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HOUSE OF COMMONS
OFFICIAL REPORT

PARLIAMENTARY
DEBATES

(HANSARD)

Monday 5 September 2016

HER MAJESTY'S GOVERNMENT

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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 614

FOURTH VOLUME OF SESSION 2016-2017

House of Commons

Monday 5 September 2016

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Mr Speaker: On the front page of today's Order Paper it is noted that on 4 September 1916, Lieutenant Colonel Duncan Frederick Campbell DSO, Duke of Wellington's Regiment (West Riding), Member for North Ayrshire, wounded at the first battle of Ypres, November 1914, and again on the western front in 1916, died from his wounds in Southwold, Suffolk. We remember him today.

Hon. Members: Hear, hear.

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Syrian Families: Resettlement Programme

1. **Michael Tomlinson** (Mid Dorset and North Poole) (Con): What progress the Government have made in placing further vulnerable Syrian families in local authority areas. [906079]

The Secretary of State for the Home Department (Amber Rudd): Under the scheme, local authorities sign up to accept refugees on a voluntary basis. Between the start of October 2015 and the end of June 2016, 2,646 people were resettled under the scheme across 118 different local authorities. The resettlement programme

has sufficient pledges of places from local authorities across the UK to resettle 20,000 vulnerable Syrians and will continue to work closely with them to turn those pledges into places.

Michael Tomlinson: I welcome this Government's record in supporting the people of Syria. Many councils across this country are playing their part by taking in refugees. I am encouraging the local authorities in my constituency to do that, but they need support. Will the Home Secretary update the House on what support and encouragement she is giving to local authorities to do just that?

Amber Rudd: I ask my hon. Friend to pass on my congratulations to his authority on its kind support. It is essential that the scheme is implemented on a voluntary basis. He is right: we provide support over a five-year period, and it is tapered, but we recognise that it is important to provide essential financial support to the local authorities which are supporting these vulnerable Syrians.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I welcome the Home Secretary to her first Home Office questions and wish her well in the job.

I welcome the work that local authorities are doing. The right hon. Lady will know that two weeks ago several of us met a Syrian teenager in Calais whose family is here in Britain and who was given take charge leave by the British Government two months ago, but who is still in Calais alone in awful and dangerous conditions. He has now been given a transfer date for later this week, but only because three MPs and two national newspapers intervened in his case. There are hundreds more children and teenagers in Calais in awful conditions. Will she urgently intervene, speed up the bureaucracy and sort out those cases?

Amber Rudd: I recognise the excellent work that the right hon. Lady does in this area in drawing attention to the needs of the people in the Calais camp. She may already be aware of this, but I point out to the general

public that that is French territory and it is French law that we have to engage with in order to help those people. We are identifying the children who we can help and we are now able to speed up that process and will continue to watch it carefully.

Dr Tania Mathias (Twickenham) (Con): Will the Home Secretary join me in commending local volunteer groups such as Refugees Welcome in Richmond, which has set up its own initiative, liaising with local councils to make sure that new people coming over—vulnerable Syrian refugees—are locally and specially welcomed in our local communities?

Amber Rudd: I join my hon. Friend in making that point—how important it is for families to be welcomed by the community. These families are not foisted on the community; communities are saying that they want to welcome them. I commend what is being done in Richmond, and I know that many other communities and individuals are volunteering to help. Some of them are going on the website Help Refugees in the UK in order to find out how they can help.

Joanna Cherry (Edinburgh South West) (SNP): I welcome the Home Secretary to her first Home Office questions. I also welcome her confirmation yesterday that there are going to be enough local authority places for the promised quota of 20,000 vulnerable Syrians to be resettled by 2020. I am sure she will wish to congratulate Scotland on welcoming more than 1,000 of those refugees under the scheme to date, which is more than a third of the total number who have been accepted in the whole of the UK. Will she now commit to extending the Government's resettlement commitment past 2020 and opening it up to other refugees in need of protection?

Amber Rudd: I join the hon. and learned Lady in congratulating Scotland on the work that it has done and on its early adoption. Who can forget the early pictures of the refugees arriving on the Isle of Bute and what a heart-warming sight that was? There is still work to do to welcome the 20,000. I was pleased to announce over the weekend additional funding for language courses for those people. For now we will not go further, but we will of course continually keep the situation under review.

Anna Soubry (Broxtowe) (Con): I, too, welcome my right hon. Friend to her more than deserved place. I strongly suspect that you, Mr Speaker, and indeed the whole House, will welcome the four Syrian refugee families who are now housed in Beeston in my constituency, and congratulate Broxtowe Borough Council and Councillors Jan Goold and Janet Patrick on all their hard work. What assurances can the Home Secretary give to councils such as Broxtowe that the current financial support will extend for as long as it takes to keep people safe in our country?

Amber Rudd: I join my right hon. Friend in congratulating Broxtowe Council on the work that it has done to welcome those families. I can reassure her and her council that the funds are in place for the five years that are tapered. I hope that she will also welcome the announcement I made at the weekend on additional funding for English language lessons, which are so important as part of allowing these families to form part of the community and fully engage in it.

Mr Alistair Carmichael (Orkney and Shetland) (LD): I commend the Home Secretary for the early initiative she has taken on this issue. She will be aware, however, that many local authorities have not yet been required to take any refugees, while others are taking them and would take more. Does that willingness to take refugees not illustrate that the target of 20,000 by 2020 was unnecessarily modest and could now be revisited?

Amber Rudd: I am not yet ready to say that 20,000 is not enough. We have worked incredibly hard to make sure that the 20,000 are welcomed and are going to be properly looked after. The important thing is to concentrate on making sure that every one of those 20,000 gets the proper support from the communities in which they are housed, and gets the important language lessons. I ask for the right hon. Gentleman's patience in making sure that we support the 20,000 over the next few years.

Mr James Gray (North Wiltshire) (Con): It is not just a question of numbers; we have to make sure that we get the right people. I very much welcome the fact that we are bringing them in from the middle east rather than from Calais. I congratulate Wiltshire Council, which has taken on, I think, 20 Syrian families so far. Does my right hon. Friend agree that it is not just a question of the people but of finding education, healthcare, social care and so much other infrastructure in the local area, and hopefully jobs for them as well, and not just bringing them in and leaving them to it?

Amber Rudd: My hon. Friend is absolutely right. That is why we are taking these families through the United Nations High Commissioner for Refugees, which vets the potential arrivals very carefully and ensures that we are getting the people who are indeed most in need, to which my hon. Friend rightly draws attention. Local authorities decide whether they have the capacity in terms of health places and school places. We are very fortunate in this country that sufficient authorities have volunteered to help the 20,000. That is testament to the strength and generosity of the British people.

Family Reunification: Europe

2. **Wayne David** (Caerphilly) (Lab): What steps the Government have taken to increase the speed of family reunification for unaccompanied refugee children in Europe. [906080]

6. **Stephen Gethins** (North East Fife) (SNP): What steps the Government are taking to accelerate the family reunification process for unaccompanied children in Europe. [906084]

The Secretary of State for the Home Department (Amber Rudd): We continue to work with the French, Greek and Italian authorities and others to improve family reunification processes for unaccompanied children. We have seconded a UK official to Greece, we have a long-standing secondee working in Italy, and we will shortly be seconding another official to the French Interior Ministry. Transfer requests under the Dublin obligation are now generally processed within 10 days and children transferred within weeks. More than 120 children have been accepted for transfer this year from Europe.

Wayne David: As we speak today, there are hundreds of children in Calais who have a legal right to be reunited with their families in this country. Those children are putting their lives at risk by jumping on trains and lorries. What, specifically, are the Government doing to help those children in Calais?

Amber Rudd: The hon. Gentleman will be aware that under the Dublin obligation we have an obligation, which we are acting on, to work with the authorities in France to remove the children who have a family representative in the UK. We are working on that. Since the passage of the Immigration Act 2016 in May, we have agreed to take 30, of whom we have taken approximately half, and we have taken 120 this year. He should not underestimate the difficulty in making sure that we always do what is lawful under French law and EU law at the same time.

Stephen Gethins: The Home Secretary will be aware of significant concern about this issue in humanitarian organisations. With the onset of winter just a couple of months away, and given the time that it is taking, will she commit to additional resources and to coming back to the House within the next month to tell us how many children she will take?

Amber Rudd: I am always keen to update the House on the latest results from what my Department is doing. We are aware of the humanitarian need and that is why the Government are so committed to ensuring that we work in the best interests of the children. We will always work in the best interest of those children and we will always ensure that that is within French and EU law.

Heidi Allen (South Cambridgeshire) (Con): I welcome any sense of urgency from the Home Secretary. My hon. Friend the Member for Enfield, Southgate (Mr Burrowes), the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) and I visited Calais just two weeks ago and were disappointed yet again to find young, vulnerable children with no one to support or look after them. What can the Secretary of State tell me about whether we can put safeguarding in place in Calais when we have identified those children and had take charge requests to look after them there? May we also have a Home Office official based there, and not in Paris?

Amber Rudd: I met my French counterpart last week as well as our representatives, who attend the camp. I am sure that my hon. Friend is aware, like many other Members of the House who have visited the camp, that there is a fine line between wanting to ensure that we help and safeguard those children and ensuring that we do not encourage the traffickers to bring more children to the camp, thereby making more children more vulnerable. We are doing our best to tread that fine line and ensure that we always support those vulnerable children, but it is not as simple as my hon. Friend tries to pretend.

Mr Speaker: Order. I understand the natural inclination to look at one's interlocutor, but if the Home Secretary and other Ministers could address the House, that would be greatly appreciated.

Charlie Elphicke (Dover) (Con): The situation in the "jungle", which I visited recently, is truly horrific. I invite the Home Secretary to join me on a visit to Dover

and Calais to see the situation in the "jungle" and the evil activities of the people traffickers. Will she work with me to do our best between Britain and France to end the evil trade of modern slavery that these people traffickers are pursuing?

Amber Rudd: I am grateful to my hon. Friend for his work to keep me informed and to support what the Government do, to ensure not only smooth traffic between Dover and Calais but that we are always well informed of what is happening there. I will work with him to ensure that we do our best. The real criminals in this are the traffickers, who do such terrible, violent work and take advantage of families.

25. [906103] **Greg Mulholland** (Leeds North West) (LD): Children arriving in Greece seeking to be reunited with families in the UK are forced into immigration detention, which is a breach of their human rights. Will the Home Secretary assure the House that she is in discussion with her Greek counterparts about dealing with that, as it would prevent more children from having to come to Calais in the first place?

Amber Rudd: We have a secondee in Greece, we are working closely with the Greek Government and we have identified some children whom we think we can assist, so they will not need to come to Calais. We anticipate that the first arrivals in the UK will be this month.

Mr David Burrowes (Enfield, Southgate) (Con): May I take the Home Secretary back to those young people for whom take charge requests have been accepted? They have family here waiting for them to arrive. When we talk about fine lines, surely in the case of these young people, when we have accepted the responsibility and when they are at risk of attack, as we saw, or of exploitation and trafficking, the line has been crossed and we have a responsibility to ensure that they get back to their family and that they avoid situations that are not safe. Let us make them safe rather than putting them at risk of exploitation and trafficking.

Amber Rudd: My hon. Friend is right to refer to the fine line and to the fact that the camp is a place of terror and danger. We will follow up on our obligations, and as I said in answer to an earlier question, we are now managing to move more quickly. I ask him not to underestimate the difficulty sometimes of dealing with French law and EU law. We cannot simply move in and take action; we must act within the law, which is always in the best interests of the child.

Stella Creasy (Walthamstow) (Lab/Co-op): I welcome the Home Secretary to her new role. I was in Calais at the weekend for the second time this summer. Both times I met some of the 800 young unaccompanied children in that camp—children who told me that in the many months they have been there they have not spoken to a single Government official. I met a pregnant woman who said that she had tried to claim asylum in France, but the system is so broken that she was told it would be months before they would even begin to process her application. These people are living in hell because of a lack of bureaucracy. My right hon. Friend the Member for Normanton, Pontefract and Castleford (Yvette Cooper)

is absolutely right. They need our safeguarding, because they are sleeping in tents with strange men. Will the Home Secretary meet me and other MPs affected by this issue and concerned about it to discuss how we can change that?

Amber Rudd: I would point out to the hon. Lady that the French have already dispersed 5,000 people from the camp. The Interior Minister has already said that he has plans to make sure, by the end of the year, that the camp is phased out so that everybody can be rehoused. It is important for the children to know, as the adults know, that they are not forced to come to the UK to find a bed; they can claim asylum in France, and the French Government are willing to do that. The hon. Lady should have a care not to encourage unwittingly the traffickers to bring more children to the camps.

