 600 spaces at 21 stations. It is also working with bike hire companies and on Brompton docks in many locations, as well as supporting a new innovative hire scheme at Bainton Bikes in Oxford, which uses Danish technology—in essence we are talking about a dedicated hire bike that can be secured to a regular, stand-alone cycle rack. That has lots of applications right across the country.

The company that we are discussing, like many others, is committed to improving the experience of cyclists who use its services, but I take the right hon. Gentleman's points very seriously. I commend him for securing the debate and for making changes happen with the company already. As a keen cyclist, albeit not one who is brave enough to take my bike on the trains, and a keen user of Great Western Railway, I will be watching the implementation of and improvements to this policy with great interest.

Question put and agreed to.

9.51 pm

House adjourned.

Westminster Hall

Monday 11 July 2016

[Mr David Hanson *in the Chair*]

School Penalty Fines and Authorised Absence

4.30 pm

Steve Double (St Austell and Newquay) (Con): I beg to move,

That this House has considered e-petition 129698 relating to school penalty fines and authorised absence from school.

It is a pleasure to serve under your chairmanship, Mr Hanson, and a privilege again to have the opportunity to debate this subject, which looks like it is simply not going to go away. It is evident that parents from all around the country feel strongly, which is why we get to debate it again. We are here as a result of the online petition titled, "No more school penalty fines and bring back the 10 day authorised absence", which has received more than 200,000 signatures to date. I am sure that we are all clear on the background, but let me put on the record that the petition states:

"Back in 2013 the government changed the law on taking your children out of school in term time so that now you receive a penalty fine of £60 per child",

which can increase if the fine is not paid within a certain time.

Before the change in the law, which was passed by way of a statutory instrument and without the impact assessments being considered, headteachers had the discretion to allow up to 10 days off for pupils in special circumstances. That approach was rooted in common sense: teachers know the pupils, know the families they come from and know the communities that they are a part of. Sadly, we now have a Big Brother blanket ban on all family holidays in term time that gives the message that the state knows better than parents what is right for their children.

As we know, the rule was turned on its head by a recent court ruling, which judged that it was unlawful to fine parents for taking their children out of school when their children are regularly attending school. Confusion now reigns. We recently heard from Devon County Council that, until the details of the new law are made clear, it has suspended issuing any new penalty notices and cases to be heard in court will be adjourned. Cornwall Council has apparently been accused of going soft on fining parents. Although I welcome the decisions that these two south-west councils have taken, for the sake of fairness and clarity, schools and parents across England need to know where they stand.

Mr Russell Hobby, the general secretary of the school leaders' union, the National Association of Headteachers, stated that, as we approach the holiday season, the recent ruling had

"created confusion for schools and parents"

and that

"the system of fines is clearly too blunt an instrument and in many cases it drives a wedge between schools and families."

Swift action is needed to clarify the position for families, schools and all concerned.

The Minister knows that I care deeply about this—we have discussed and debated it before—partly because of the negative effect on the people of my constituency in Cornwall. I have made that case and spoken about the impact on the tourist industry many times before. I do not intend to repeat those arguments, but I want to address what I believe are some of the key arguments and some of the points that parents up and down the country feel very strongly about. I believe that we need to return to a policy that brings back common sense and a degree of flexibility.

I believe that the policy devalues the place of the family. The Government do not know what is best for my or anyone else's children. Every child is unique and every family is different. This one-size-fits-all blanket ban does not allow for the uniqueness of every child and every family. It is not the Government's role to tell parents what is best for their children.

The Minister for Schools (Mr Nick Gibb): Does my hon. Friend accept that it is the Government's role to say that education should be compulsory from the age of five to 16?

Steve Double: I thank the Minister for that intervention. Of course I agree with him that we value compulsory education in this country and that it has a very important part to play. However, compulsory education does not happen only in the classroom—it does not mean that children should be stopped from taking a family holiday, which, I would argue, has an equally important role in their upbringing.

One parent who was fined for taking his child to a sporting world championship that a family member was competing in wrote these words to me:

"The notion that a state official can criminally enforce their perspective on which family members are important to a child is very disturbing coming from a democratic government…By focusing on what is an 'exceptional circumstance', and trying to eliminate cheap holidays, the law has sent schools down the path of criminally enforcing ethics, family values, the intimate details of children's lives and relationships, without any qualifications or regard for academics, the wellbeing of the child, or the integrity and dignity of the family structure."

Simon Danczuk (Rochdale) (Ind): The hon. Gentleman is doing an excellent job in leading this debate. Does he agree that the policy is far too draconian? I have two young children and the headteacher at their school is excellent and sensible, but that is not always the case. Should parents not be given more credibility in terms of being able to make the right decision for their children?

Steve Double: I agree with the hon. Gentleman. The one-size-fits-all blanket approach is draconian, and often penalises the wrong people and leaves no grounds for the school and headteachers to decide what is best for the individual child.

Just last week I spoke to a primary school headteacher in my constituency and was surprised by what he said:

"The best thing that could happen to some of the children in my school would be for their parents to take them"

on a week's holiday "even in term time". That was a headteacher who knows the children at his school, knows the families and the pressures and challenges they face, and knows the community that they are a

[Steve Double]

part of. I challenge the Minister: does he agree with that headteacher? Is there ever a case, a situation or a set of circumstances where the best thing for a child would be to miss a week of school in order to have a holiday with their parents?

Lilian Greenwood (Nottingham South) (Lab): I am trying to understand the hon. Gentleman's arguments and ask for clarification. Is he suggesting that parents should have an absolute right to take their children out for up to 10 days without any reference to the advice of the headteacher, or is he saying that the headteacher or another member of staff should be able to exercise a view on whether that request is authorised?

Steve Double: I will come to that later, but I make the point now that, of course, we are not talking about a free-for-all where parents can just take their children out whenever they like. I am arguing that we should give the discretion back to headteachers, with a degree of flexibility, so that they can decide what is right for each child in each unique set of circumstances and in each family situation, and, taking all matters into consideration, decide what is best for that child, rather than have a blanket ban.

Imran Hussain (Bradford East) (Lab): The hon. Gentleman is making a very persuasive case and is concentrating in particular on the family holiday entitlement, but can I bring him to another area? What about when parents have to take children out in exceptional circumstances? There is an absolute lack of clarity about what constitutes exceptional circumstances and there is no consistency. Does he agree that there need to be national guidelines to determine what exceptional circumstances are?

Steve Double: I suspect the Minister will say that guidelines have been provided, but in my experience, most headteachers say that, even when they follow the guidelines and exercise their discretion in saying what exceptional circumstances apply, they get criticised for exercising it when there is an Ofsted inspection. There seems to be a lack of consistency, which is why I argue for putting the discretion back in the hands of headteachers. Give them the freedom—they know the pupils and the families, so let them decide what is best for their pupils.

The Government have made great claims about the importance of the family and the value of a strong stable family to a child's life and, indeed, to the wider community. I wholeheartedly support that, but it is sad that the family test was not in place when the rule was introduced in 2013. If it were, what would the outcome have been? I take the view that the family test would severely challenge the policy because of its impact on families' lives. We live in a time when we are getting busier and busier. Time together as families is more precious than ever, so holidays together play an even more important part in the life of many families. It is clear to most people that time away is time to strengthen family relationships and time for parents to focus on their children. The value of that is immeasurable.

The simple fact is that, for many families, the choice is either a holiday during term time or no family holiday at all. For some people, that is due to their work situation—it is just not possible for many parents to take time off during school holidays. That is particularly true in my constituency, where people work in the tourist industry, but it is also true for many public sector workers in the NHS, the police and other sectors. For other families, it is simply a case of economics. A holiday during the peak season can be two or three times the price of a holiday during term time. For many families, it is just not affordable to take a holiday in the peak season. The Family Holiday Association reports that about 7 million families in the UK are simply unable to afford a week's holiday.

It is easy for MPs, Government Ministers and education officers, who earn more than five times the salary of the average person in my constituency and, indeed, people in many other parts of the country, to say that people should only take a holiday out of term time. As someone suggested to me recently, the problem does not affect those in private education, as private schools have longer school holidays anyway. I am sorry to say that the situation simply shows that we do not understand the reality of life for many families. It is not a case of just looking for a cheap holiday. For many families, it is the only holiday they can afford, so it is a matter of a term-time holiday or no holiday.

We are discriminating against those on low incomes by saying that if they cannot afford the high prices charged during the school holidays, they do not deserve a family holiday. The policy is making the situation worse. By focusing all demand on the few weeks of school holidays, the rules of supply and demand mean that the prices go up during those weeks, and the drop in demand during term times means that the prices go down in those weeks. The differential between a term-time week and a school holiday week is widening. The message from the Government to our children is quite simple—that time in the classroom is more important than time away with their parents. Quite frankly, that is wrong.