Police Community Support Officers

3. **Derek Thomas** (St Ives) (Con): What plans her Department has to maintain the role of police community support officers in neighbourhood policing. [906081]

9. **Ian C. Lucas** (Wrexham) (Lab): If she will review the adequacy of the powers of police community support officers. [906087]

The Minister for Policing and the Fire Service (Brandon Lewis): PCSOs have played a key role in policing our communities in recent years and they should play a greater role in the future, which is why the Policing and Crime Bill sets out a series of reforms that will allow chief constables to designate them with a wider range of powers. Obviously, decisions on the size and composition of a police force's workforce are for individual chief officers and police and crime commissioners.

Derek Thomas: St Ives town will be well known to the Minister from his former role as Housing Minister. I am sure that he is glad to be rid of that role, but he has a new problem in St Ives. Sergeant Friday is a popular and influential neighbourhood police officer and a valued member of the local policing team in St Ives. Some 5,000 people support him in his current role, and yet he will soon be moved by Devon and Cornwall police to, in effect, a back-office role. What can the Minister do to support local community policing in St Ives and safeguard front-line policing roles?

Brandon Lewis: I congratulate my hon. Friend on highlighting an issue that is clearly important to his constituents. This must be an impressive PCSO and sergeant for so many of them to get behind him and sign his form. Obviously, those kinds of operational decisions are for the force's chief constable, but I will visit my hon. Friend's area soon and hope I get a chance to meet a sergeant who can endeavour to get that kind of support from his local community.

Ian C. Lucas: In Wrexham town centre we have fewer police and more antisocial behaviour under this Government. PCSOs, introduced by a Labour Government, are very welcome and perform a valuable role, but there is a disturbing lack of understanding and clarity about their powers. Will the review that the Government should undertake make clear to the general public and to offenders how important PCSOs are?

Brandon Lewis: The hon. Gentleman makes an important point about PCSOs being important. They play a key role, which is why I am pleased that their number has increased by about 40% in his part of the world since 2010. It is also important that the Policing and Crime Bill will give chief constables the power to look at what is right for their area and to give powers to PCSOs and other volunteers to do the work that is appropriate for their local area.

Mr Philip Hollobone (Kettering) (Con): I was with one of the few remaining PCSOs in Kettering on Friday for a walkabout in the town, and it would appear that, were it not for the funding provided by Kettering Borough Council, of which I am proud to be a member, there would be no PCSOs at all in the borough of Kettering. Does the Policing Minister agree that PCSOs are vital for developing the intelligence picture locally, and that without them it would be difficult to see how front-line officers could do that?

Brandon Lewis: My hon. Friend makes a very good point. I was a council leader in local government when PCSOs were first introduced, and my council funded them even back then. They play an important part in the remit and powers of chief constables and, indeed, PCCs to make sure that they gather the intelligence they need to prevent crime, which is obviously our first priority.

Fiona Mactaggart (Slough) (Lab): The Minister must be aware of the survey conducted by Unison which shows that 78% of PCSOs say that they have become less visible, that their units have got smaller and that they have stopped doing patrolling and preventive work and are just doing call-backs on crime for other police officers. Is it not true that PCSOs are no longer doing what we created them for, and that, as a result, our communities feel abandoned by the police?

Brandon Lewis: I disagree with the right hon. Lady. She needs to think about the fact that crime is changing, so the way in which police forces fight crime needs to reflect the modern world that we live in and the crime that is happening in local areas. That is why it is absolutely right that the Government have moved crime fighting to be locally driven, with PCCs and chief constables having the powers that they need to fight crime locally in the way they see best.

Terrorist Attacks

4. **Byron Davies** (Gower) (Con): What steps she is taking to ensure that the police and security services have the necessary powers to apprehend people planning terrorist attacks in the UK. [906082]

The Secretary of State for the Home Department (Amber Rudd): We continue to strengthen our counter-terrorism powers. The Counter-Terrorism and Security Act 2015 provided the police with new powers and created a general duty on public bodies to prevent people from being drawn into terrorism. To apprehend terrorist suspects, the police and security agencies need to collect intelligence to support arrests and develop evidence to secure prosecutions.

Byron Davies: A major terror threat to the United Kingdom comes from people who are trafficked into this country. It is vital that we maintain the strongest possible intelligence-sharing relationships and agreements with other nations. What steps will the Home Secretary be taking to ensure that these agreements are prioritised and protected following the vote to leave the European Union?

Amber Rudd: I thank my hon. Friend for that important question, and I am aware of his expertise as a former police officer. We are leaving the European Union but I can reassure him that our co-operation on security with our European and global allies will be undiminished. We are about to begin negotiations and it would be wrong to set out unilateral positions in advance, but I share his view on this important matter.

Keith Vaz (Leicester East) (Lab): May I warmly welcome the Home Secretary to her post? I hope that she has a long and successful term as Home Secretary. As she knows, earlier this year Siddhartha Dhar left the country, having not handed over his passport to local police officers, and went to fight for Daesh. The Home Secretary's predecessor, who is now the Prime Minister, changed the Policing and Crime Bill to make the situation tougher for those who seek to go abroad. Will the Home Secretary follow the advice of Mark Rowley, the head of counter-terrorism, and expect suspects to hand over their passports as a precondition for bail?

Amber Rudd: I thank the right hon. Gentleman for raising this very important matter. This was a very distressing case, where the suspect was able to go away while on bail to do such damage and join Daesh in Syria. The right hon. Gentleman is absolutely right. This is something that the former Home Secretary addressed, and we are looking at the best way to implement it. We may well follow the particular route that he has outlined, but rest assured that we take it very seriously.

Mrs Theresa Villiers (Chipping Barnet) (Con): I congratulate the Home Secretary on her new role. Does she agree that the Investigatory Powers Bill is essential if the intelligence services are to retain their existing capability to collect communications data, which is crucial in detecting terrorism and serious crime?

Amber Rudd: From her former role as Secretary of State for Northern Ireland my right hon. Friend will know how important it is to be able to collect that information. She is absolutely right that the Investigatory Powers Bill is critical to making sure that our police, security services and intelligence services have the tools that they need to get the convictions that we hope they will achieve.

Gavin Robinson (Belfast East) (DUP): On behalf of my party, I welcome the Home Secretary and her entire team to their roles. In Northern Ireland, we know the true benefits of the police and security services working together. The chief suspect in the murder this year of my constituent Adrian Ismay has been bailed and, despite having breached bail twice, he remains at large. When the police and security services succeed, what

conversations will the Home Secretary have with the Ministry of Justice to make sure that the judiciary plays its part as well?

Amber Rudd: That is a matter for the judiciary in Northern Ireland, but rest assured that it is a matter that we take very seriously.

Dr Julian Lewis (New Forest East) (Con): In welcoming the Home Secretary to her new role, may I ask her whether she has had a chance to see to what extent profiling of those who commit terrorist atrocities has been examined by her Department, by the police and by the security services? People such as the journalist Peter Hitchens have noted a correlation between drug abuse and the commission of atrocities that is rather greater than any link with a Muslim faith background, despite what one would normally expect. Therefore, if profiling is to be carried out successfully, will the appropriate effort be invested?

Amber Rudd: We have a behavioural unit in the Home Office that looks at types of behaviour that may lead to certain actions. Now that my right hon. Friend has raised that question with me, rest assured that I will look at it more seriously.

Jess Phillips (Birmingham, Yardley) (Lab): In Birmingham, we are only too well aware that terrorism has not arrived on our shores only recently. I want to welcome the Home Secretary to her place. Does she agree with me and most of Birmingham that the relatives of the victims of the 1974 Birmingham pub bombings should be treated equally and in parity with the relatives of the victims of the Hillsborough disaster, and should be provided with access to legal representation so that they can participate effectively in the inquests into the murder of their loved ones?

Amber Rudd: I know about this case—the hon. Lady has of course raised it with me previously—and I know about the campaigning she has done on behalf of her constituents and of the city in general. I do not know whether she is aware of this, but I am seeing the representatives of the Birmingham families this evening, and I will follow up with more information after that.

Disclosure and Barring Service

5. **Meg Hillier** (Hackney South and Shoreditch) (Lab/Co-op): What steps she is taking to reduce delays in Disclosure and Barring Service checks. [906083]

The Parliamentary Under-Secretary of State for the Home Department (Sarah Newton): Protecting the public is a priority for this Government, and it is important that checks undertaken are thorough. I visited the Metropolitan Police Service last week to see the work it is undertaking to tackle the delays, and I will also visit the DBS in the near future. I will continue to maintain a close interest in disclosure turnaround times and the work of the DBS.

Meg Hillier: I welcome the hon. Lady to her position, in which she is taking on the seemingly intractable problem of making sure that the Met police deal with DBS checks in good time. I have had 20 cases in the past

12 months, including of teachers and teaching assistants unable to get their checks in time to start work. The delays are causing havoc in people's lives. I wish all power to her elbow in resolving this, but it has been going on for nearly a decade. What practical steps is she going to take?

Sarah Newton: I absolutely share the hon. Lady's frustration at the delays in the Met police, but I assure her, based on my visit last week, that the DBS has increased the resources it has made available to the police. In the past six months alone, over 100 new members of staff have been recruited. It has made improvements to the processes it is undertaking, and I am looking at weekly performance statistics. She can be assured that I am doing everything in my power to speed up the processing of this very important service.

Several hon. Members *rose*—

Mr Speaker: Order. We must now try to speed up, as we have a lot to get through and I would like to accommodate colleagues.

Cybercrime

7. **Jack Dromey** (Birmingham, Erdington) (Lab): What recent assessment she has made of trends in the level of cybercrime. [906085]

The Minister for Security (Mr Ben Wallace): As crime falls, we know that it is also changing. The internet and new technology offer criminals new opportunities to commit crimes, such as fraud and cybercrime. We welcome the increased reporting to Action Fraud: such reporting has trebled since it was set up. With new experimental data from the Office for National Statistics, we will be able to better map the trends in cybercrime and, I hope, take steps to combat it.

Jack Dromey: On the day Parliament went into recess, the Office for National Statistics confirmed that there had been 5.8 million incidents of cybercrime in the past 12 months, affecting one in 10 of the population. This means that crime has near doubled. Does the Home Secretary agree that the legacy of her predecessor—now the Prime Minister—is one of 20,000 fewer police and soaring crime?

Mr Wallace: I do not think that that is much of a point. The reality is that, under the hon. Gentleman's Government, there was no proper reporting mechanism for fraud. We set up Action Fraud, which has received the massive number of 300,000 referrals. Rather than playing politics with crime, the best advice we can all give our constituents is that GCHQ advises that if people change their passwords regularly and have up-to-date anti-virus, they will cut their vulnerability to cybercrime by 80%.

Mr Edward Vaizey (Wantage) (Con): I hate to play politics with crime, but this Government have an excellent record on tackling both crime and cybercrime by setting up the National Cyber Crime Unit. I wonder whether the new Minister, whom I warmly welcome to his position, will use his imagination and energy to consider a bespoke career path, at graduate level, for people entering the police force. People tackling cybercrime

perhaps need very different skills from those the police have relied on hitherto, before the growth of digital crime.

Mr Wallace: Yes, we are working on that. We are working on direct recruitment to ensure that both the police and the National Crime Agency have the skills they need. We have already invested in upskilling members of the NCA, which hosts the National Cyber Crime Unit. It is also very important to make people understand that everybody can play a role in defending against cybercrime, and that if they follow the advice of GCHQ, they will go far.

Mr Speaker: Well done.

14. [906092] **Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): Not least in the context of the expansion of the Prevent duty, is the Minister currently satisfied with the level of support being given by social media and internet companies to police and other public authorities for tackling online radicalisation, as well as for tackling those who are preparing terrorist acts themselves?

Mr Wallace: Every day the police get good co-operation from many multimedia companies and internet service providers. We would, of course, like to see more, and will keep pressing companies for more because it is very important that we all protect vulnerable people from the effects the internet can have in turning them into radicals and attracting them to terrorism.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): Given the increase in cybercrime, will the new Minister commit to investigating the storage of seized hardware and, specifically, ethical concerns that destruction orders on hardware containing child pornography can be successfully challenged by convicted offenders in court?

Mr Wallace: That is a very good point. We must make sure that the data are always there to help convict people of their crimes, and that those data cannot be challenged or put aside. I hope the hon. Lady will therefore support the Investigatory Powers Bill when it returns to this House, because the retention of data is one of the best ways to counter crime.

Sarah Champion (Rotherham) (Lab): For clarity, no one, particularly a child, chooses to be or facilitates being trafficked.

The Minister will know that online child abuse has reached unprecedented levels and is increasing. The Internet Watch Foundation states that there has been a 417% increase in child sexual abuse images since 2013, with the Child Exploitation and Online Protection Centre stating that 50,000 people in the UK downloaded or shared images in 2012. However, children and parents are woefully underprepared when it comes to recognising or preventing abuse and exploitation online, despite the fact that 65% of 12 to 15-year-olds own a smartphone. What does the Minister plan to do to address and prevent online child abuse, other than changing passwords?

Mr Wallace: The obvious answer is that we need to continue to educate both parents and children, either in the school setting or at home, to make sure that they

operate safely when they surf the net. The Department for Culture, Media and Sport, the Home Office and the National Crime Agency have engaged in making sure that there are guides online for everyone of every age to follow. That is the first step. Certainly, the National Cyber Crime Unit, which I went to visit at the NCA, is responsible for making sure that we catch people whether at home or abroad, through its network of overseas postings, to make sure that we bring people to justice whatever side of the channel they are on.

Immigration

8. **Mr David Nuttall** (Bury North) (Con): What assessment she has made of recent trends in the level of immigration. [906086]

17. **Mr Peter Bone** (Wellingborough) (Con): What plans her Department has to reduce net migration. [906095]

The Minister for Immigration (Mr Robert Goodwill): The latest figures show that the reforms we have made to cut abuse across non-EU visa routes and toughen welfare provisions are working. Reducing the number of migrants coming to the UK will be a priority for the negotiations to leave the European Union.

Mr Nuttall: I welcome my hon. Friend to his new role, which must be one of the most challenging and difficult in Government. The most recent figures demonstrate, if proof were needed, that despite the steps already taken by the Government we urgently need new, clear, workable and effective policies. Will he set out when he intends to bring such policies before the House?

Mr Goodwill: We are committed to bringing down net migration to sustainable levels as soon as possible. It will take time to do so, because until we leave the European Union we will still be affected by the free movement rules, but we are doing everything we can now to ensure that the numbers come down. At every step of the negotiations we will work to ensure the best possible outcome for the British people and it would be wrong to set out unilateral positions in advance of that.

Mr Bone: I welcome the new Minister, who probably has the most difficult job in Government. He will be a national hero when he reduces immigration to the tens of thousands. Will he tell the House how he is going to work with the Department for Exiting the European Union?

Mr Goodwill: I thank my hon. Friend for his question; we may have been on different sides of the referendum campaign, but we are quite clearly all on the same side now in delivering the result for the British people. The Home Office will be the lead Department in negotiations on this, but we look forward to working with the Brexit Department, and I suspect that the Prime Minister may be taking an interest, given her experience in the Home Office.

Ms Angela Eagle (Wallasey) (Lab): In China, the Prime Minister has unilaterally announced that Britain will not be adopting the points-based system on which

the leave campaign put so much emphasis during the referendum, but that we will be doing something more effective. Can the Minister tell us what that is?

Mr Goodwill: When the Labour party introduced a points-based system, the numbers went straight up. Australia has a points-based system and higher immigration per capita than Britain. A points-based system would give foreign nationals a right to come to Britain if they meet certain criteria. An immigration system that works for Britain would ensure that the right to decide who comes to the country resides with this Government.

Marion Fellows (Motherwell and Wishaw) (SNP): The Logan practice in my constituency—it is my own GP practice—has already sponsored medical students from the American University of Beirut for a four-week learning experience. This year's student, Ghaith Rukba, a Syrian national, has been refused entry, although he would be coming on exactly the same basis as previous applicants. Will the Minister meet me urgently to review the case, as Mr Rukba is due to arrive on 24 September?

Mr Goodwill: It is certainly the aim of the Government to ensure that those who wish to come to our blue-chip universities—the Russell Group universities—to study can do so, but I understand that there are specific cases for courses. I would be happy to meet the hon. Lady to discuss that case and facilitate it.

Mr Julian Brazier (Canterbury) (Con): I, too, welcome my hon. Friend to his post. It is essential that our excellent universities continue to attract students from all over the world, but does he agree that it is not sustainable to go on with a situation in which almost two thirds of all non-EU students who come into this country stay? Our existing rules need to be enforced.

Mr Goodwill: It is very important that when people come here to study from abroad and gain a qualification, they take it back and improve the development of the countries from which they came. It is not the intention that getting a place at a university in the UK is a licence to stay in the UK for the rest of someone's life.

Andy Burnham (Leigh) (Lab): A decade ago, Labour introduced a points-based system for non-EU migration. In the referendum campaign, five of the Home Secretary's Cabinet colleagues and many Conservative MPs pledged to extend it. As my hon. Friend the Member for Wallasey (Ms Eagle) has said, without consultation or debate, the Prime Minister today ruled that out but failed to tell us what she would do instead. That comes as the Italian Government make this warning: the more the UK Government limit EU citizens in the UK, the more the Italian Government will limit the presence of UK goods in Europe. The stakes are high, but just when the country needs leadership, we have confusion. The Home Secretary presented proposals to the Cabinet last week. Will the Minister tell us what they were so that we can begin finally to have a proper debate about what Brexit means for Britain?

Mr Goodwill: The right hon. Gentleman may have heard somebody saying this morning that a points-based system is not a silver bullet. When we took power in 2010, Labour's immigration system was chaotic and

broken. People from outside the EU with no skills at all were allowed to come. Indeed, search parties were sent out to encourage mass immigration.

Andy Burnham: That was a complete non-answer. People at home might wonder why we are getting non-answers on Brexit: it is because the Government told the civil service not to plan for it, hence the confusion we are in. There is one issue that the Minister could clear up today—the status of EU nationals who are already here. The failure to address that is creating uncertainty for families who have chosen to make their lives here, and hostility towards some EU nationals. The whole country was appalled by the attack in Harlow in late August that led to the death of a Polish national, Arkadiusz Jozwik. It is in the Minister's and the Home Secretary's gift to change that climate. Will he and she respect the unanimous vote of this House back in July and confirm the status of all EU nationals who are already here?

Mr Goodwill: We have always made it clear that the status of EU nationals is not under threat at all. Indeed, we have always made the point that, during the negotiations, so long as those same protections are available to UK citizens living abroad, they will be there for those who come here from the rest of Europe. I pay tribute to the contribution made to the British economy by those who come to work not just from the European Union, but from further afield. We want to attract the brightest and best, but we must control the numbers that come.

European Arrest Warrant

10. **Chris Bryant** (Rhondda) (Lab): What discussions she has had with her international counterparts on the UK's continued participation in the European arrest warrant. [906088]

The Secretary of State for the Home Department (Amber Rudd): Co-operation between the UK and European Union member states has continued following the referendum result, including on European arrest warrants. Officials are exploring options for future co-operation arrangements once the UK has left the European Union. We will do what is necessary to keep people safe, but it would be wrong to set out unilateral positions before that negotiation has taken place.

Chris Bryant: But the Brexit Secretary has always campaigned for us to leave the European arrest warrant and so has the Foreign Secretary. Does the Home Secretary agree with them, or does she agree with her predecessor—now the Prime Minister—who, when we debated this in this House, said that 901 suspected serious criminals, including paedophiles, rapists and murderers, had been extradited either in or out of this country thanks to the European arrest warrant? Would it not be far better for her to say now that she will protect British people by making sure we remain within the European arrest warrant?

Amber Rudd: I can reassure the hon. Gentleman that we on the Government Benches value the European arrest warrant. We know how important it has been in keeping people safe. When people voted to leave the European Union, they did not vote for a less safe

country. We will make sure that, whatever the outcome of the negotiations, we protect people in a way that is as effective as with the European arrest warrant.

Andy Burnham (Leigh) (Lab): I, too, welcome the Home Secretary to her first questions, but I do hope we will get better answers than the ones we have just had from the Immigration Minister. I will give it one more go, Mr Speaker, this time on security.

Last week, in relation to discussions with the French Government on Calais, a senior Government source briefed *The Times* that the UK might withdraw co-operation on counter-terrorism if it does not get its way, referencing the Nice attack. At a time when France is facing an unprecedented terror threat, that is utterly crass. It is also counter-productive, as the terror networks that threaten France could have links here. Will the Home Secretary today distance herself from this insensitive threat, vow that there will be no repeat of it, and commit to maintaining the fullest co-operation with our EU counterparts and neighbours on counter-terrorism, including to maintaining our involvement in the European arrest warrant?

Amber Rudd: There is something completely derisory about the right hon. Gentleman trying to lecture the Government on security measures when we know how divided his shadow Front Bench is, with a leader of his party who refuses to defend this country, and a shadow Chancellor who calls for the disbandment of the police and does not support MI5. Government Members are absolutely clear that we will do what is right to support and protect this country. The right hon. Gentleman is right on one element: in my many conversations with European counterparts I always say to them that we will work with them, irrespective of Brexit, to ensure our joint security.

EU Nationals: Residency

11. **Richard Arkless** (Dumfries and Galloway) (SNP): What discussions she has had with people from other EU countries living in the UK since the EU referendum on their right to live in the UK after an exit from the EU. [906089]

The Minister for Immigration (Mr Robert Goodwill): The Prime Minister has been clear that she wants to protect the status of EU nationals here. The only circumstances in which that would not be possible are, as I have already said, if British citizens' rights in other EU member states were not protected in return.

Richard Arkless: In the two months since the EU referendum, the EU citizens in my constituency have become increasingly anxious. They literally lie awake at night wondering whether they will still be able to call my constituency their home. Will the Home Secretary do the decent thing and guarantee that no EU citizens will be used as bargaining chips in the forthcoming negotiations following the triggering of article 50?

Mr Goodwill: I repeat again that there is no change in the status of EU nationals living and working in the UK. The issue is not simply about the immigration status of an individual; EU citizens' rights are far broader than just the right to reside in the UK. The right

to work, entitlement to benefits and pensions, the rights of access to public services and the ability to be joined by family members from countries outside the EU all need to be discussed.

22. [906100] **Dr James Davies** (Vale of Clwyd) (Con): The Minister will be aware that the NHS would currently not be able to function without the input of skilled migrants from across the world. Indeed, there are currently 236 known non-Irish EU migrants employed by the health board in north Wales alone. What assurances can he give about the status of existing EU migrants working in the NHS, and, post-Brexit, how does he see future migration policy taking into account the needs of the health service?

Mr Goodwill: I hope I have already made that clear, but I recognise that EU citizens make an invaluable contribution to our economy, our society and our daily lives. They provide vital services, including in the NHS, where almost one in 10 doctors and one in 15 nurses are from an EU country. That is why the Government will seek an early resolution to this issue.

Joanna Cherry (Edinburgh South West) (SNP): Last week, in a statement issued by the Scottish Conservative and Unionist party press office, a Conservative Member of the Scottish Parliament, Alexander Burnett, questioned the right of EU citizens resident in Scotland to participate in Scottish politics. This has caused great concern in Scotland. Will the Minister unreservedly condemn this statement and give EU citizens resident in Scotland, and indeed across the UK, the assurance that they are still welcome to participate in politics and civic society?

Mr Goodwill: So long as we are members of the EU, the status of those citizens does not change.

Several hon. Members *rose—*

Mr Speaker: Order. We are running late and I fear that colleagues are making up for unspoken words in August with spoken words in September. That said, I am very keen to accommodate two further inquiries. I call Mr Simon Hoare.

Fraud

12. **Simon Hoare** (North Dorset) (Con): What steps she is taking to protect people from fraud and its effect on families and communities. [906090]

The Minister for Security (Mr Ben Wallace): Fraud is a heinous crime, which can have a devastating effect on individuals, families and the most vulnerable members of society. That is why this Government launched the Joint Fraud Taskforce last February with law enforcement and banks, and have committed to spending £1.9 billion over the next five years on cyber-security, including to tackle cyber-enabled fraud.

Simon Hoare: I thank my hon. Friend for that answer. What specific assessments has he made of fraud in my area?

Mr Wallace: The Joint Fraud Taskforce will obviously cover all of the United Kingdom. Of course, members of the banks and other organisations that are on the taskforce will be involved in ensuring that when people commit fraud, they cannot take the money out of the

country, which will provide at least some time to track it down. I congratulate the Dorset police who in 2015 launched a fraud prevention campaign called “Hang up on Fraudsters” after reports that my hon. Friend’s county had lost over £1 million to fraud.

Mr David Hanson (Delyn) (Lab): I am still not convinced by what the Home Secretary said about European co-operation. Will the Minister confirm that we will remain members of Europol, which tackles fraud across Europe as well as in the United Kingdom?

Mr Wallace: The right hon. Gentleman might have to wait a bit for the answer, because my right hon. Friend the Home Secretary and her ministerial colleagues will be meeting Europol. What we want to continue to do, first and foremost, is co-operate with Europol, Interpol and all the other forces of the European Union to make sure that this country is safe and secure.

Mr Speaker: Finally, I call Karl McCartney.

Pre-charge Bail

13. **Karl McCartney** (Lincoln) (Con): What plans the Government have to make changes to pre-charge bail. [906091]

The Minister for Policing and the Fire Service (Brandon Lewis): The Policing and Crime Bill will introduce statutory safeguards to the pre-charge bail process, including time limits and judicial oversight, which will increase accountability and scrutiny in a way that is manageable for the courts as well.