My second point is that the policy denies the value of a holiday to a child's development and education. Education does not take place only in the classroom. Although no one would deny the importance of children learning maths, English and the other core subjects, we should also accept that there are other equally important aspects of any child's education. Education should be about preparing our children for life, work, being a good citizen and playing their part in the world. It is not just about passing exams. The opportunity to travel—to other countries or to other parts of this country—can and does play a valuable part in any child's upbringing.

Stephen Timms (East Ham) (Lab): I am listening carefully to the hon. Gentleman's case. A lot of my constituents—families with grandparents outside the UK in Pakistan, India and Bangladesh—will be encouraged by what he is saying. However, he seems to envisage a difficult role being placed on headteachers. Is he suggesting that any family could take their child out of school for a week or a couple of weeks if that works for them? Should there not be some encouragement for families to keep their children in school if that is at all possible?

Steve Double: Clearly we do not want a free-for-all. I am arguing for discretion to be put back into the hands of headteachers, which was the case before the rule was introduced in 2013. To my observation—I have been a

school governor for nearly 20 years—it was working perfectly well. Even in a place such as Cornwall, where there was high demand for taking children away in term-time because parents worked in the tourist sector, there was still conversation and co-operation between the parent and the school. It was not a free-for-all. There was co-operation between parents and schools, and I am asking for the same now.

As the NAHT says, we are driving a wedge between the family and the school, which is damaging to, rather than supportive and encouraging of, children's education. We are creating tensions between the school and the family, which has to be detrimental to the child's education.

Rosie Cooper (West Lancashire) (Lab): I have a constituency case in which a mother and the child's father, from whom the mother had separated, were fined. The mother's husband was also fined but he has no parental control at all. In that case, three people were fined. Does the hon. Member for St Austell and Newquay (Steve Double) agree that there is a fundamental lack of transparency, fairness and consistency in how the fines are being applied, and that headteacher involvement would start to address some of those ridiculous situations?

Steve Double: The hon. Lady makes a good point. One problem with the policy is that it is being applied inconsistently by different local authorities. Since I stuck my head above the parapet on the issue, hundreds of parents have contacted me with many different stories about how the policy is being applied. The case mentioned by the hon. Lady is a good example of inconsistency, as three parents have been fined for the same child. Greater clarity is needed. I agree that the answer is to give discretion back to headteachers and let them make the decision.

Many headteachers up and down the country are asking for their discretion back because they understand the tensions that the policy causes between schools and families. One of the most important things in a child's education is that their parents are engaged with their education, which means having a good positive relationship with the school. That is far more important than what school a child attends or even how many days they are at school. If there is a positive, co-operative relationship between the parents and the school, the child will usually do well at school. Where tension is created, the relationship is damaged, which has to be detrimental to the child's education.

Rosie Cooper: I have a letter from the Minister—I took the matter up with the county council, as the education authority—who says:

"Individual local authorities determine the circumstances in which parents can be fined".

But staff at the local authority tell me that they have no involvement, that schools only apply the fines and that the Government set the policy. We really are in a mess and we need greater clarity to even begin to understand how the system is working.

Steve Double: Again the hon. Lady makes a good point, and one that I have come across as I have tried to follow the chain of responsibility. I have met with headteachers, Ofsted and local authority leaders, and there is a lack of clarity about who is responsible—it is a vicious circle. Sadly, that comes down to the ruling and the situation with the Department for Education, which made the blanket ban, and that is the very point that I am challenging.

The policy undermines the place of family and devalues the importance of family holidays in any child's upbringing. The policy does not enjoy broad support: parents hate it; many headteachers I talk to dislike it hugely and want it to be changed; and even the Local Government Association does not support it. David Simmonds from the LGA said:

"The increase in fines reflected tighter enforcement by schools that are under pressure from Ofsted to meet attendance targets, as well as a rising school population".

He called for more flexibility in the rules to allow heads to take account of family circumstances where absence is unavoidable. He said that heads

"should be trusted to make decisions about a child's absence from school without being forced to issue fines and start prosecutions in situations where they believe the absence is reasonable."

That is a common-sense approach.

I am sure that we all want a good education for all children in this country, but that is not what we are debating. The Government are trying to reduce truancy, which is a persistent problem for a very small number of students, but this blanket approach is not the way to achieve that; it is a blunt instrument hitting the wrong people. There is a big difference between truancy and parents who simply want to be able to spend a holiday with their children. It should be noted that children who are persistently absent are less likely than other children to go on a family holiday. Before the regulations were introduced, authorised family holidays accounted for 7.5% of all absences from primary schools, dropping to 2.5% of all absences from secondary schools, but absence for family holidays was lower, at 1.9%, for persistently absent pupils, compared with 8.2% for other pupils. The policy is focusing on the wrong families; it is hitting the wrong people.

Michelle Donelan (Chippenham) (Con): Given that holidays outside term time are much more expensive, does my hon. Friend accept that children who are restricted from taking time to go on holiday, which can be educational and enriching, tend to be socially deprived and from impoverished backgrounds? We are limiting their life chances with this policy.

Steve Double: My hon. Friend makes a good point. We are hitting the wrong people with this policy. The children of families who, because of the economics and the price, can afford to take them on holiday only during term time are possibly the ones who need such holidays the most in order to enrich their experience of the world, to strengthen their family relationships and to expand their knowledge and appreciation of the world, but they are the ones who are being excluded from such highly valuable experiences by this policy.

By stating that a family holiday is not a valid reason for an authorised absence from school, we are not addressing the real issue of persistent truancy. The assumption that absence is the main cause of falling attainment is just that—an assumption that has no evidence to support it. Stephen Gorard, professor of education at Durham University, has said:

"There is an association between the proportion of absence and the aggregate level of attainment of students who've had that level of absence but it would be wrong to assume that it was necessarily causal. We don't know that the absences are the reason

[Steve Double]

for the lower attainment. They could both be indicators of something else such as background characteristics and of course it's also possible that children who aren't doing well at school after a time begin to drift away and perhaps take time off. It could be that the causal mechanism is the other way around."

This policy cannot be considered in isolation. We cannot just take a narrow approach that says, "This is the way to ensure that children attend school regularly," without considering the wider impact on other aspects of family life and society.

Derek Thomas (St Ives) (Con): I thank my hon. Friend for pursuing this good cause. Does he agree that the policy has an adverse impact on NHS services? The population of areas such as Cornwall increases significantly during the summer holiday months, which places extra pressure on health services at the very time when medical staff are forced to take their holiday.

Steve Double: My hon. Friend makes an excellent point on an issue I am only too aware of. In Cornwall, and I suspect in other parts of the country, families are forced to take their holiday just at the time when we need more NHS staff. Hospitals and other services struggle to maintain staffing levels for that very reason. The Government need to take a joined-up approach and consider the impact not only on the Department for Education but on other organisations, such as the NHS.

We are still waiting for the Government's response to the recent court ruling, and it would be helpful if the Minister could provide an update today. If, as he has previously stated, his intention is to reinforce the rule, can he confirm that that will require primary legislation, as the court indicated? If so, will he confirm that the process will include a full impact assessment of both the economic and the social impacts and that the family test will be rigorously applied? Will he confirm that he will consult widely not only with schools but with family groups and the tourism industry?

Along with families across the country, I hope that the Minister will now choose a different response. The petition calls for 10 days of authorised leave each year for a family holiday, but I am not sure whether that is necessarily the correct approach. The right approach is to return the decision to the discretion of headteachers, who should be allowed to make the decision based on their knowledge of the children and families involved. Headteachers should be given the flexibility to decide, in co-operation with parents, what is right and best for the children in their school. Once again, I ask the Minister to reconsider the Government's position on this issue, to recognise the very real concerns of parents and to accept that this policy was rushed through without the consultation and assessment that it should have had. Take this opportunity, in light of the recent court ruling, to think again. Accept that truancy and persistent absence are different from a family holiday. Repeal this ruling and return flexibility and common sense. Allow families who want nothing more than to spend a week on holiday with their children the right to do so without the fear of being made into criminals.

4.57 pm

Peter Heaton-Jones (North Devon) (Con): It is a pleasure to serve under your chairmanship, Mr Hanson. I congratulate my hon. Friend the Member for St Austell and Newquay (Steve Double) on securing this important debate. We are both south-west MPs, and this issue has particular resonance and significance in a region where tourism is an incredibly important part of the economy. I thank the Minister for being here and for meeting me to discuss a particular case. The meeting was useful, and I will mention more details of the case in a moment. I know he is listening, and I know he is open to some of our suggestions.