Karl McCartney: I have met a now 18-year-old constituent of Lincoln—and his family—who has been on a pre-charge bail for over a year since he was 17. As far as anyone is aware, there has been no admission of guilt, and nor are the police or the CPS in a position to charge or take my constituent to trial, which is yet another disturbing aspect of the case. I am fully aware that this is an operational matter for the police, but my constituent’s rights to a family life and education are currently being detrimentally severely impacted by what I feel is the police’s underfunded and understaffed investigation. Will my hon. Friend please agree to meet me to discuss my constituent’s situation and how police forces across the country can best avoid lengthy periods of pre-charge bail, particularly for young suspects?

Brandon Lewis: My hon. Friend makes an important point. It is not right that some people can spend months or even years on pre-charge bail, with few or no safeguards. I would be happy to meet my hon. Friend to discuss how reforms might affect the case he mentions. We will bring forward further amendments to the Police and Criminal Evidence Act 1984 to ensure that 17-year-olds are treated as children and are safeguarded as such.

Topical Questions

T1. [906134] **Bridget Phillipson** (Houghton and Sunderland South) (Lab): If she will make a statement on her departmental responsibilities.

The Secretary of State for the Home Department (Amber Rudd): We are meeting this September after terrible events over the summer—in Nice, Charleroi, Normandy and Munich. We must step up international efforts to keep our people safe and tackle violent extremism. I have spoken over the summer to a number of my counterparts—not least the French Interior Minister, Bernard Cazeneuve—and they all agree that the UK must not step back from international co-operation on security and counter-terrorism. We will not shirk that.

Bridget Phillipson: In 2015, Northumbria police were involved in 13 extraditions. If the Home Secretary is unable to commit to retaining the European arrest warrant—I listened to her earlier answers, which did not offer a great deal of comfort—will she set out in much more detail how she will make sure that we continue to have the powers we need to tackle cross-border crime, keep our country safe and bring criminals to justice?

Amber Rudd: I remind the hon. Lady that nothing has changed yet. We will still have the European arrest warrant in place. My right hon. Friend the Prime Minister has said that she will not trigger article 50 until next year, so I urge the hon. Lady to work with her police force and reassure them that nothing has changed for now—so we can carry on with the European arrest warrant.

T2. [906135] **Martin Vickers** (Cleethorpes) (Con): I am currently assisting a constituent who has been the victim of a fraudulent scam, losing over £30,000 of life savings. The case has been referred to ActionFraud. The Minister spoke earlier about an increase in referrals to ActionFraud, but it is results that matter. The cases I have dealt with show poor results. What action is being taken to ensure that ActionFraud improves its performance?

The Minister for Security (Mr Ben Wallace): First, we are investing in a new software programme for ActionFraud that will not only improve the analytics of crimes that are reported to it, but allow victims of fraud to track their cases in live time online. In response to my hon. Friend's concern, I have also asked officials to look into how ActionFraud communicates with members of the public. I think it important to remember that these are victims, many of whom have done nothing wrong whatsoever and have been preyed upon by some of the worst people in society.

Carolyn Harris (Swansea East) (Lab): The Home Secretary will be aware of continuing concern about the historical conduct of South Yorkshire police. I understand that she is meeting members of the Orgreave Truth and Justice Campaign next week to discuss their call for a public inquiry. Is she also aware of the tragic case of Terry Coles, a Swansea City supporter, who was trampled to death by a police horse at a football match in 2000? Will she agree to look at the evidence, and accept that, unless we have the truth about all these past injustices, we shall not be able to restore trust in South Yorkshire police?

Amber Rudd: The hon. Lady is right: I am meeting members of Orgreave Truth and Justice, and I look forward to having the opportunity to hear from them.

The Government have not shirked in looking at historical cases, and if the hon. Lady wants to bring any more to my attention, I shall certainly look at those.

T3. [906136] **Karen Lumley** (Redditch) (Con): Will my right hon. Friend congratulate Redditch Borough Council on welcoming five Syrian refugee families into our town, over a third more than promised by the county of Worcestershire? Will she also update the House on the progress being made by our county to ensure that it follows the great example of Redditch Borough Council?

Amber Rudd: My hon. Friend is absolutely right: local authorities are leading by example and showing how to welcome families into their communities, and I particularly congratulate Redditch on being ahead of the pack. So far 118 councils are participating, and we hope that that number will grow.

T4. [906137] **Diana Johnson** (Kingston upon Hull North) (Lab): Given the level of public concern about British citizens who travel to fight Daesh and then attempt to return to this country, will the Minister tell me when the number of those who are attempting to return will be published, and what action will be taken to keep us safe in this country?

Mr Wallace: It is incredibly important that when people return—and we hope that they do—they are properly introduced back into society. If they pose a threat, it is important for that threat to be managed, and it is also important that if they can be removed from radicalisation, we take the right steps to do that. I will certainly review the hon. Lady's request for the publication of the number of passports, for instance, that have been withheld from individuals. First and foremost, however, I assure her that we have measures in place to ensure that these people are not just left alone and we do not lose track of them, which would pose further risks to the British people.

T5. [906138] **Julian Knight** (Solihull) (Con): Fraud and scams have a huge impact on individuals, especially the elderly, who are seen as easy prey. Does my hon. Friend welcome the Back-Bench debate on scams that I shall be leading on Thursday, and will he commit himself to considering what more can be done to tackle this rank criminality?

Mr Wallace: I congratulate my hon. Friend on the leadership that he has shown on not only fraud but consumer rights in ensuring that the vulnerable in society are not taken advantage of. We have set up a Joint Fraud Taskforce, inviting, for instance, Age Concern to help to protect the elderly, so that we can do more to ensure that in future the people who commit those crimes are caught and the elderly are defended from unscrupulous behaviour.

T7. [906140] **Peter Grant** (Glenrothes) (SNP): One of my constituents, Lorna Ross from Markinch, recently returned from Greece, where she had been working as a volunteer in a refugee centre. She brought back harrowing accounts of the conditions facing, in particular, young unaccompanied refugees. What steps is the Home Secretary taking to ensure that if such refugees have the right to

move to the UK to be with their families, they are allowed to do so without delay, wherever they arrive in Europe?

Amber Rudd: We take our obligations under the Dublin agreement very seriously, and will always look into how we can help unaccompanied refugees. We have seconded officials working with Greek, Italian and French counterparts, and we hope to be able to speed up the process.

T6. [906139] **Byron Davies** (Gower) (Con): As the Minister will know, last week the Police Federation called for a review of the position regarding police officers and visible tattoos. Can he assure me that the Home Office has no intention of relaxing the current guidelines?

The Minister for Policing and the Fire Service (Brandon Lewis): Obviously, decisions on whether to recruit individuals are for the chief officer of the police force concerned and each case should be treated on its merits, but I can say that we have no plans to change guidance, and the college guidance is very clear: the candidates

“should not have tattoos which could cause offence...or undermine the dignity and authority”

of the role of the police constable.

T8. [906141] **Keir Starmer** (Holborn and St Pancras) (Lab): As the Home Secretary knows, leading organisations such as Freedom from Torture are very concerned that the definition of torture used in imminent statutory guidance of adults at risk in immigration detention should be wide enough to cover torture by non-state actors such as Daesh, the Taliban and Boko Haram. Will she agree to meet me to discuss these concerns urgently?

The Minister for Immigration (Mr Robert Goodwill): I am more than happy to meet the hon. and learned Gentleman. I understand exactly the point he makes that Daesh, the Taliban and Boko Haram in Nigeria, where I was last week, can indulge in some of these terrible acts, and we need to make sure we address that particular situation.

T9. [906142] **David T. C. Davies** (Monmouth) (Con): Is the Minister willing to meet the Metropolitan police to discuss why they are not willing to meet Councillor Peter Golds and the successful petitioners against Lutfur Rahman’s administration in Tower Hamlets, who have presented a dossier which appears to show damning evidence of criminal intent? These people would like to see why this is not being taken forward by the police.

Brandon Lewis: My hon. Friend highlights an important case, but my right hon. Friend the Member for Brentwood and Ongar (Sir Eric Pickles) did a lot of work on this and is working with Councillor Peter Golds. I am very happy to meet my hon. Friend if he feels that would be useful, but this is the subject of an ongoing investigation, and, indeed, commissioners have been put into Tower Hamlets by the Department for Communities and Local Government.

T10. [906143] **Steve McCabe** (Birmingham, Selly Oak) (Lab): Should I understand from the Home Secretary’s earlier answer to my hon. Friend the Member for Birmingham, Yardley (Jess Phillips) that it is her intention that the relatives of those killed in the Birmingham pub bombings should have access to legal representation at the fresh inquests?

Amber Rudd: I am afraid the hon. Gentleman has got a little ahead of the meeting I am having this afternoon in order to address exactly that proposal, so no decision has been made yet.

Mr Speaker: The general consensus is, I think, that on the whole it is better to be ahead than behind.

Sir David Amess (Southend West) (Con): Recently I visited a UN Gift Box event in Southend on human trafficking organised by the Soroptimist society. Does my right hon. Friend the Secretary of State agree that the general public should do everything they can to co-operate with the police and other authorities to stamp out this dreadful trade?

The Parliamentary Under-Secretary of State for the Home Department (Sarah Newton): I agree entirely with my hon. Friend. The public have a vital role to play in tackling this horrendous crime. In July 2014 the Home Office ran a national TV, radio and online campaign raising awareness of human trafficking, and the campaign materials are available on gov.uk for use by partners.

Louise Haigh (Sheffield, Heeley) (Lab): Despite a UN resolution in May, the targeting of medical facilities, predominantly by the Syrian Government, continues, with at least 72 further attacks over the summer. This is clearly exacerbating the refugee crisis, so will the Home Secretary work with colleagues across Government to ensure that this despicable targeting of hospitals by the Syrian Government is stopped and international law is immediately complied with?

Amber Rudd: The hon. Lady raises an important point about an area that is undergoing horrendous experiences, and, yes, indeed I will: we will do everything we can to help the people of Syria who are undergoing those terrible circumstances.

Lucy Allan (Telford) (Con): Tragically, ex-footballer Dalian Atkinson recently died outside his father’s house in my constituency, following the deployment of Tasers by the police. The officers involved were not wearing bodycams. Does the Minister agree that all police carrying any sort of weapon should wear bodycams to protect both police and public?

Brandon Lewis: My hon. Friend raises a tragic situation. The loss of any life is obviously tragic, and the deployment of body-worn video is an operational matter for police, but I hope she will appreciate that it would be inappropriate of me to comment further as there is an ongoing Independent Police Complaints Commission investigation ahead of the coroner’s inquest.

Dr Philippa Whitford (Central Ayrshire) (SNP): A young couple in my constituency from Slovakia who have been in Scotland for 14 years began the process of

applying for British citizenship after the Brexit vote. As the Home Secretary will be aware, the first stage is permanent right of residency. The lady in this couple was refused. The Home Secretary says nothing has yet changed, but I cannot understand how an EU national could be refused residency after living here for 14 years.

Amber Rudd: To be frank, it is difficult to comment on individual situations like that, but if the hon. Lady would like my Department to have a look, I ask her to please write to us about it and we will do so. I also ask her and other hon. Members to reassure their constituents that at the moment nothing has changed.

Sir Edward Leigh (Gainsborough) (Con): There is no point in blaming the French for the mess in Calais if we continue to be a magnet for illegal migrants. The fact is that we grant asylum to more illegal migrants than France does, and we deport fewer of them. Of the 44,000 applications received up to June, more than half were granted and only half those who were refused were deported. Will the new Home Secretary take action to deal with illegal migration?

Amber Rudd: I am always keen to take action to follow the law where it is appropriate. There are many reasons why we are more popular with asylum seekers

than some other countries. It is often to do with language, with families or with the diaspora in our communities; it is not simply about the process around asylum seeking. My hon. Friend should rest assured that we take getting the numbers down very seriously.

Christian Matheson (City of Chester) (Lab): Has the Home Secretary seen the report from the National Society for the Prevention of Cruelty to Children which suggests that children as young as 11 are becoming the victims of revenge porn? These are primary school-aged children. When will Ministers in her Department and across Government start working together to eradicate this? We know that once these pictures get out into cyberspace, they can fuel online child abuse.

Sarah Newton: The hon. Gentleman raises a truly horrendous crime, and the Government have taken a great deal of action not only to bring in new offences and to prosecute them but, critically, to educate young people and their families about the risks they take when they share images of themselves online. We will do everything possible to protect young people.

Several hon. Members *rose*—

Mr Speaker: Order. Sadly, we must move on.

Humanitarian Law (Yemen)

3.36 pm

Hilary Benn (Leeds Central) (Lab) (*Urgent Question*): To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Government assessments of breaches of international humanitarian law in Yemen.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Tobias Ellwood): I should like to thank the right hon. Member for Leeds Central (Hilary Benn) for raising this important matter and to pay tribute to him for his work on keeping the House up to date on these matters and providing the scrutiny we need. Recognising the importance of the issue, my right hon. Friend the Foreign Secretary issued a written ministerial statement today to update Parliament on the situation in Yemen, and this update specifically includes references to international humanitarian law.

We are aware of reports of alleged violations of international humanitarian law by parties to the conflict. As I have said on many occasions, we take these allegations very seriously. The Government regularly raise the importance of compliance with international humanitarian law with the Saudi Arabian Government and other members of the Saudi Arabian-led military coalition. The Foreign Secretary raised the issue of international humanitarian law compliance most recently with his Saudi counterpart, Foreign Minister Adel al-Jubeir, on 22 August. I also did so in Jeddah on 25 August, at the Yemen conference chaired by Secretary John Kerry.

It is important that, in the first instance, the Saudi Arabian-led coalition conducts thorough and conclusive investigations into incidents where it is alleged that international humanitarian law has been breached. This follows international practice. The coalition has the best insight into its own military procedures and will be able to conduct the most thorough and conclusive investigations. This will also allow the coalition forces to understand what went wrong and to apply the lessons learned in the best possible way. This is the standard that we set for ourselves and our allies. In this respect, Saudi Arabia announced more detail of how incidents of concern involving coalition forces are investigated on 31 January. The Saudi Arabian-led coalition joint investigations assessment team publicly announced the outcome of eight investigations on 4 August, and further publications will follow.

I also want to reiterate that clarifications made in the 21 July written ministerial statement do not reflect a change in position. The changes were made to ensure that the parliamentary record is consistent and that it accurately reflects policy. The statement of 21 July outlines that it is

“important to make clear that neither the MOD nor the FCO reaches a conclusion as to whether or not an IHL violation has taken place in relation to each and every incident of potential concern that comes to its attention. This would simply not be possible in conflicts to which the UK is not a party, as is the case in Yemen.”

The MOD monitors incidents of alleged international humanitarian law violations using the available information. This has been used to form an overall view on Saudi Arabia’s approach and attitude to international humanitarian law. In turn, that informs the risk assessment

made under the consolidated criteria on whether there is a risk that something might be used in the commission of a serious violation of international humanitarian law. We are not acting to determine whether a sovereign state has or has not acted in the breach of international humanitarian law. Instead, as criterion 2(c) requires, we are acting to make an overall judgment.

I am sorry that there has been confusion. We are responding to two written ministerial statements that were in error. After trawling through other such statements, of which there are more than 90, four more were seen to be in error. I came to the House today in order to clarify that, but as soon as I became aware of it I made a statement and wrote to the right hon. Gentleman and the Chairs of the International Development Committee, the Committees on Arms Export Controls, and the Foreign Affairs Committee. I hope that that has clarified the situation.

Hilary Benn: I thank the Minister for his reply. As he knows, there have been many reports by the UN and others of breaches of international humanitarian law in Yemen by both the Houthis and the Saudi-led coalition, which uses British military equipment. Ministers have been repeatedly questioned about that and the Government told the House that they

“have assessed that there has not been a breach of IHL by the coalition.”

Then, as we have just been told, on 21 July—by chance, the day on which the House rose—a written ministerial statement corrected that and other answers, stating that the Government have

“been unable to assess that there has been a breach of IHL by the Saudi-led Coalition.”

That is the very opposite of what the House had been repeatedly told. I listened carefully to what the Minister had to say, but he offered no satisfactory explanation of why that happened. First, will he do so now? It was not a minor correction but a consistent failure to provide Members with accurate answers.

Secondly, the mistakes were identified on 24 June, as I understand it, but they were not reported to the House until 27 days later, even though the “Ministerial Code” says that Ministers must correct

“any inadvertent error at the earliest opportunity.”

Why did it take so long?

Thirdly, after months of the Government being apparently incapable of doing an assessment of international humanitarian law, they have managed to undertake one during the recess in relation to the arms export tests, which state that a licence should not be granted

“if there is a clear risk... of a serious violation”

of IHL. The Foreign Secretary said in a written statement only this morning:

“Having regard to all the information available to us, we assess that this test has not been met.”

When is an assessment not an assessment? Will the Minister now tell us what detailed assessment preceded the conclusion that was reported to the House today and what information it drew upon? Will he publish both?

Finally, will the Government now suspend arms sales to Saudi Arabia until they are able to assure the House that they have done a proper assessment and can explain

[Hilary Benn]

why they believe that international humanitarian law has not been breached in Yemen when the UN clearly says that it has?

Mr Ellwood: Let us take a step back and make it clear why Saudi Arabia is leading the coalition to support President Hadi. It is allowed to because of UN resolution 2216, of which the right hon. Gentleman is fully aware. Were it not for that, the atrocities that we see and the devastation that is taking place would be a lot worse. The Houthis would have pushed far down through Sana'a, the capital, and all the way to the port of Aden. It would be a humanitarian catastrophe.

Having said that, we absolutely need to make sure that our allies and partners are honouring international humanitarian law, which is why we have regularly raised these matters. I invite the right hon. Gentleman to join me when the Saudi Arabian Foreign Minister comes to this place on Wednesday to address any questions that are put by parliamentarians; it is at 10 o'clock and the right hon. Gentleman is more than welcome to come. I will make sure, because I will be moderating the event, that he is able to put some of these questions to the Foreign Minister.

On the general point, the right hon. Gentleman simply repeated the difference in the two lines, which I have endeavoured to correct. I have answered more than 90 parliamentary questions on this matter. We found out that two of them were incorrectly written, with a further trawl showing that four more were incorrectly written, and we immediately decided to correct the matter. I agree that the timing, first in replying to the various heads of the Committees, was slower than it should have been. If he knows me, he will know that I would not sit on this matter; the reason for this was simply that there was a change of government, and there were delays—I did not even know whether I was going to continue in this portfolio. As soon as I became aware of the situation, I made sure that the necessary information was out there and that we did a further trawl to make sure nothing else was erroneous. I then wrote to the relevant Committee Chairs and to the right hon. Gentleman.

Crispin Blunt (Reigate) (Con): Will the Minister confirm that it is in our interest, and in their interest, that our regional allies in the Saudi-led coalition comply with international humanitarian law in their operations in Yemen? Will he remind the House that the Gulf Co-operation Council states are our allies and that the coalition is operating under the authority of a unanimously adopted UN resolution, in response to an illegal usurpation of power in Yemen?

Mr Ellwood: I am grateful for the question, which gives me licence to spell out the fact that this is new territory for Saudi Arabia. We have learnt to make sure that when errors are made on the battlefield and there is collateral damage, we put our hand up and say that something has happened that should not have happened; that is exactly what the Americans did in Kunduz, in Afghanistan, when the hospital was hit. We are dealing here with a conservative nation not used to such exposure, and I am pleased to say that we are making progress to make sure that it answers to the international scrutiny that it must answer to.

Emily Thornberry (Islington South and Finsbury) (Lab): I echo strongly the concerns raised by my right hon. Friend the Member for Leeds Central (Hilary Benn); the incorrect answers that he and other Members were given were totally unacceptable, as was the time in which they were corrected, which has added insult to injury. It is clear that the assurances this House was previously given on breaches of humanitarian law have proved inaccurate. Do other assurances that we have been given remain valid? In May, the then Minister for Defence Procurement, the hon. Member for Ludlow (Mr Dunne), told this House that there was “no evidence” that coalition forces in Yemen had used cluster munitions in civilian areas. Indeed, he claimed that the cluster munitions found in Yemen, which had been responsible for the deaths and maiming of many innocent civilians, had come from “previous conflicts” in the region. Does the Foreign Office stand by that assessment? In May, we also asked a question that that Minister repeatedly failed to answer, so I give today's Minister an opportunity to answer it: have the coalition forces in Yemen used weapons or planes manufactured in Britain in this conflict? Have they used them to drop cluster munitions? Have they used them to commit breaches of international humanitarian law? If we simply do not know the answers to those questions, is it right to continue selling weapons and planes to Saudi Arabia until we have answers?

Mr Ellwood: The hon. Lady began by saying that it was unacceptable that these erroneous statements were put out, and I agree with her, which is why I wrote and took measures to make sure that the record was corrected. I make it very clear that the profile of interest in Yemen, with more than 90 written ministerial questions on the matter, is such that we had to correct the issue. Two errors were found, with a further four found on a trawl. That is why I wrote the necessary letters and produced the necessary statements to correct the matter, and I apologised to the Chamber. I hope that that apology is recognised; this was not some big plot or conspiracy to mislead. Our policy remains extremely clear on where we stand on our support for our friends in the Gulf.

The hon. Lady raises the sale of cluster munitions by Britain, which did happen before we signed the convention on cluster munitions—I think she is referring to the BL-755. I have seen one piece of evidence on that incident, and the bomb was unexploded; the bomblets themselves were in the case.

Emily Thornberry: So, that is okay then.

Mr Ellwood: I am not saying that it was okay at all. What I am saying is that as soon as we found out about it, we asked Saudi Arabia to do exactly what any other country should do in the same situation, which is to determine what is going on. As soon as we have more information, we will certainly share it with the House. I invite the hon. Lady to pose those questions to the Saudi Foreign Minister when he comes to the House on Wednesday.

Bob Stewart (Beckenham) (Con): It is tragic when anyone who is innocent is killed in such a conflict. I visited the Saudi-led air operations centre some months ago in Riyadh. I specifically asked the pilots and the commanders about their rules on weapons release on targets in Yemen, and I was very reassured by their

answers. It was clear that their procedures now seem to be as good as our own. Does the Minister agree with me?

Mr Ellwood: There is no doubt that this has been a learning curve for Saudi Arabia. The conference that I attended and represented Britain at last week in Jeddah moved us forward from conflict and a military approach to looking at what agreement can be made politically and militarily so that we can put the matter behind us and create the stability that we need in that country.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): The UK has a clear role in the conflict, and yet we are still no closer to learning why this Government have failed to carry out their own independent investigation into whether international humanitarian law was breached. Hospitals have been bombed and civilians have been killed. We must end arms sales to Saudi Arabia now and conduct our own investigation. Ministers must remove their heads from the sand and apologise to this House for attempting to brush the issue under the carpet. Parliament was misled six times. Rather than facing the music, did Ministers deliberately hide this knowledge from the House until the last day before the recess? This House and the public deserve more respect from this Government. A humanitarian disaster continues to unfold in front of our very eyes in the Yemen. We need answers and action today; nothing less will do. Will the Minister commit to ending arms sales to Saudi Arabia?

Mr Ellwood: I am sorry that the hon. Lady has adopted that tone. It is absolutely right that she holds the Government to account, and, in all fairness, she has been very consistent in doing that, but I have not been brushing any issues under the carpet—quite the contrary. I have been as open as I can be about these matters. I make it very clear to the House, as I said in my letter to the Chair of the Foreign Affairs Committee, that if we are not satisfied with the Saudi Arabian investigation, we will not oppose an independent investigation. First, though, we must honour international standards and allow Saudi Arabia to conduct its own investigations, as we would be doing in similar circumstances.

Mrs Cheryl Gillan (Chesham and Amersham) (Con): Will the Minister confirm reports that the Prime Minister has raised concerns about the Yemen directly with Saudi Arabian leaders at the G20? Will he also say a bit more about what the Government are doing to try to get Saudi Arabia to sign up to the UN cluster munitions convention?

Mr Ellwood: I am very grateful to my right hon. Friend for her words. She is absolutely right that the G20 posed a huge opportunity for the Prime Minister to share thoughts and concerns about a number of matters pertaining to the middle east. I am not aware of what happened, but I will find out whether she was able to take up such an opportunity. I was certainly able to do so when I was with the Foreign Ministers from Saudi Arabia and the Emirates and John Kerry last week. As I have said, there is a further opportunity for this House to raise those questions too. My right hon. Friend also raised the issue of the cluster munitions

convention. I have invited Saudi Arabia to consider signing it as an indication of where it wants to move to in the future.

Keith Vaz (Leicester East) (Lab): I thank the Minister for coming to the House and correcting the record in respect of the errors that occurred. He will know that three Members of this House—the hon. Member for Portsmouth South (Mrs Drummond), my hon. Friend the Member for Walsall South (Valerie Vaz) and myself—were born in Yemen. Our fear is that Yemen is bleeding to death. There is a massive humanitarian crisis, the worst in the world. What is being done to get food in to the population of Yemen and to make sure that that happens as quickly as possible?

Mr Ellwood: I pay tribute to the right hon. Gentleman for the work that he has done. He obviously has a personal interest in the matter, as do others, and he has raised this subject on many occasions. I am pleased that he has raised the huge concern, which I think he House shares, about the humanitarian catastrophe that is unfolding in Yemen. For example, in July only 43% of the monthly food needs and only 23% of the fuel needs were met in that country. That is because there is no access or no complete access to the country. We need to see aid coming in not just through the port of Aden, but Hodeida further up the west coast opened up to provide access to the northern part of the country.

Mrs Flick Drummond (Portsmouth South) (Con): Do the Government support the establishment of an international independent investigation following the human rights council, as we have done in other initiatives relating to conflicts in other countries, such as Sri Lanka?