I am sure I speak for my hon. Friend the Member for St Austell and Newquay when I say that we seek to be helpful. We are not seeking to cause problems, to rebel for the sake of it or to make a nuisance. All south-west MPs and Members from all areas of the country are being contacted by many thousands of worried parents and headteachers about their real concerns with the current position, and it is incumbent on us to inform the Minister and the Government of those concerns. I do not seek to create difficulty; I merely seek to raise an issue that many of my constituents, and I am sure many constituents of right hon. and hon. Members on both sides of the House, have raised.

Lilian Greenwood: I have a great deal of sympathy with some of the hon. Gentleman's points, but will he concede that headteachers are also expressing concern that the current uncertainty, as well as the change requested by the petition, could make it more difficult for them to encourage good attendance, which they believe is important for the good achievement and progress of their pupils?

Peter Heaton-Jones: I will discuss the specifics of the petition in a moment, but as I said in my opening remarks, it is not just parents but headteachers who are contacting us to express concerns about the status quo.

It is important to point out that nobody here, including my hon. Friend the Member for St Austell and Newquay, is arguing that education should not be compulsory. Of course it should. Nobody is arguing, either, that parents should have an automatic right to decide that they want to take their children out of school for a set number of days a year.

That goes exactly to the point made by the hon. Member for Nottingham South (Lilian Greenwood). Like my hon. Friend the Member for St Austell and Newquay, I do not agree with the headline of the petition, which mentions bringing back the 10 days of authorised absence. We could argue for some time about whether it ever existed in the first place, but I do not support that idea. I do not believe that parents should expect an automatic right to a certain number of absence days a year, or that a headteacher should expect to approve them. I want common sense. I want the responsibility to go back to individual headteachers and individual parents, so that they decide what is right for individual children in individual cases. I keep using the word "individual" deliberately, because we cannot have a one-size-fits-all policy that seeks to impose a centrally decided rule on all children in all circumstances. We need the common sense of individual discretion back in the system.

Michelle Donelan: Does my hon. Friend accept that the policy must be applied on a case-by-case basis, and that more trust in and respect for our teachers and

parents is necessary? If requests were considered case by case, headteachers could consider the age and stage of the child, their needs and their other absences throughout the year.

Peter Heaton-Jones: My hon. Friend makes an important point. I do not know whether she saw my remarks in advance, but I was coming on to say that what I want is a world where we recognise that the best people to make decisions for children in individual cases are their parents and their headteacher. Those are the people who should be making such decisions, and they need the discretion to do so.

Now, however, everyone is confused by the vacuum created following the Isle of Wight court case. As my hon. Friend the Member for St Austell and Newquay suggested, we need some certainty from the Minister—I am sure that he will be able to provide it—about the Government's position on the court case, which has left people concerned. In particular, the fear among headteachers to whom I have spoken is that under the existing regulations, if they authorise absences from their school, they will be penalised when Ofsted comes and looks at their absence statistics. Headteachers are rightly worried about the implications of that for the rest of their school.

We need a clear indication from the Minister that when headteachers decide that they wish to authorise an absence in individual circumstances, Ofsted will not count it against the absence figures for their school as a whole. Headteachers need the certainty that if they feel it is right to make a particular decision in the case of a particular child, they can do so without being penalised from above.

My hon. Friend the Member for St Austell and Newquay mentioned the situation in Devon. Due to the uncertainty brought on by the Isle of Wight case, Devon County Council has now suspended all actions against parents, some of whom have been summonsed to court or made a first appearance before magistrates. That is absolutely the right thing to do in the circumstances, but I am afraid it merely adds to the sense of confusion.

One case that hon. Members may have seen reported widely in the national media at about the same time as the Isle of Wight case was that of my constituents Edward and Hazel Short. Mr and Mrs Short have two daughters, Nicole and Lauren, aged 16 and 15 respectively. Nicole and Lauren have represented England at volleyball. They are budding national athletes. This piece of paper in front of me—which is from the *Daily Mirror*, just to prove that there is absolutely no political bias in my choice of media—describes Nicole and Lauren as

"being hailed as stars of the future."

This is their story: Nicole and Lauren were invited on a three-week training session. Two of the weeks coincided with school term time, and six and a half days' absence from school would have been required. Their headteacher decided that he was not in a position to authorise their absence, and a fixed penalty notice of £60 was issued. Mr and Mrs Short decided not to pay it, and the next thing they knew, Devon County Council summonsed them to appear in court. They appeared before north Devon magistrates. They still did not accept the fine, and said that they would fight their case all the way.

Devon County Council then summonsed Mr and Mrs Short further to appear in court this month. When the finding in the Isle of Wight case went against the Government, as my hon. Friend said, Devon County Council decided that Mr and Mrs Short's case, and a number of others with which it was currently dealing in the same way, would be suspended and no further action would be taken.

Lilian Greenwood: My understanding is that headteachers have the authority to allow a request for leave during term time in exceptional circumstances. Is the hon. Gentleman aware of why the headteacher, knowing that those young people had the potential to represent their country, did not consider the circumstances exceptional?

Peter Heaton-Jones: It is a perfectly reasonable question. I tried to answer it in advance by saying that there is always a concern about what Ofsted's view will be when it considers absences on the school roll across the board. All headteachers are extremely concerned that if they authorise such an absence, it will count against them when their overall absence statistics are considered.

Let me be clear: I have no criticism whatever of the school or the headteacher for the decision that they made. They felt that they had no choice but to do so; that is the point. The issue of choice is fundamental. Parents and headteachers should, in exceptional circumstances, have the freedom and choice to allow absence. That is what they are currently being denied, and in my view that cannot be right.

I raise that case in particular not only because it is in my constituency but because it specifically did not involve giving the children a holiday; that was not the purpose of the absence request. Yet it is absolutely the case that in Devon, in the constituency of my hon. Friend the Member for St Austell and Newquay and many other constituencies, the tourism sector plays a vital role in the local economy, and it is being badly affected by the current situation. By some measures, one in six jobs in my constituency depend either directly or indirectly on the tourism sector. It is a vital driver of the local economy, and many families in my constituency work in it.

Not only does the current situation create the problem that many families are unable to take advantage of cheaper holidays during term time, but for the many hundreds—indeed, probably thousands—of families who work in the tourism sector in my constituency, there is no way that they can go away during the school holidays. That is the time when they run their family businesses, so they are impeded in their ability to take their children away. I am afraid that by not helping them do so, we are not helping the holiday business.

I have read the transcript of a previous discussion in the main Chamber between my hon. Friend the Member for St Austell and Newquay and the Minister. The point was made that we need the Government to think carefully about changing the regulations, due to their effect on the tourism industry. I hope the Minister will not mind my quoting him. He said:

"I do not believe that we should be returning to the Dickensian world where the needs of industry and commerce take precedence over the education of children."

[Peter Heaton-Jones]

No one is suggesting that. No one is suggesting that children should be allowed to be taken away from school to satisfy the wishes of a few small businesses. This is a bigger issue than that. In the same discussion, he also said:

"I doubt that the Cornish tourism industry will be best pleased by his"—

my hon. Friend's—

"assertion that tourism in Cornwall is dependent on truanting children for its survival."—[*Official Report*, 19 May 2016; Vol. 611, c. 139-40.]

The Cornish tourism industry is not, and I am delighted to say that the Devon tourism industry is not. In particular, the north Devon tourism industry is not; that is the best place to spend a holiday.

The point is that we are talking not about truanting children but about the right of parents and teachers to agree, in a few cases, that it is appropriate in the circumstances for children to be taken out of school for a family holiday if they might otherwise miss out on one. That is the point. Families and children are missing out on a family holiday through no fault of their own and face the risk of being dragged before the courts or fined substantial amounts of money. Headteachers feel that they are having taken away from them the right to make individual decisions in individual circumstances.

Perhaps another result of this debate will be that holiday companies, airlines and those that offer package holidays take a long hard look at themselves. They should not be charging such vastly inflated prices during school holidays. I shall cite one example, which I raised the last time we debated this subject. I think you were in the Chair for at least some of that sitting, Mr Hanson; forgive me for outlining this particular circumstance again, but it tells the story rather well. A package holiday to Spain for a family of two adults and two children beginning on 14 July would have cost £1,300. The same holiday, with identical flights and accommodation, beginning just two weeks later when the school holidays had begun, would have cost £2,000. That is a 60% mark-up. It would not be allowed in any other retail business, and we should not put up with it. It is not just the Government who I ask, respectfully, to think again about where we are; the holiday industry needs to take a long, hard look at itself as well.

Steve Double: Does my hon. Friend agree that part of the problem with holiday prices is that many tourist resorts, especially in places such as Cornwall, are forced to try to make enough money during the six or seven weeks of the school summer holidays to cover their overheads for the whole year? They have to put up their prices because numbers have dropped so much that they can no longer recover the revenue they used to make during the shoulder months of June and September. All their revenue is focused on such a small time period that they inevitably have to put up prices.