Mr Ellwood: My hon. Friend raises a valid point. The process that we follow is to encourage any country to conduct its own investigation, as we would do. As I stated in answer to a previous question, if we find those investigations wanting, we will call for an independent investigation. As I said in my opening remarks, eight publications have already come forward, having analysed certain breaches or events that have taken place, and there will be further publications on other events in the near future.

Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): Is it not a fact that the Saudi-led coalition to support the Yemen Government is clearly targeting civilian areas? Can the Minister remind us why we are supporting it?

Mr Ellwood: The conduct of war in Yemen is complicated. Much of the conflict is taking place in urban areas. The Houthis are using civilians as guards in order to deliberately take the battle into the towns and cities. It is very complicated indeed. We have encouraged Saudi Arabia and the coalition to make sure that as little collateral damage takes place as possible. The hon. Lady seems to suggest that if we did not support UN resolution 2216 and if we did not support President Hadi's request for support, somehow Yemen would be in a better situation. I can tell her that quite the opposite would be the case.

Nigel Huddleston (Mid Worcestershire) (Con): Does the Minister believe that al-Qaeda is active in Yemen and, if so, how active?

Mr Ellwood: I can confirm that. As this House is only too aware, where there is conflict and instability, it is very easy for extremism to flourish, and Yemen is a great example of that. Al-Qaeda in the Arabian Peninsula is one of the most active branches of al-Qaeda, responsible for the printer cartridge bombing and for the *Charlie Hebdo* attacks in Paris. As long as there is instability, it will continue to flourish. The port of Mukalla in the south—an entire city—was until recently run by al-Qaeda. That is why we need a political solution for that country.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Just over a year ago my hon. Friend the Member for Liverpool, Riverside (Mrs Ellman) and I presented a petition to this House about the dire humanitarian crisis in Yemen. In the light of today's statement, may I urge the Minister to revisit the issue of immediate relatives and dependants of British citizens who cannot get out of Yemen, many of whom are stuck in areas that do not have access to humanitarian aid workers and who are having to wait up to 12 months for a decision on their applications to come to Britain? May I urge him to work with his colleagues in the Home Office to speed up this process?

Mr Ellwood: The hon. Lady raises two important and related issues. The first is to do with the international humanitarian support for the country. This is something that my right hon. Friend the Secretary of State for International Development will be raising at the UN General Assembly to see what more the international community can do. On the migrant situation and those being granted refugee status, I will raise that with my Home Office colleagues.

Seema Kennedy (South Ribble) (Con): Given the recent upgrade in diplomatic relations between the UK and Iran, will Yemen be the subject of discussions between the two countries?

Mr Ellwood: My hon. Friend raises a very important point—the responsible role that Iran can and should take given where it is now in relation to the nuclear deal. If it wants to play a helpful role on the international stage in the region, then it needs to check its proxy influence in places such as Bahrain, Yemen and Damascus, and indeed in Baghdad as well.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): Only last month, Oxfam claimed that the UK Government had switched from being an enthusiastic backer of the arms trade treaty to one of the most significant violators. The Government have lost immense credibility over this saga, and that was not helped by last-minute retractions. Do they not accept that if they echoed calls for an international independent inquiry, the added transparency and accountability would be a benefit to all stakeholders involved?

Mr Ellwood: I do not agree with the first part of the hon. Lady's question, as she might guess, but the second part I do agree with. The process that we must follow is to allow and encourage Saudi Arabia to make sure that

it does the necessary investigations, as it is now starting to do. If we find that those investigations are wanting, it is absolutely right that we should then call for an independent international investigation to be carried out.

Mark Pritchard (The Wrekin) (Con): Of course Iran has equal responsibility under international humanitarian law, as well as Saudi Arabia. The Minister, as the surviving Minister in the Foreign Office, will know that several months ago, when it was revealed that the UK was supplying weapons to Saudi Arabia for the Yemen campaign, the justification for the Government's position was that those weapons were accurate and needed by Saudi Arabia, and that the technical targeting assistance was being provided by the British to make sure that those accurate weapons were even more accurate. Given that that is the case, why have so many weapons gone astray?

Mr Ellwood: We have a very robust relationship with Saudi Arabia. We are able to raise matters in confidence and in private that we would not be able to raise in public, and that applies to many of the issues that have been raised today. However, this is a legitimate coalition, and it is allowed to use weapons that are provided and sold by the United Kingdom.

Mr Kevan Jones (North Durham) (Lab): One of the accusations against the Saudis is that UK-made cluster munitions have been used in Yemen. The former procurement Minister, the hon. Member for Ludlow (Mr Dunne), told the House before the recess that the last time the UK sold cluster munitions was 30 years ago. What assessment has the Minister or the MOD made of the usability of those weapons and whether they have ever actually been used?

Mr Ellwood: I recognise the interest and also the expertise that the hon. Gentleman brings to the House given his work as a Minister in the MOD. As a reservist and an ex-member of the regular forces, I would not go anywhere near any ordnance that was over 20 years old. The cluster munitions that are being discussed are well past their sell-by date. They are dangerous and should not be used by anybody.

Tom Tugendhat (Tonbridge and Malling) (Con): I welcome the efforts that my hon. Friend's Department has made in helping the Saudis with their application of international humanitarian law in the Yemeni armed conflict. Has he used any of our wonderful British imams who have served in the armed forces of the United Kingdom, many of whom have studied the sayings of Abu Bakr, the first caliph of Islam, who set out many of the rules of war that would apply very well in these circumstances, to remind the Saudis that these are not western concepts at all but actually Islamic themes?

Mr Ellwood: My hon. Friend touches on quite a deep issue that reflects his knowledge and expertise in this area, to which I pay tribute. I spent some of the summer reading the works of Gertrude Bell, which I know he has studied. She illustrates, and learned over a long period, the complexity that we are dealing with in today's Saudi Arabia. We have to understand and recognise

that it is a conservative society which is being obliged and encouraged to move at a far faster pace than many other countries in the world, not least in the legitimacy of running a complex and sustained campaign of war.

Tom Brake (Carshalton and Wallington) (LD): The key test for the UK Government's continued arms exports to Saudi Arabia in relation to international humanitarian law is whether there is a clear risk that those weapons might be used in the commission of a serious violation of that law. If the Government do not consider the repeated bombing of hospitals, schools and markets, and the designation of whole cities such as Ma'aran as war zones, a serious violation of humanitarian law, what does fall into that category?

Mr Ellwood: The right hon. Gentleman raises a number of events that have taken place and are being looked into by Saudi Arabia, but there is also a comparison with what happened with the United States, when a hospital was also attacked. The question is whether any nation puts its hand up and says that a mistake has been made or whether it tries to cover things up and say that they did not happen, which would be a breach of international humanitarian law.

Sir Edward Leigh (Gainsborough) (Con): These were not minor corrections issued on 21 July; frankly, the Government are now saying the complete opposite of what they said before. I am reminded of Ron Ziegler, President Nixon's former press secretary, who said that all previous statements were inoperative. It is not just that the Government said that there was no evidence that IHL had been breached and are now saying that they are unable to assess whether there have been breaches. They also said that the MOD was of the opinion that the Saudis were not targeting civilians; now they say that the MOD has not assessed whether the Saudis are targeting civilians. This is a deeply serious matter. The Government must take action and we now want answers to these questions. Are the Saudis actually targeting civilians, yes or no? The Minister must come back to the House and give answers on these serious matters.

Mr Ellwood: My hon. Friend makes his point, but I will just say that each case is considered in its own right. Each arms export is considered under the ruthless criteria under which we operate. We look to the future, to the intent of that country and at how those weapon systems will be used. As things stand, we do not believe that they will be used in breach of IHL.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): It is rare that I agree with the hon. Member for Gainsborough (Sir Edward Leigh), but communications from Ministers and the Government on this issue have been positively Kafkaesque to say the least. The lack of clarity in the information given in answers and to Committees of this House is not acceptable. Let us get back to the facts, Mr Speaker. Saudi Arabia admitted on 4 August that it had mistakenly bombed a residential complex, a World Food Programme convoy and medical facilities, never mind the other examples that have been raised by non-governmental organisations and other humanitarian organisations. Is the Minister satisfied with that? If he is not, will he suspend those arms sales?

Mr Ellwood: Thousands of sorties have been made not just by Saudi Arabia but by the entire coalition. Errors have been made as well. I do not agree with the hon. Gentleman's opening statement, which implied that I have either misled or not been up front about what is going on. I have been very clear indeed. If he wants to talk about the specific issues that he has raised today, I am more than happy to meet him outside the Chamber and we can look into them. I have encouraged Saudi Arabia to look into every one of those cases and provide a report.

Kevin Foster (Torbay) (Con): The Minister will be aware that sometimes with situations in the middle east we must be careful what we wish for because of what might come in its place. Does he agree that Saudi Arabia could do a lot to reinforce people's confidence in its operations by joining the international ban on cluster munitions, to which we are already party?

Mr Ellwood: That is absolutely right. I know that there is an intention among the establishment in Saudi Arabia to move forward in that regard, but as I have touched on in the past, this is a conservative society led by a liberal wing of that society. It needs to move at a pace that is workable for Saudi Arabia, and a major step forward would be the consideration of signing the cluster weapons convention.

Alison Thewliss (Glasgow Central) (SNP): It is clear that the situation in Yemen is not improving and respected organisations are calling for independent investigation of violations of international humanitarian law, yet in the second quarter of 2016 this Government, and the Minister's colleagues in the Home Office, refused 13 asylum applications, and 57 applications from Yemeni citizens remain pending. Will the Minister speak with his colleagues in the Home Office and impress on them the need for certainty for those Yemeni citizens that they will not be removed to a country that is a war zone because of bombs that we are selling to the Saudis?

Mr Ellwood: Just to clarify, am I right in thinking that the hon. Lady expects Yemenis based in the UK to be returned to Yemen?

Alison Thewliss: The 13 refusals.

Mr Ellwood: I will raise that. This question has already been raised by a Labour Member and I will look at it again, but my understanding is that nobody is being returned to a war zone.

Mr Speaker: I would just make the point that it is not uncommon for the same point to be raised more than once in the course of an interrogation of a Minister, a fact with which I am sure the hon. Gentleman is intensely familiar.

Mike Wood (Dudley South) (Con): Will the Minister reassure the House that the conflict in Yemen and accusations of breaches of international humanitarian law are taken into consideration when looking at extending arms exports?

Mr Ellwood: The answer to that is yes—that is absolutely the case. We have now moved forward in our discussions. The Houthis, after walking out of the discussions in

[Mr Ellwood]

Kuwait, are now working with the UN envoy, and I hope that we will be able to move forward from the phase of war and armed conflict to one of political resolution.

Thangam Debbonaire (Bristol West) (Lab): Will the Minister please tell the House, very simply, whether any weapons or planes manufactured in the United Kingdom have been used in the conflict in Yemen and, in particular, whether they have been used against civilians?

Mr Ellwood: I cannot answer the latter part of that question but I can say that, yes, we have sold weapons and aircraft systems to Saudi Arabia and other members of the coalition which have been used legitimately, following a request by President Hadi under resolution 2216.

Mr Philip Hollobone (Kettering) (Con): Will the Minister confirm that Britain's international aid commitment to Yemen more than doubled this year to £85 million, making us the fourth largest donor in the world? What steps has he taken to ensure further unhindered access of that humanitarian aid to the places that need it most?

Mr Ellwood: I can confirm that we are the fourth largest donor. My hon. Friend is right to say that the figure is £85 million and, looking at my Department for International Development colleagues, I hope we will be able to increase it. I know that every effort will be made at the UN General Assembly in the coming weeks to rally other countries to provide more financial support and to make sure that it reaches those people who genuinely require it.

Andrew Gwynne (Denton and Reddish) (Lab): Will the Minister outline what procedures are in place for the sharing of United Kingdom intelligence with Gulf states? What assurances can he give the House that none of that intelligence is being used to support the airstrikes in Yemen?

Mr Ellwood: I cannot comment, for the obvious reason that we do not discuss intelligence matters at the Dispatch Box.

Mr Nigel Evans (Ribble Valley) (Con): Will the Minister confirm that what he is saying is that he has no evidence whatsoever that Saudi Arabia has been involved in any human rights violations? If there were such evidence, would he suspend arms sales to Saudi Arabia?

Mr Ellwood: It is not in my gift to make that judgment—the Foreign Office can only make recommendations—but my hon. Friend is absolutely right to say that, if we were to find breaches of international humanitarian law, that would change our view of whether future arms exports should take place.

Douglas Chapman (Dunfermline and West Fife) (SNP): The Saudi Government have been trusted with the oversight of weapons licensed by the UK Government

and used in Yemen, with disastrous consequences. Does the Minister consider that to be misjudgment? Should not oversight be more independent, and should not an independent inquiry begin now, without delay?

Mr Ellwood: I think that Saudi Arabia has been slow in acknowledging international scrutiny of the various weapons systems that have been used in the conflict itself. Having said that, we are seeing an advancement in its processes, and it is those processes that we must now lean on to make sure that Saudi Arabia puts its hand up if there is a mistake and any collateral damage.