Peter Heaton-Jones: Absolutely. Many businesses in such resorts find themselves in that position. That feeds back into the point I made earlier: because the season is now so focused, families who run tourism businesses in my constituency and that of my hon. Friend have no choice. There is no way they can possibly go on holiday during the school holidays, so they have to request to take their children out of school, otherwise they will not be able to enjoy a holiday.

It is absolutely right that the Government have a duty to ensure that children have full academic attendance and a full school record. I am not arguing with that, but there must be some carrot and some stick. My fear is that, with the 2013 guidelines, the balance has shifted rather too much towards the stick approach, which I do not think is valuable or helpful.

Let me go off script for a moment. I am a bit of an old-fashioned Tory sort of boy, and I like less government. I like smaller government. I like government that does not just sit in Westminster bringing a clunking fist down rather hard on parents, families and working people who are just trying to do the right thing. I have an uneasy sense that the current regulation and policy are on the wrong side of that. I passionately believe that, as a Conservative Government, we should be helping hard-working people who occasionally have no choice but to take their children out of school. As in the case of my constituents, Mr and Mrs Short, they might do so not for a holiday but for a perfectly reasonable sporting endeavour. I am not sure how we have reached the point where, as a Government, we are saying, "We, centrally, know better than you."

Mr Gibb: This debate boils down to two phrases: "in special circumstances" and "in exceptional circumstances". It is about the difference between the words "special" and "exceptional", so the way my hon. Friend is describing matters exaggerates the issue. Even he believes that headteachers should grant term-time holidays not in all circumstances but in special circumstances. The Government believe that they should be granted only in exceptional circumstances.

Peter Heaton-Jones: I thank the Minister for his views. I shall simply say this: at the moment, we are in a mess. Teachers, headteachers, schools and parents do not know where they stand. I take his point, which is perfectly reasonable. I do not agree that I am exaggerating the situation, though, because I have been on the receiving end—as I am sure other hon. Members have—of hundreds of emails, letters and phone calls from parents and headteachers who are deeply worried about the position in which they now find themselves. That is not an exaggeration.

Imran Hussain: Does the hon. Gentleman agree that when a family go to Pakistan to visit family members and there is an unexpected death in the family in Pakistan, that is an exceptional circumstance? That family were fined on their return. If that is not an exceptional circumstance, what is?

Peter Heaton-Jones: I thank the hon. Gentleman for that intervention. The Minister said that this debate boils down to the definition of "exceptional circumstances"; under any definition, what the hon. Gentleman has just described would be exceptional.

It is absolutely right that the Government have a duty to ensure that parents send their children to school and that children have a full academic record, but my fear is that the 2013 guidelines put us in a field of unintended consequences. They are having a serious effect on many

families in my constituency and further afield whose only crime is to want to take a holiday when they can, or to take their children away based on some other perfectly reasonable grounds or exceptional circumstances. The guidance is well intended, but I fear that, in the lack of flexibility that is being applied to its interpretation in some quarters, it is having unintended consequences. Otherwise innocent parents, who simply want the best for their children and are the right people to know what is best for them, are being criminalised. I hope I can work with the Minister, co-operatively, to put things right.

5.17 pm

Lilian Greenwood (Nottingham South) (Lab): I shall make just a couple of brief remarks. First, I should say that I have not been contacted by individual parents wanting to express concerns, although I note that hundreds of them have signed the petition. I have a great deal of sympathy with parents, particularly those on low incomes, who want to give their children the opportunity to go on holiday and cannot afford to do so during peak periods when, as has been stated, the costs of some holidays are exceptionally high. I have, though, been contacted by the portfolio holder for schools at Nottingham City Council, and I have discussed the matter with a headteacher at one of my local schools. It is important to bring their representations to the Minister, even though I fear that many of my constituents will not thank me for doing so.

I understand that good attendance is vital to good educational attainment, which Nottingham City Council has been working hard to improve. The Minister will be aware that our city needs to make improvements and is very committed to doing so. The local authority has been working very hard to improve school attendance, which has involved fining parents for unauthorised absences when they take their children out of school without permission. I know that many parents will see that as very harsh and as a large stick; I myself do not like the idea that parents face fines. However, I understand the need to encourage parents to realise that getting their children to school on a regular basis, so that they do not miss time in the classroom, is exceedingly important.

The judgment in the Isle of Wight case has created huge uncertainty. Perhaps the most important issue for local authorities and headteachers is to have a degree of certainty and I hope that the Minister can tell us what he intends to do to provide it.

Sam Webster, who is the portfolio holder for education, employment and skills at Nottingham City Council and therefore responsible for schools, has said that it is

"worth noting that 90% attendance"—

which is the attendance rate in some of our schools—

"is not good and is the equivalent of a child having a day off every 2 weeks."

I think that those of us who are parents appreciate that if our child had a day off school every two weeks, that would have an impact on their educational attainment, no matter how valuable the experience that they may be having in their time off school.

Last year, Nottingham City Council was the most improved local authority in terms of school attendance and I hope that the Minister welcomes that. However, the current uncertainty could see the good progress that has been made being lost. Councillor Webster's call is

"for Government to act urgently to give greater clarity and ideally bring forward a change to the wording of the legislation."

I hope that when the Minister sums up, he will respond to that concern, which has been raised by the portfolio holder responsible for schools in Nottingham.

The second point I will make was initially made to me by Giles Civil, the headteacher at Highbank Primary and Nursery School in Clifton, which is in my constituency. Giles has been the headteacher there for a couple of years now. It is a challenging school, which did not have great standards before his arrival and consequently progress has been challenging. Nevertheless, the school, which has fewer than 300 pupils, has managed to raise pupil attendance from 92%, the rate when Giles arrived there two years ago, to 94.8% last year. Obviously, there is still significant room for progress. Giles said to me that

"A school year is 190 days",

but he also pointed out that for his school:

"total unauthorised absence for this year…is 939 days."

As he explained, that is the equivalent of "4.9 school years."

Giles feels that it is a real slog to raise achievement and that school attendance is absolutely vital. However, he also feels that the change has taken away his stick, if you like, and that it is important there is clarity on this issue, because he wants to raise attendance at his school and he is working in a number of ways to do so. Therefore, it is necessary to get some clarity from the Government.

As I say, I do not like the idea that parents are being fined, and the opportunity to take children away on holiday is really vital. I hope that the Government can consider how they can make holidays more affordable for parents and I also hope that the holiday industry will listen, as the hon. Member for North Devon (Peter Heaton-Jones) said, and consider the impact that the current situation is having. Nevertheless, attendance is important and headteachers and local education authorities obviously need to be given clarity and some power or some guidance that allows them to improve attendance, as the current situation has created unnecessary uncertainty.

5.23 pm

Mr Andrew Turner (Isle of Wight) (Con): This is the first time that I have served under your chairmanship, Mr Hanson, and it is a pleasure to do so.

I thank my hon. Friend the Member for St Austell and Newquay (Steve Double) for securing this debate. As you know, Mr Hanson, the debate arises from an e-petition about fining parents who take children on holiday during term time that was signed by almost 200,000 people. One person keenly involved in this debate is my constituent, Mr Jonathan Platt. He is currently being taken to the Supreme Court for refusing to pay a fine because he took his daughter on holiday. This situation troubles me considerably. Even after taking the holiday in question into account, Mr Platt's daughter's attendance was good and because of that the Isle of Wight's magistrates court decided that there was no case to answer.

Mr Gibb: Could my hon. Friend define what he means by "good" in that circumstance, and will he confirm that it is the level that the hon. Member for Nottingham South (Lilian Greenwood) referred to as one day a fortnight?

Mr Turner: No. Mr Platt used the term "good" to describe his child attending school all-year round except for a fortnight, which is not the same as one day a fortnight, and there was no evidence from any quarter to question that description.

Isle of Wight Council wanted a different interpretation of the law and so it took Mr Platt's case to the High Court. The High Court found that it was not acceptable for the authority

"to criminalise every unauthorised holiday by the simple device of alleging…that there has been no regular attendance in a period limited to the absence on holiday."

The judgment said that regular attendance must be measured over a longer period of time, and Mr Platt's daughter's attendance record was satisfactory in that respect.

The High Court's judgment did not find favour with either Isle of Wight Council or the Department for Education. The Department has now provided the council with funding and legal support to take the case to the Supreme Court. Mr Platt is being given no such help; he is fighting this battle using private resources and not public money. The state is throwing the book at him for daring to stand up to the authorities and being found right—not once, but twice. So this is a real David and Goliath situation.

I am a former teacher and both my parents were teachers, too, so I understand the importance and value of education. I have experienced at first hand the difficulties of teaching a class where not all the children are in the classroom full-time. However, I have also seen the immense value of family holidays, in educational and other terms.

I have listened to the Government's argument about the relationship between attendance and attainment. It exists, but it is not a simple picture. As the latest research from the Department itself says:

"There are a range of pupil, school, parental and societal characteristics that are likely to affect attainment in varying degrees."

It is the interplay of factors that cannot be judged in Whitehall. Schools can collaborate with parents to ensure that a child's education will be enriched by a family holiday and of course the child can be set work to be completed while they are away.

However, if the headteacher cannot justify that the holiday is being taken in "exceptional circumstances", then parents can be criminalised under legislation introduced by statutory instrument in 2013. For many years, parents have been legally responsible for their child's regular attendance at school, and headteachers are accountable for the performance of their school and their pupils. So it should be headteachers, working with parents, who decide whether or not to allow a family holiday, or any other kind of absence, after taking into account all the individual circumstances.

Before being elected to this House, I ran the Grant Maintained Schools Foundation and I am proud that this Government have taken forward the principle that we worked so hard to promote—greater autonomy and decision making in schools. So I find it incomprehensible why, on this particular issue, the Government insist that they know better than headteachers what is best for individual children.

There is a misconception that prior to 2013 parents had a right to take their children out of school for up to 10 days for a holiday. That was never the case. Headteachers were able to agree to a child being absent on a family holiday in "special circumstances". It has been said, including by my right hon. Friend the Minister for Schools himself during a debate last October, that the 2013 amendments "clarified" the situation, but I disagree. A change from "special circumstances" to "exceptional circumstances" is a material difference, and it has given rise to markedly different approaches from local education authorities.

We now have a postcode lottery that determines whether a parent is prosecuted. For example, I understand that in the west country Cornwall has issued four "school fines" in the last three years, but Devon, which is just next door, has issued 1,386 such fines in the last year alone. The variation is great even among just primary schools on my island. In one school, the parents of 176 pupils received fines over three years, while another school did not issue any fines at all. That cannot have been the Government's intention—or, if it was, they are not explaining it well.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): Does the hon. Gentleman agree that the rules that are applied in many local authorities at the moment discriminate against those who simply cannot afford a family holiday during the school holidays? Does he also agree that quality of life, particularly in childhood, is just as important as, and can enhance, the quality of education?

Mr Turner: I agree with both those points and I hope that I make them myself.

It has been said that before 2013 some headteachers felt pressurised into authorising family holidays. I have been a Member of this House for 15 years and I have never had a headteacher say that to me, but it does sound as though it happens occasionally. I believe, however, that the introduction of the holiday fines by statutory instrument in 2013 was like using a cannon to try to kill a fly. The fines are inappropriate and unworkable, and have widespread damaging consequences.

Imran Hussain: The hon. Gentleman is absolutely right to point out the inconsistency that we have between districts. On his point about the fines, Bradford is joint second regarding the number of fines administered and it has high levels of deprivation. Does he agree that the amount of the fine—for the average family with three children it is £360, which then doubles to £720—is so grave that in some low-income families it has a negative impact, ultimately, on the children themselves?

Mr Turner: That is something that headteachers should be aware of. Either Bradford is dictating to headteachers that they must do certain things, or it is the Department for Education's decisions being interpreted in that way. The headteachers do have the authority, and they can say no.

I have great respect for the Minister for Schools. He has achieved some great things during his time in post, but I urge him to consider the outcome of this battle between David and Goliath and, even now, find another way forward, such as scrapping the school fines introduced in 2013 and trusting headteachers to do their job. If he will not do that, can he please tell us today what he will do if the Supreme Court agrees with the magistrates and the High Court and upholds their view—and mine—that an unauthorised family holiday does not necessarily allow the state to criminalise parents who otherwise ensure a child's regular school attendance?

Finally, I would like to say that my constituent, Mr Platt, wished to be here for the debate but his daughter is taking part in her school sports day. As a responsible parent, who recognises that a wide range of experiences contributes to a good education, he has put attending the sports day ahead of being here today. He sends his apologies.

5.33 pm

Marion Fellows (Motherwell and Wishaw) (SNP): It is a pleasure to serve under your chairmanship, Mr Hanson. I find myself yet again commenting on English education and looking at it with a different set of eyes, which I hope some Members throughout the Chamber will benefit from.

It is obvious from the debate that this is a difficult problem that is not easily solved. There is no blanket ban in Scotland, and no automatic fines for parents who take their children out of school without authorisation. Local authorities judge how to treat unauthorised absences. The hon. Member for St Austell and Newquay (Steve Double) made a passionate and informed speech, and as he said, the subject is not going to go away—almost 200,000 people have signed a petition on this difficult ongoing issue.

Parents need to know where they stand, and swift action is needed because of the Isle of Wight decision, which the hon. Member for Isle of Wight (Mr Turner) referred to. The hon. Member for St Austell and Newquay said that we need common sense, and as I listened to the hon. Member for North Devon (Peter Heaton-Jones) it became more and more apparent that swift action is needed. They both have constituencies with tourism issues, and the regulations cause conflict for those who work in the tourism industry and those who support it.

Another important point is that it is sometimes not a holiday that is being considered but a trip that would make people better at their sport—volleyball, in the case that was mentioned. Andy Murray would not have got to where he was yesterday had he not been given leave at various times to attend tennis camps and pursue his sporting prowess. It seems unfair that regions in England treat unauthorised absences in such different ways, as can be seen from the number of fines that are issued in schools in the Isle of Wight and across Devon and Cornwall. The Minister should be able to respond to that situation and consider it with a bit more care.

The main point I have taken from the debate is that headteachers should be given back discretion, because they best know their own pupils and what works for them. That might well help the hon. Member for Bradford East (Imran Hussain), who is no longer in his place. One of his interventions regarded family bereavements causing people to go to Pakistan with their children, and those families then coming back to face horrendous fines.

Lilian Greenwood: Does the hon. Lady agree that it sounds like the problem is with headteachers' confidence to use their discretion, rather than with their not having that discretion, which exists at the moment to consider exceptional circumstances?

Marion Fellows: I definitely agree with the hon. Lady. I find it strange that in the system in England, which is so different from the one in Scotland, authority is devolved away from local authorities and down to schools.

It is important that we listen to the almost 200,000 people who signed the petition, because this is a real-life issue for them and their families. Of course educational attainment is important, and of course there are links to attendance—as a former lecturer in a further education college, I can vouch for that—but when headteachers authorise absences for good reasons and teachers know about those reasons, they can provide homework and catch-up sessions, so students can generally catch up. I very much take on board what the hon. Member for Isle of Wight said: a two-week absence should be seen as a 14-day absence across the whole school year. If a student is attending regularly, a one or two-week holiday might not make much different to their attainment.

It is not acceptable to criminalise parents for taking holidays. Parents know what is best for their children, and in that regard I suppose I should declare an interest having, a long while ago, taken my children out of school for a family holiday. I could not have gone away later because I was pregnant with my third child and wanted him to be born in Scotland, not in Scarborough, which was where we were headed.

It is absolutely essential that we, including the Minister, take on board the fact that there is a real difficulty across the UK, not just in England, as parents do their level best to provide for their children in what are, for many, cash-strapped times. We have heard examples of how much additional money is needed to go on holiday in term time. A spokesman for the National Parent Forum of Scotland has said:

> "We all know how important family time is, particularly when money is short. But we'd encourage parents to avoid taking their children out of school during term time, as it does impact on their learning.
>
> It would be helpful if holiday companies did not increase their prices so much during school holidays."

Perhaps the Government should look at that issue.

Gavin Newlands: On that point, we heard earlier about the difference in the price of holidays in and out of term time—a 60% increase, I think. When my family looked at holidays this year we found that the exact same holiday, going from the same airport, with the same room, departing three and a half hours later, was £2,400 more expensive. The prices were £3,700 and £6,100. That is a 62% increase in the space of three hours, let alone three weeks or three months. My hon. Friend is absolutely correct in what she is saying about the holiday companies.

Marion Fellows: My hon. Friend is absolutely right. We have all been in such circumstances, so perhaps the Government should review how much holidays cost in and out of term time and see whether anything can be done to average prices out across the year. In Scotland, we have struggled for many years with higher holiday and flight costs than England, even to the United States. It costs much more to fly to Miami from Glasgow than it does from London, yet Glasgow is much closer to Miami than London. It is an ongoing issue.

The UK Government should not leave cost increases to the market, but should look at the problem in much more depth. We should remember that although attendance is important, so is understanding why parents lie and are prepared to pay fines to secure holidays at a more reasonable cost or to go on holiday at a time that suits their circumstances. I hope the Minister will take on board what Members from all parts of the House have said and look again at what has been described as a blanket ban across England that reduces the role of teachers, who understand the students under their care.