Nick Thomas-Symonds (Torfaen) (Lab): The Minister has said that the Government are unable to draw conclusions about individual allegations of human rights breaches, but will he comment on how the overall risk assessment has changed in the light of the reported breaches, and how worried is he that weapons manufactured here in the UK have been involved?

Mr Ellwood: We look to the future to see the intent of the country and how the weapons might be used, and whether there is transparency on misuse and collateral damage. That is why we lean on the Saudi Arabians and encourage them to produce the necessary reports that provide the light for which the NGOs, we and, indeed, other members of the international community are looking.

Brendan O'Hara (Argyll and Bute) (SNP): In answer to my question on 2 February regarding violations of international humanitarian law, the Minister said that the Government were aware of such reports and that they would

“continue to monitor the situation closely”.

In the intervening seven months, what further information has been gleaned by the Government? Exactly what has to happen in Yemen before this Government recognise a breach of international humanitarian law and stop arming Saudi Arabia?

Mr Ellwood: I am not familiar with the exact reports that the hon. Gentleman is referring to, but I would be happy to speak to him in more detail. If he is referring to the report by the UN committee of experts, in which I think more than 100 allegations were made, that UN team did not actually set foot in Yemen when they compiled that evidence. Having said that, we passed that on to the Saudi Arabians for them to comment on what had happened.

Diana Johnson (Kingston upon Hull North) (Lab): The Minister has said that Saudi Arabia, in the first instance, should be allowed to investigate any breaches of international humanitarian law, but with both the Saudi joint incidents assessment team and the Yemeni national commission of inquiry failing to carry out proper investigations, does he not think that it is time to press for a full independent investigation into what has gone on?

Mr Ellwood: Those two organisations do slightly separate work. What we expect from the Saudi Arabians—they acknowledge that they have been slow to put the processes in place—is that they investigate any alleged

violations and provide a full report. The Yemeni investigation team is looking at human rights violations on the ground that have been conducted under the fog of war—the use of child soldiers, for example—which is quite a separate matter.

Patrick Grady (Glasgow North) (SNP): Why did we have to wait until the very last day before the recess for the corrections to the parliamentary record to be produced? Why could that not have happened the day before, so that the Minister could have taken oral questions the next day? We have had to wait all summer long, and we have finally had a question session but we still have no answers. I would have thought that the Government had had time enough to be able to answer some of the questions raised by hon. Members today.

Mr Ellwood: There were answers. As soon as I found out about the matter, I wrote to the necessary Committee Chairs. If there had been an opportunity before we broke up for the recess, I certainly would have taken it. If it is any consolation, I apologise to the House for not coming to this place earlier to put that on the record. I make that very clear indeed.

Exiting the European Union

4.17 pm

The Secretary of State for Exiting the European Union (Mr David Davis): I thought it would be useful for the House to be brought up to date on the working of my Department after the referendum of 23 June. Our instructions from the British people are clear. Britain is leaving the European Union. The mandate for that course is overwhelming. The referendum of 23 June delivered a bigger vote for Brexit than that won by any UK Government in history. It is a national mandate, and this Government are determined to deliver it in the national interest.

The Prime Minister has made it clear that there will be no attempt to stay in the EU by the back door; no attempt to delay, frustrate or thwart the will of the British people; and no attempt to engineer a second referendum because some people did not like the first answer. The people have spoken in a referendum offered to them by this Government and confirmed by Parliament—by all of us, on both sides of the argument—and we must all respect it. That is a simple matter of democratic politics.

Naturally, people want to know what Brexit will mean. Simply, it means leaving the European Union, so we will decide on our borders, our laws and the taxpayer's money. It means getting the best deal for Britain: one that is unique to Britain and not an off-the-shelf solution. This must mean controls on the numbers of people who come to Britain from Europe, but also a positive outcome for those who wish to trade in goods and services. This is an historic and positive moment for our nation. Brexit is not about making the best of a bad job; it is about seizing a huge and exciting opportunity that will flow from a new place for Britain in the world. There will be new freedoms, new opportunities and new horizons for our country. We can get the right trade policy for the UK. We can create a more dynamic economy, a beacon for free trade across the world. We want to make sure our regulatory environment helps, rather than hinders, businesses and workers. We can create an immigration system that allows us to control numbers and encourage the brightest and best to come to this country.

I want to be clear to our European friends and allies that we do not see Brexit as ending our relationship with Europe; it is about starting a new one. We want to maintain or even strengthen our co-operation on security and defence. It is in the interests of both the UK and the European Union that we have the freest possible trading relationship. We want a strong European Union, succeeding economically and politically, working with Britain in many areas of common interest, so we should all approach the negotiations to come about our exit with a sense of mutual respect and co-operation.

I know the House will want to be updated about the work of the Department. It is a privilege to have been asked to lead it by the Prime Minister. The challenge we face is exciting and considerable. It will require significant expertise and a consistent approach. Negotiating with the EU has to be got right, and we are going to take the time to get it right. We will strive to build national consensus around our approach.

We start from a position of economic strength. As the Prime Minister said yesterday, there will be challenges ahead, but our economy is robust, thanks in no small

[Mr David Davis]

part to the work of my right hon. Friend the Member for Tatton (Mr Osborne). The latest data suggest our manufacturing and service industries and consumer confidence are all strong, contrary to some of the earlier predictions. Businesses are putting their faith and their money into this country. Over the summer, SoftBank, GlaxoSmithKline and Siemens all confirmed that they will make major investments in the UK. Countries, including Australia, have already made clear their desire to proceed quickly with a new trade deal for the UK. As other nations see advantages to them, I am confident that they will want to prioritise deals with the UK, too. But we are not complacent. Our task is to build on this success and strength and to negotiate a deal for exiting the European Union that is in the interests of the entire nation.

As I have already indicated, securing a deal that is in our national interest does not and must not mean turning our back on Europe. To do so would not be in our interests, nor Europe's, so we will work hard to help to establish a future relationship between the EU and the UK that is dynamic, constructive and healthy. We want a steadfast and successful European Union after we depart.

As we proceed, we will be guided by some clear principles. First, as I have said, we wish to build national consensus around our position. Secondly, we will always put the national interest first. We will always act in good faith towards our European partners. Thirdly, wherever possible, we will try to minimise any uncertainty that change will inevitably bring. Fourthly, and crucially, by the end of this process we will have left the European Union and put the sovereignty and supremacy of this Parliament beyond doubt.

The first formal step in the process of leaving the European Union is to invoke article 50, which will start two years of negotiations. Let me briefly update the House on how the machinery of government will support our efforts and on the next steps we will take. First, on responsibilities, the Prime Minister will lead the UK's exit negotiations and be supported on a day-to-day basis by my Department. We will work closely with all Government Departments to develop our objectives and to negotiate new relationships with the EU and the rest of the world. Supporting me is a first-class ministerial team and some of the brightest and best in Whitehall, who want to engage in this national endeavour. The Department now has over 180 staff in London, plus the expertise of over 120 officials in Brussels. We are still growing rapidly, with first-class support from other Departments.

As to the next steps, the Department's task is clear. We are undertaking two broad areas of work. First, given that we are determined to build national consensus, we will listen and talk to as many organisations, companies and institutions as possible—from large plcs to small businesses, and from the devolved Administrations to councils, local government associations and major metropolitan bodies.

We are already fully engaged with the Governments of Scotland, Wales and Northern Ireland to ensure a UK-wide approach to our negotiations. The Prime Minister met the First Ministers of Scotland and Wales and the First Minister and Deputy First Minister of Northern

Ireland in July. Last week, I visited Northern Ireland for meetings with its political leaders, where I reiterated our determination that there will be no return to the hard borders of the past. I will visit Scotland and Wales soon.

My ministerial colleagues and I have also discussed the next steps with a range of organisations. My first meeting was with the general secretary of the Trades Union Congress, followed by key business groups, representatives of the universities and the charitable sector, and farming and fisheries organisations. But that is just the start. In the weeks ahead, we will speak to as many other firms, organisations and bodies as possible—research institutes, regional and national groups, and businesses up and down the country—to establish their priorities and the opportunities for the whole of the UK. As part of that exercise I can announce that we will be holding roundtables with stakeholders in a series of sectors, to ensure that all views are reflected in our analysis of the options for the UK. [Interruption.]

Mr Speaker: Order. Will the right hon. Gentleman resume his seat for just a moment? There is quite a lot of unseemly and, dare I say it, somewhat unstatesmanlike noise from a sedentary position. Someone was muttering, "Too long!" It is not too long at all. The right hon. Gentleman is perfectly in order. Let me remind the House that it has always been my practice to facilitate the fullest and most extensive interrogation of the relevant Minister, and that will happen today. Everyone will have his or her opportunity. But it would be a good thing if people would listen respectfully. If they can manage a beaming countenance reminiscent of that of the Foreign Secretary that will be a bonus, but it is not obligatory.

Mr Davis: Those roundtables will include stakeholders from the broadcast, aviation, energy, financial services and automotive sectors, and others.

I will also engage with EU member states. I am beginning with a visit to Dublin this week. I am working particularly closely with the Foreign Secretary and the Secretary of State for International Trade, who have been meeting counterparts in Washington, Brussels and Delhi, and in the capitals of other EU states. While we do that, my officials, supported by officials across Government, are carrying out programme of sectoral analysis and regulatory analysis, which will identify the key factors for some 50 sectors of British business. It is extremely important that the House understands that. We are building a detailed understanding of how the withdrawal from the EU will affect domestic policies, to seize opportunities and ensure a smooth process of exit.

The referendum result was a clear sign that the majority of the British people want to see Parliament's sovereignty strengthened, and so throughout the process Parliament will be regularly informed, updated and engaged.

Finally, we are determined to ensure that people have as much stability and certainty as possible in the period leading up to our departure from the EU. Until we leave the European Union, we must respect the laws and the obligations that membership requires of us. We also want to ensure certainty when it comes to public funding. The Chancellor has confirmed that structural and investment fund projects signed before the autumn statement and research and innovation projects financed by the

European Commission by money granted before we leave the EU will be underwritten by the Treasury after we leave. Agriculture is a vital part of the economy and the Government will match the current level of annual payments that the sector receives through the direct payments scheme until 2020, again providing certainty.

The Prime Minister has been clear that she is determined to protect the status of EU nationals already living in the UK. The only circumstances in which that would not be possible would be if the rights of British citizens in EU member states were not protected in return, something that I frankly find very hard to imagine.

I am confident that together we will be able to deliver on what the country asked us to do through the referendum. I am greatly encouraged by the national mood. Most of those I have met who wanted to remain have accepted the result and now want to make a success of the course Britain has chosen. Indeed, organisations and individuals I have met already who had backed the remain campaign now want to be engaged in the process of exit and in identifying the positive changes that will flow from it as well as the challenges. I want us all to come together as one nation to get the best deal for Britain.

In conclusion, we are confident of negotiating a new position that will mean this country flourishing outside the European Union while keeping EU members as friends, allies and trading partners. We leave the European Union but we will not—[*Interruption.*]

Mr Speaker: Order. The hon. Member for Perth and North Perthshire (Pete Wishart) is an aspiring statesman. His aspiration may be a little way from fulfilment. I want to hear the Secretary of State's peroration.

Mr Davis: It is an aspiration of very long standing, Mr Speaker.

In conclusion, we are confident of negotiating a position that will mean this country flourishing outside the EU, keeping its members as our friends, our allies and our trading partners. We will leave the European Union but will not turn our back on Europe. We will embrace the opportunities and freedoms that will open up for Britain. We will deliver on the national mandate for Brexit, and we will deliver it in the national interest.

4.30 pm

Emily Thornberry (Islington South and Finsbury) (Lab): I welcome the Secretary of State to his new role. It is eight years since his last appearance at the Dispatch Box. Back then, I believe his last words were: "You have to answer." Let us hope that he gives us some answers today.

I welcome the attitude he has expressed today that he will be talking and listening to everyone. May I give him some advice? Perhaps he should start by putting a telephone number on his website. It has been a little difficult tracking his Department down, so it would be nice if he could begin by giving that out later, along with some of the answers that we would expect. The spin before today's statement was so much promise. We heard that we would hear what the Government's strategy for Brexit is, but instead we have not heard a strategy or a thought-out plan. It has been more empty platitudes from a Government who continue to make it up as they go along.

Last night, the Prime Minister, who was on a plane, seemingly told us what she was not going to do—it seems that we will not have a points-based immigration system, any extra money for the NHS or a reduction in VAT on fuel—but we have not been told what the Government will do. When will they tell us how they will deliver, for example, free trade for British businesses while imposing immigration controls, let alone how they will address the red lines that Labour has demanded on the protection of workers' rights and guarantees for EU citizens?

The Secretary of State says that he wants to present a positive vision of Britain post-Brexit, but unless he can tell us what deal the Government are working towards, how they plan to achieve it and whether other member states will accept it, his positive vision is just a pipe dream. It is just rhetoric.