5.42 pm

Angela Rayner (Ashton-under-Lyne) (Lab): It is a pleasure to serve under your chairmanship, Mr Hanson. Many Members have spoken in this important and relevant debate, which, as the hon. Member for North Devon (Peter Heaton-Jones) said, has revealed that the Government have got it all in a bit of a mess. Nearly 200,000 signatures on the petition is not to be sniffed at, and those concerns deserve to be heard, and heard they have been in the many contributions Members have made.

The current situation is confused and confusing, as the hon. Member for St Austell and Newquay (Steve Double) outlined in his opening remarks. The only thing that is clear is that the Government acted with the best of intentions in 2013 when they changed the legislation. As their answer to the online petition reveals, they did so to try and correct the

"widespread misconception that parents were entitled to take their children on holiday during term-time."

The Government argue that such a misconception had taken hold because headteachers had previously been allowed to grant up to 10 days' leave for special circumstances.

The Government decided to come down hard. The result, as their response to the petition illustrates, has been fairly decisive: the number of persistent absentees is down by up to 40%; 6 million fewer school days have been lost; and pupils are missing fewer days at school today than they did in 2010 and are therefore receiving less interruption to their education. There are other results: £5.6 million was paid out by the public in fines last year, which was a 267% increase; 90,000 parents have been fined; and a High Court case has been lost, with possible Supreme Court hearings looming. Parents have no real certainty on where they stand. No wonder there is confusion, but let me make it clear that the Opposition support the Government's attitude to school attendance. All the evidence shows that regular attendance at school helps ensure our children reach their full potential and can make their way in the world as adults. Indeed, education is the only available path out of the poverty and low aspiration that affects too many of our young people these days.

The hon. Member for North Devon made it absolutely clear that he is seeking to be helpful and that parents, teachers and heads across the country have expressed real concerns. As he stated—I agree with him—we need common sense and clarity, especially around the reaction of Ofsted. I hope the Minister will clarify that important point in his response. Despite the hon. Member for North Devon being an old-fashioned Tory guy, I am pleased and reassured that the Conservatives have clarified that they do not intend to go back to Dickensian times and stick kids up chimneys.

My hon. Friend the Member for Nottingham South (Lilian Greenwood) made some excellent points on how good education is vital for good attainment. She reminded us of the huge effort made by Nottingham City Council and many councils up and down the country to ensure that we have high attendance. They are worried that all their hard work could be lost without urgent clarity from the Government regarding the recent case.

The hon. Member for Isle of Wight (Mr Turner) expressed concerns about a case in his constituency and made a point on what "regular attendance" means. I hope Mr Platt's daughter has had a good sports day and that she may represent us in the Olympics in the future.

School brings consistency and routine. Every day of school missed can affect a pupil's chances of developing as well as their classmates, of passing their exams and of gaining good qualifications with which to build their young lives. Seven million parents know the benefits of regular attendance. After all, schools are in session for just 190 out of 365 days a year.

Mr Andrew Turner: The problem is that the hon. Lady is talking generally, but we are talking individually. If she can, she needs to explain the proposal for individual heads, not for the 7 million pupils in the whole country.

Angela Rayner: I make it absolutely clear—Members have already done so—that headteachers have discretion where there are exceptional circumstances. Headteachers have the power and discretion to sanction absences. The difficulty is the definition of exceptional circumstances, as we heard in some of the contributions. According to the proposer of the petition, a cancer diagnosis apparently does not constitute exceptional circumstances, which is deeply regrettable. I sincerely hope that that incident is as rare as parents taking their children on unauthorised absences.

Michelle Donelan: Does the hon. Lady agree that it is preposterous to say, in an era when we trust so much responsibility day in, day out to our headteachers and teachers to look after children and ensure that their wellbeing is safeguarded and their educational needs are met, that we cannot trust those very same people to make a decision or call whether an absence is in the child's best interests, based on their age, stage of education and other absences throughout the year? Does it not perhaps go so far as to patronise the teaching professions?

Angela Rayner: We have to weigh that against the evidence that says that every day lost through a child's absence can have a significant impact on their education. The Government's response has to be to set guidelines,

but headteachers and the community of course have an obligation as part of that. That is still within the remit and powers of the current legislation.

Steve Double: The hon. Lady makes the point that every day a child is absent from school affects its education, but the reason for the absence should be taken into consideration. If the child is absent but participating in something that is fundamentally going to be good for their wellbeing and development as a person, that could be beneficial to their overall education and not necessarily always detrimental.

Angela Rayner: The hon. Gentleman makes a compelling case. There are various reasons why children could be absent from school. From today's contributions, one of the compelling reasons why people have said they would like to be able to take their children out of school is the motivation of parents to take their children on a family holiday. I completely understand and sympathise with that situation. I have been a parent for many years, and prior to coming to this House, I was on a low income. I understand and feel their frustration at the rise in cost—in some instances it is an increase of as much as 150%. That makes most holidays unaffordable for most hard-working families.

Like other Members, I want the Minister to tell us what talks are under way to work with the travel industry to try to mitigate the cost of holidays for families who have already withstood austerity and are living on the breadline.

I also understand the concern about the level of the fines. If the fine is not paid, the parent can be prosecuted and fined up to £2,500. They can also receive a community order or even be jailed for up to three months, so I share the concerns that many Members have raised.

Following the High Court's ruling in favour of Mr Jon Platt, the Government have made it clear that they are now considering changing the legislation and strengthening the statutory guidance given to schools and local authorities. We welcome any attempts to clear up any confusion and to remove the doubt and uncertainty about the legal position as we await a final decision on Mr Platt's case. In the meantime, no one should be in any doubt that parents must ensure their children go to school. This is non-negotiable. Only schools can authorise absence. They have discretion in exceptional circumstances and they will hopefully use that wisely. The vast majority of parents accept that, and they accept that in a decent, law-abiding society, where our children are the country's most precious asset, sending their children to school is the right thing to do.

5.53 pm

The Minister for Schools (Mr Nick Gibb): It is a pleasure to serve once again under your chairmanship, Mr Hanson. I welcome the response to the debate from the hon. Member for Ashton-under-Lyne (Angela Rayner). I predicted that she would make a formidable shadow Secretary of State, despite the odd circumstances of her appointment, and today she has reconfirmed my view. I welcome her support for the Government's policy, particularly her support for the Government's attitude to attendance. She clearly shares our concern that attendance is key.

The hon. Lady raised the example of a diagnosis of cancer as not being regarded as exceptional. I refer her and other Members taking part in the debate to the National Association of Head Teachers advice and guidance, which, at point 10, states:

"Families may need time together to recover from trauma or crisis."

A cancer diagnosis is therefore regarded as an exceptional circumstance, and attending hospital or illness is of course a reason to authorise absence.

I thank my hon. Friend the Member for St Austell and Newquay (Steve Double) for leading this important debate. The subject is close to his heart—we debated the issues fairly recently on 19 May and also in an urgent question that he raised on the Floor of the House. The debate gives me the opportunity to restate the Government's position on school attendance for parents, schools and local authorities, particularly as I know some parents and schools have been confused by the recent High Court judgment in the Isle of Wight term-time holiday case. I hope I can fulfil the request from the hon. Member for Ashton-under-Lyne to provide clarity on that. I am grateful to my hon. Friend the Member for North Devon (Peter Heaton-Jones) for his constructive approach and to other hon. Members who have taken part in the debate.

The e-petition states:

"No more school penalty fines and bring back the 10 day authorised absence."

My hon. Friend the Member for St Austell and Newquay referred to the 200,000 people who signed the petition. We take that very seriously, but it is a small proportion of the parents of 8.4 million school-age children in this country. My hon. Friend the Member for North Devon said that he does not agree with the part of the petition that refers to bringing back the 10-day authorised absence—nor does my hon. Friend the Member for St Austell and Newquay, nor the Government today and nor the Government in 2013.

In 2013, the Government clarified the law to address what was a widespread misconception that parents were entitled to take their children on holiday during term time. No such entitlement has ever existed in law. Teachers and schools support the increased clarity. As anyone who works in schools knows, education is cumulative, and unauthorised absences have a significantly adverse effect on the child who is absent as they miss vital stepping stones towards understanding curriculum content. Unauthorised absences also damage the education of the rest of the class as teachers have to spend time trying to help the absent pupils catch up when they return. The Government clarified the law to ensure that headteachers retained the discretion to authorise a leave of absence by considering the merits of each request and deciding whether it qualifies as an exceptional circumstance. Children should not miss school unless the circumstances are genuinely exceptional.

I refer my hon. Friend the Member for North Devon to point 3 of the NAHT guidance:

"If an event can reasonably be scheduled outside of term time then it would not be normal to authorise absence."

The converse is that, if an event cannot reasonably be scheduled outside of term time, such as a championship or a sporting event of high significance to the child or

[Mr Nick Gibb]

indeed to the country, then of course it would fall within point 3 of the guidance, although it is ultimately a matter for the discretion of the headteacher.

The regulatory changes that we introduced in 2013 have been very successful. Since their introduction, as the hon. Member for Ashton-under-Lyne said, the rate of absence due to term-time holidays has decreased by more than a third. The number of persistent absentees in England's schools has dropped by more than 40%, from 433,000 in the academic year 2009-10 to 246,000 in 2014-15. Some 6.8 million days were lost due to authorised and unauthorised term-time holiday absence in the 2012-13 academic year. That fell to 4.1 million days in 2014-15—a drop of 2.7 million days—meaning more children sitting in more classrooms for more hours. That has been driven particularly by a drop in absence due to authorised term-time holidays, with only 3.4% of pupils missing at least one session due to authorised term-time holidays in 2014-15, down from 15.1% in 2012-13.

My hon. Friend the Member for St Austell and Newquay correctly cited statistics that showed that the rate of agreed term-time holidays is lower for persistent absentees than for other pupils: 0.5% due to family holidays by persistent absentees versus 1.9% for other pupils. However, the situation is reversed for unauthorised term-time holidays: 0.6% of all possible sessions missed for persistent absentees versus 0.3% for other pupils.

[Steve McCabe *in the Chair*]

The Government acknowledge that family holidays can be enriching experiences, but the school year is designed to give families numerous opportunities to enjoy holidays without having to disrupt children's education. Parents should plan their holidays around school breaks and avoid seeking permission from schools to take their children out of school during term time unless there are exceptional circumstances. I recognise that the cost of holidays is a frustration that many parents share, and I certainly encourage travel operators to do what they can to provide value for money to families, but ultimately, in a competitive market in which British businesses are in competition with others across the globe, it is for those businesses to decide their prices based on demand across the year.

Tourism is a key industry that supports almost one in 10 jobs in the United Kingdom. That is why the Government are encouraging more visitors to discover more of our country, as set out in the five-point plan that the Prime Minister announced in July 2015. Holiday sales in the UK continue to be buoyant, suggesting that there is sufficient supply and strong demand. There were more than 124 million overnight domestic trips in Britain in 2015—a 9% rise on 2014 and the highest figure since 2012. The amount spent was also up 9% to £25 billion, a record £19.6 billion of which was spent in England.

If parents and schools want different term dates so they can take holidays at less busy periods, we encourage them to discuss that with their local authority. The authority to change term dates sits with academies, voluntary-aided schools and local authorities. Decisions about term dates are best taken locally, especially where the local industry—for example, tourism—creates a compelling reason to set term dates that differ from those of the rest of the country.

As of January 2016, about 81% of secondary and 41% of primary schools, educating 57% of all mainstream registered pupils, have the responsibility for their own term and holiday dates. That includes all academies and free schools, and other schools where the governing body is the employer of staff, such as foundation or voluntary-aided schools. Some of those schools have led the way in making innovative changes in the interests of pupils and parents.

Steve Double: I understand the point that the Minister is making about varying term times, but it presents real difficulties. For instance, a primary school in my constituency that the Prime Minister praised for changing its half-term dates had to revert back after two years because of the pressure on parents with children at other schools that did not change their term dates. It created more problems than it solved.

Mr Gibb: My hon. Friend raises a real, practical issue about having different term dates in different parts of the country. That is something that the local authority and academies have to take into account when they consider changing term dates to reflect an industry or tourist needs in a particular region. They will have to weigh up the comparative advantage of that inconvenience versus the convenience of the industry that supplies the jobs in that area. That is why the decision needs to be taken locally by people who know how to weigh up those advantages and challenges.

That happened, for example, in Landau Forte Academy in Derby, which has operated on a five-term year since 1992. Eight-week terms are followed by two-week breaks and a four-week summer holiday. The academy feels that a shorter summer holiday is particularly beneficial for pupils from low-income backgrounds, who might not otherwise receive any stimulating activities in the holidays. It takes into account the dates of other local schools to ensure there is always some overlap of holidays. For example, one of its two weeks in October is always half term for other Derby schools.

Bishop Bromscombe School in St Austell, for example, improved school attendance by moving to a two-week May and June half term that allows parents to holiday outside peak times—*[Interruption.]* I assume that that is the school that my hon. Friend was talking about. It has now reversed that decision. If I had been quicker, I would have omitted that paragraph from my response.[*Laughter*.] I could, I am sure, cite other examples from around the country of schools that have taken advantage of that freedom.

Our reforms have put teachers in charge of their classrooms and headteachers in charge of their schools. Many measures are available to improve school attendance. Only when all other strategies to improve attendance have failed should sanctions such as penalty notices or prosecution be used. Schools, local authorities and the police have been able to issue penalty notices for unauthorised school absence since September 2004. There were 151,000 penalty notices issued for unauthorised absence in the 2014-15 academic year, up 54% from the 98,000 issued in 2013-14, indicating a continuation of the upward trend since 2009-10. The increase in 2014-15

was greater than the yearly increases prior to 2012-13, but it is lower than the increase of 88% between 2012-13 and 2013-14.

I believe it is right that local authorities and schools are actively addressing pupil absence. The impact of that can be seen in the historical downward trend in the absence figures, which show that, since 2009-10, almost 200,000 fewer pupils are persistently absent.

Although the Government are disappointed with the High Court judgment on school attendance, we are clear that children's attendance at school is non-negotiable, and we will take the necessary steps to secure that principle. I recognise that the High Court judgment has created uncertainty for parents, schools and local authorities. Given its importance, it is essential that the matter is clarified, which is why we decided to support Isle of Wight Council's request for permission to appeal to the Supreme Court, and why I wrote to all schools and local authorities in England to make it clear that the High Court judgment does not establish that a pupil's attendance above 90% is regarded as regular attendance.

Headteachers are responsible for deciding whether there are exceptional circumstances that merit granting a pupil leave of absence. My letter concluded by explaining to local authorities receiving requests for refunds that the decision in the Isle of Wight case does not require them to refund penalties that have already been paid. The Department for Education expects applications for such refunds to be refused.

Lilian Greenwood: I agree that 90% does not constitute sufficiently regular attendance. Do the Government intend to amend the current legislation to define the term "regular" to give local authorities and schools the clarity that they are looking for?

Mr Gibb: The Government will set out our next steps in due course and will make an announcement. In the meantime, as I have said, I have written to local authorities and schools setting out the current position, notwithstanding the Isle of Wight case. We have supported the Isle of Wight's decision to appeal to the Supreme Court. That is the Government's position, but we will have more to say about next steps in due course.

The Government's commitment to reduce overall school absence is part of our ambition to create a world-class education system. That cannot be achieved if children's education is disrupted due to preventable absences. The evidence is clear: every extra day of school missed can affect a pupil's chance of gaining good GCSEs, which has a lasting effect on their life chances. That is why we take this issue so seriously.

6.8 pm

Steve Double: I thank all right hon. and hon. Members for their contributions to the debate, which has been well informed and clear. I also take the opportunity to thank all the members of the public who signed the petition—nearly 200,000 people—and Dave Hedley from Nottingham, who started it.

We all agree that we want children to attend school regularly and as much as possible. The reasons for persistent absence need to be addressed, but there are clearly a variety of views on whether the existing Government policy is the best way to achieve that.

The Minister made the point that a lot boils down to our view of the difference between "exceptional" and "special". The more that can be done to make the Government's view of exceptional circumstances clear, the better, so that we can have real clarity. However, what I pick up from headteachers, as many Members have said, is that the real issue is about Ofsted. Where headteachers exercise their discretion, Ofsted appears to take a different view. Anything that can be done to help Ofsted support headteachers a bit more will, I am sure, be much appreciated.

Personally, I still believe that it is strange for us to trust schools to set their own term dates, as the Minister said, but not to trust headteachers to decide what is right and best for individual pupils. I encourage the Minister to look at the situation again, not only to clarify it but to see whether we can bring more common sense and flexibility into it, allowing headteachers to exercise their discretion. They are the ones who know pupils the best.

Question put and agreed to.

Resolved,

That this House has considered e-petition 129698 relating to penalty fines and authorised absence from school.

6.10 pm

Sitting adjourned.

Written Statements

Monday 11 July 2016

BUSINESS, INNOVATION AND SKILLS

UK Steel Industry

The Secretary of State for Business, Innovation and Skills and President of the Board of Trade (Sajid Javid): Since Tata Steel announced its intention to restructure its UK operations, the Government have worked closely with Tata, potential buyers and other stakeholders including the trade unions and the Welsh Government, to ensure a sustainable future for the business. We remain committed to that objective, and to ensuring the continuation of primary steelmaking in South Wales.

Following the referendum on the UK's membership of the EU, and a review of the bids received for Tata Steel UK, the board of Tata Group announced on Friday 8 July its intention additionally to explore options for retaining ownership of the business with strategic partners, including through a possible joint venture with ThyssenKrupp AG. Discussions are at a preliminary stage.

Tata has also announced its intention to sell separately its speciality steel business based in Rotherham and Stocksbridge, as well as two mills that produce steel pipes based in Hartlepool. Around 2,000 of Tata's UK workforce are employed in the businesses that will be sold. None of the businesses that will be sold are supplied with steel from Port Talbot, and are separate business units within the group.

I met the Chairman of Tata Group in Mumbai on 8 July. During that meeting, Tata Group confirmed again their commitment to achieving an outcome for their UK operations that provides the business with the best long term prospects for a competitive and sustainable future.

The Government are committed to working with Tata to achieve that objective. We will remain in close contact with Tata during the sale process for the speciality steel and pipes business units, and as they develop their plans for the strip products business. The Government's offer of support via an equity stake and/or loans on commercial terms to a future owner of the strip products business, which includes the operations at Port Talbot, remains.

Separately, the Government continue to work with the wider steel sector to improve the business environment in the UK, with a focus on ensuring their competitiveness in the long term. The Steel Council met for the second time on 8 June to consider the recommendations of its working groups. The vast majority of these recommendations are reflected in the UK Steel manifesto which was published last week, which I welcome.

We are already taking forward many of these recommendations and the Council has agreed to develop a common vision for the future of the sector in the UK, which will provide clarity around what Government, the companies and the workforce must do to ensure the steel industry remains competitive and more sustainable in the future. My Department will shortly commission further research to assist the sector in the development of its vision.

[HCWS79]

EDUCATION

Post-16 Skills Plan

The Minister for Skills (Nick Boles): As a country, one of the most important challenges we face is reforming the skills system. Such reform is crucial if we are to ensure our country's future prosperity and improve the life chances of millions of people.

We have a critical need for highly skilled people, trained effectively, to grow the economy and raise productivity. Weaknesses in the UK's skills base have contributed to its long-standing productivity gap with France, Germany and the US. While international comparisons highlight our strong performance at graduate and higher skills levels, we perform poorly at the intermediate, skilled technician level. Indeed the UK is forecast to fall from 22nd to 28th out of 33 OECD countries for these intermediate-level skills by 2020[i]. Following the vote to leave the European Union, it will become more important than ever that we have a highly skilled workforce that boosts the productivity of the country and allows us to trade competitively across the world.

There is also a compelling moral case for change. Skilled employment leads to prosperity and security for individuals, while unskilled employment often means the opposite. We need to give all young people and adults the opportunity to gain the skills, knowledge and behaviours needed for the world of work.

We made significant improvements to the skills system in the last Parliament. We grew investment in apprenticeships, for example, and removed from performance tables thousands of poor-quality qualifications, that offered little or no advantage in the jobs market, as a result of the Wolf Report[ii]. But there are still serious issues which must be tackled. Technical education remains the poor relation of academic education, and there are key challenges we must overcome, including:

> standards and qualifications are not always set by employers; instead they are too often set by a confusing mixture of awarding organisations and intermediary bodies which have not provided an effective voice for business;
>
> the system is too complex and often difficult to navigate for both young people and adults looking to retrain; and
>
> we have too little dedicated technical education at advanced levels (levels 3, 4 and 5) to meet this country's need for technician-level skills, and study programmes are not always designed to deliver what is needed to move to skilled employment.

On Friday 8 July I published, and laid before Parliament, a Post-16 Skills Plan. This is our ambitious framework to support young people and adults in England to secure a lifetime of sustained skilled employment and meet the needs of our growing and rapidly changing economy.

The Skills Plan builds directly on the recommendations of an independent panel on technical education. The panel was chaired by Lord Sainsbury of Turville and its members were: Baroness Wolf of Dulwich, Sir Roy Griffiths Professor of Public Sector Management at King's College London; Bev Robinson, Principal and Chief Executive at Blackpool and The Fylde College;

Simon Blagden, Non-executive Chairman at Fujitsu UK; and Steven West, Vice-Chancellor and President at University of the West of England. The panel consulted widely, its deliberations were non-political and its conclusions are pragmatic. Its recommendations draw from international best practice and will place our system on a par with the best in the world.

Together, the Skills Plan and Sainsbury report set out a holistic strategy to tackle the current flaws with the skills system by:

building on the apprenticeship 'Trailblazer' approach by putting employers at the heart of the system and empowering them to take the lead in setting the standards in technical education;

ensuring that, alongside the already well-established academic option, this country has a high-quality technical option which aligns apprenticeships and college-based learning;

building on the experience of other countries with successful skills systems by developing a new framework of 15 technical routes to skilled employment, with each route grouping together skilled occupations where training requirements are similar;

developing a strong, dynamic, financially sustainable and locally responsive training provider base through area reviews and other reforms; and

putting in place a wider set of systemic changes, including making more data available and reforming careers guidance to inform student choice, and ensuring we have the right funding and accountability arrangements in place.

The Skills Plan is our overarching framework, with a common set of principles and a guiding vision. I am confident that it can lead to lasting change. We will work closely with employers, colleges and other training providers to develop detailed plans, and publish more detail later in the year.

The Report of the Independent Panel on Technical Education will be placed in the Libraries of both Houses.

This statement has also been made in the House of Lords.

[i]UKCES (2014) UK Skill Levels and International Competitiveness, 2013 available online at: https://www.gov.uk/government/publications/uk-skills-levels-international-comparisons-and-competitiveness

[ii]The Review of Vocational Education - The Wolf Report (2011), available online at: https://www.gov.uk/government/publications/review-of-vocational-education-the-wolf-report.

[HCWS80]

JUSTICE

Deputy Chair of the Boundary Commission for Wales

The Lord Chancellor and Secretary of State for Justice (Michael Gove): I should like to inform the House that I have made the following appointment under Schedule 1 to the Parliamentary Constituencies Act 1986:

The honourable Mr Justice Lewis has been appointed as Deputy Chair of the Boundary Commission for Wales, effective from 1 August 2016 until 31 July 2019.

[HCWS82]

WALES

Governments Amendments to Wales Bill: Analysis of English Votes for English Laws

The Secretary of State for Wales (Alun Cairns): I am pleased to announce the publication of analysis of English Votes for English Laws in relation to Government amendments to the Wales Bill at Commons Committee.

The English Votes for English Laws process applies to public Bills in the House of Commons. To support the process, the Government have agreed that they will provide information to assist the Speaker in considering whether to certify a Bill or any of its provisions for the purposes of English Votes for English Laws.

The memorandum provides an assessment of tabled Government amendments to the Wales Bill, for the purposes of English Votes for English Laws, ahead of the second day of Commons Committee. The Department's assessment is the amendments do not change the territorial application of the Bill.

This analysis reflects the position should all the Government amendments be accepted.

The memorandum can be found on the Bill documents page of the Parliament website at: http://services.parliament.uk/bills/2016-17/wales.html and I have deposited a copy in the Library of the House.

[HCWS81]

Ministerial Correction

Monday 11 July 2016

FOREIGN AND COMMONWEALTH OFFICE

UK Involvement in Rendition

The following is an extract from the Adjournment debate on 29 June 2016.

Mr Ellwood: The Government are certainly co-operating fully with the Intelligence and Security Committee's inquiry. The ISC has confirmed to the Government that it has received all but one of the relevant documents to date, but if it requires any further documents, it only needs to let the Government know.

[Official Report, 29 June 2016, Vol. 612, c. 443.]

Letter of correction from Mr Ellwood:

An error has been identified in the response given to the right hon. Member for Orkney and Shetland (Mr Carmichael) during the Adjournment debate on UK involvement in rendition.

The correct response should have been:

Mr Ellwood: The Government are certainly co-operating fully with the Intelligence and Security Committee's inquiry. **The ISC has confirmed to the Government that it has received all the relevant documents to date**, but if it requires any further documents, it only needs to let the Government know.

ORAL ANSWERS

Monday 11 July 2016

WRITTEN STATEMENTS

Monday 11 July 2016

MINISTERIAL CORRECTION

Monday 11 July 2016

No proofs can be supplied. Corrections that Members suggest for the Bound Volume should be clearly marked on a copy of the daily Hansardt - not telephoned - and *must be received in the Editor's Room, House of Commons,*

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