May I remind the Secretary of State of what he said two months ago? He said:

"The negotiating strategy has to be properly designed, and there is some serious consultation to be done first... This is one of the reasons for taking a little time before triggering Article 50."

We absolutely should take a little time before triggering article 50, but where is the negotiating strategy and what serious consultation has taken place with other member states? In the absence of either, why are the Government pushing ahead with article 50? What has happened since July? What is the plan?

May I remind the House what the Foreign Affairs Committee said in July about the previous Government? It said:

"The previous Government's considered view not to instruct key Departments...to plan for the possibility"

of a leave vote "amounted to gross negligence." What do we say about the current Government when, two months later, we are no further forward? Surely all we can say is this: when it comes to planning for Brexit, they have gone from gross negligence to rank incompetence. We see the warnings to Britain from Japan and others at the G20, and we see investment from companies like Nissan put under threat. It is British workers who will pay the price for the Government's incompetence.

This morning, the Japanese ambassador, speaking on the "Today" programme, said something that was as honest as it was deadly. He said: "The problem that we see is not to have a very well thought through consideration before you start negotiation." He is absolutely right. Are the Government rushing to start negotiation? Yes. Do they have a well thought-out plan for that negotiation? No.

The Secretary of State has won plaudits in the past for his principled stand on issues such as parliamentary sovereignty—indeed, he talked about the importance of parliamentary sovereignty today—democratic rights and the rule of law, so surely he cannot think it right that article 50 should be triggered by royal prerogative. As his friend and mine, the former Attorney General the right hon. and learned Member for Beaconsfield (Mr Grieve), said:

"The idea that a government could take a decision of such massive importance...without parliamentary approval seems to me to be extremely far-fetched."

Well, I do not think it is far-fetched; I think it is just plain wrong. And I think that if the Secretary of State was still on the Back Benches, he would agree with me.

[Emily Thornberry]

When there is no evidence of sound planning by the Government, no detail on the deal they want to strike, no strategy for achieving that deal or the reasons for pushing it through, Parliament must have more of a say. We must have more than simply a say: we must have a vote.

Mr Davis: I thank the hon. Lady for her welcome. As I suspect is very common when people enter the Cabinet, I have received a very large number of congratulatory emails and telegrams. The best one was the shortest. It said, “Many congratulations, I now believe in the resurrection.” Let me deal with the measures she has raised.

The hon. Lady and the Labour party accuse us of rank incompetence—the Labour party! The Prime Minister, on her trip to China, described her approach to complex problems—this is certainly a complex problem. Her approach is to collect the data, analyse it, make a judgment, make a decision and implement it. The Labour party clearly does it the other way around. The Americans have a phrase for the way the Labour party approaches these things—not looking at the problem, not looking at the issue, not looking at the data. They call it “load, fire, aim”. That may be very appropriate for the circular firing squad that is the Labour party, but it is not appropriate to running things in the national interest.

The hon. Lady mentioned the points-based immigration system. What the Prime Minister said in China was very clear. She wants a results-based immigration system that delivers an outcome the British people voted for. That is what she will be delivering at the end of this.

The hon. Lady mentioned the Japanese ambassador. From memory, the Japanese ambassador this morning said something to the effect that he had not met a company that did not think Britain was the best place in Europe to have its business—not one. He also said that he admired the Prime Minister’s approach to the negotiation. The hon. Lady should pick her quotes a little more carefully.

Let me come to the hon. Lady’s central point, if there was a point in what she had to say. She talked about article 50. Before we entered on to this course, the referendum Bill went through this House. It was voted for 6:1 in this House, and she voted for it. What did the Bill say? It was presented by the then Foreign Secretary, who said that we were giving the British people the right to make the decision—it was not advice or consultation. What she is trying to wrap up in a pseudo-democratic masquerade is the most anti-democratic proposal I have heard for some time. She wants to deny the will of the British people and up with that we will not put.

Mr Iain Duncan Smith (Chingford and Woodford Green) (Con): I welcome my right hon. Friend’s return to the Front Bench. As someone who recently left it—voluntarily, I have to tell him—I unreservedly welcome him. I also welcome his incredibly optimistic tone on the whole idea of the United Kingdom leaving the European Union and forging a new relationship with the rest of the world.

On the specifics of the statement—[*Interruption.*] The one specific is that we are leaving the European Union. On that specific, I wonder if I might press my

right hon. Friend. In the media today, we have had a certain amount of speculation on the detail in terms of controlling our borders. Will he confirm that, in leaving the European Union, the No. 1 thing that is absolutely not negotiable is that the United Kingdom will take control of its borders and the laws relevant to that and that that is not negotiable in any other deal?

Mr Davis: I thank my right hon. Friend for his question, and I would say two things. First, the referendum provided the biggest mandate ever given to a British Government, and the question of immigration clearly played a large part. Secondly, the Prime Minister has made it very plain that the current state of immigration cannot go on and that we will bring it to an end as part of this process.

Stephen Gethins (North East Fife) (SNP): I welcome the Secretary of State to his new position and congratulate him on it. I want to ask him, “Was that it?” The Secretary of State has had all summer, and it has to be said that it is a mark of an irresponsible Government, just as it was a mark of an irresponsible leave campaign, that we know nothing more about the phrase “Brexit means Brexit”. That creates huge levels of uncertainty for our universities and our research institutions, which need some certainty beyond 2020; For food and drink producers; and for EU nationals who have made this country their home and deserve much better. What reassurances can the Secretary of State give them, because he has given them precious little from his statement today?

The actions of this Government stand in stark contrast to those of the Scottish Government, who have reached out to EU nationals and set out a clear action, including setting up an expert group; who have provided £100 million-worth of economic stimulus, with more to come tomorrow and a programme for government. The Secretary of State was responsible for a leave campaign that had no plans—zero, zilch. That is in stark contrast to the 670-page White Paper that the Scottish Government produced ahead of the independence referendum. Does the right hon. Gentleman regret not having any more plans, especially now that the Prime Minister is slapping down some of the leave campaign’s ideas and the Foreign Secretary is referring to access to the single market? Does the Secretary of State regret that blank piece of paper?

Mr Davis: I am tempted to say “Is that it?” too. The simple truth is this. The hon. Gentleman talks about a 670-page White Paper for the Scottish independence referendum, which I remind him they lost—and they would still lose today. After the Brexit referendum, what did we see? Do the Scottish people want another referendum? No, they do not. Would they vote to leave? No, they would not. That is all I need to say to the hon. Gentleman.

Mr Kenneth Clarke (Rushcliffe) (Con): I understand my right hon. Friend’s difficulties, and I congratulate him on not rushing anything. I encourage him and his colleagues to take as long as they possibly can to work out a policy. I look forward to hearing from him again when the Government have found something they can agree on that indicates what Brexit actually means. Meanwhile, on a more positive note, I do not recall my

right hon. Friend taking part in any of the ill-informed and sometimes prejudiced attacks on immigrants and foreigners living and working in this country. Does he agree with me that, although some anti-foreigner rhetoric might have added a few votes that might have tilted the leave campaign into gaining a majority, the majority of the public are not hostile to other Europeans living and working in this country, so long as they respect our laws and our customs? Will he confirm that the Government will not needlessly sacrifice our access to a free market of 500 million people or our trade and economic co-operation with our European allies just to demonstrate that we are turning away from this country foreigners whom employers wish to employ to fill skills shortages or as a result of the unwillingness of English people to fill vacancies in various parts of our economy?

Mr Davis: My right hon. and learned Friend and I have debated this matter probably for nearly 30 years. Let me say this on the issue of anti-foreigner rhetoric. I agree entirely that the sort of unpleasantness that has sometimes arisen is to be wholly condemned—I repeat, wholly condemned. I certainly join my right hon. and learned Friend in condemning that rhetoric.

However, my right hon. and learned Friend then moved on to the issue of immigration. I do not think that when people are concerned about immigration, it is necessarily xenophobia. Economic, social and other pressures lead to people's concern about the issue. Nor do I think that it is a simple trade-off. I do not think that an immigration control system that suits our country is necessarily one that will preclude a good trade relationship with the European Union. Trade relationships are beneficial to both sides, and we should not need to make a policy purchase in order to secure such a relationship. So, while I agree with my right hon. and learned Friend's original proposal, I do not agree with his conclusion.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): As the Secretary of State will know, the business of his Department will be the most important issue that has faced our country for decades, and it is hugely important that we secure the best deal for Britain outside the European Union. No one expects him to have worked out all the answers yet, but we do expect him to be able to set out the outline of some kind of plan, and today we have heard nothing of that sort.

Let me ask the Secretary of State just one specific question. Has his Department even considered what the home affairs issues will be in the negotiations, and has he decided whether or not Britain will be staying in Europol? That decision will have to be made this year, not in many years to come. Has he decided whether we will be in Europol, yes or no?

Mr Davis: The right hon. Lady was an eminent member of the Cabinet, and, indeed, an eminent Front-Bench Member and shadow Home Secretary. I therefore take her question extremely seriously, as she does this issue. The simple answer is that the whole justice and home affairs stream is being assessed even as we speak, and the aim is to preserve the relationship with the European Union on security matters as best we can. The right hon. Lady will recall that last year a decision was made which laid aside about 100 measures that we did not want to be part of, but kept some others,

including the European arrest warrant and one or two others—controversially, as she will remember. So yes, of course we are across that, and of course we are aiming to maintain it. That is the answer.

Mr Andrew Mitchell (Sutton Coldfield) (Con): I warmly congratulate my right hon. Friend on his return to the Government Front Bench after an unfortunate hiatus of some 20 years. Is it not absolutely clear that he has both the skills and the experience that are required for the extremely difficult job that lies ahead? Surely the whole House will wish him every success as he charts those extremely difficult shoals.

Hon. Members: Answer!

Mr Davis: I must admit that I did not hear the question—and, flattering as it was, I do not intend to pay a fee for it either.

Mr Ben Bradshaw (Exeter) (Lab): We learned more of substance from the Prime Minister's briefing of journalists in China than we heard in those 15 minutes of talk about stakeholders and round tables. Will the Secretary of State please confirm that the points-based immigration system, the cut in VAT on fuel, and the £350 million extra every week for the NHS—the three main promises of the leave campaign—now lie in tatters?

Mr Davis: The task of my Department is to deliver on three things. The British people, in the referendum, voted for the return to Parliament of control of our laws, control of our money, and control of our borders, and that is what my Department will bring about. What happens then is down to the Government and Parliament.

Let me deal with just one issue that the right hon. Gentleman raised: the points-based immigration system. What the Prime Minister said in China was very clear. Her concern was that a points-based system was too open-ended and did not actually control the number of people coming to the United Kingdom, and she therefore wanted something that sounded as if it would be more rigorous, not less.

John Redwood (Wokingham) (Con): As 47 countries have free trade agreements with the EU without accepting any EU control over migration in their countries or making any contributions to the EU, will my right hon. Friend confirm that taking back control cannot be negotiated with the French, the Germans and the others: we take back control of those matters and we negotiate, if they wish, over trade? Will he further confirm that the French and German Governments have indicated not at all that they wish to impose any tariffs on their very profitable trade with us, because they do not believe in self-harm?

Mr Davis: That last point goes to the heart of the question. Free trade is not something that is a gift from one country to another; it is something that is mutually beneficial. I fully expect that when we come to do our negotiations with the EU we will see it recognising that France, Germany—in fact, every single country—has a manufacturing surplus delivered to us, whereas we, typically, have a service surplus the other way. I expect that we will both gain from the free trade agreement that comes out of that negotiation.

Mr Nigel Dodds (Belfast North) (DUP): I welcome the Secretary of State to his place. I also welcome today's statement and the visit he made recently to Northern Ireland, when he met the First Minister, the Deputy First Minister and others. Can he reassure us that, as we seek to move forward and make a success of Brexit for the whole of the United Kingdom, which is what the British people in their entirety have voted for—all parts of it—[*Interruption.*] As a result of this national vote—all members of the United Kingdom had an equal vote and voted overwhelmingly to come out of the European Union—can the Secretary of State make it clear that he will work closely with Ministers in Northern Ireland? Will he also make it clear that that work will not just be at ministerial level, but that officials in his Department will work very closely with officials in the Executive Office, the Department of Finance and Personnel and the Department for the Economy and others, to ensure we make a success of this project?

Mr Davis: I can tell the right hon. Gentleman that that is already happening. Officials in my Department and other Whitehall Departments are working with officials in the Northern Ireland Office to proceed on what will actually be one of the more difficult elements of the negotiation, because we do have to deal with the issue of the border, keeping it open and not returning to the recent past. I also agree in some depth with his statement that this is a national decision—that the whole British nation, the whole United Kingdom nation, has decided on this. Whilst we will seek—I look at the Scottish nationalist Benches when I am saying this—to meet and protect the interests of every part of the UK, that does not mean any part of it will have a veto on this, least of all for partisan reasons.

Crispin Blunt (Reigate) (Con): I welcome my right hon. Friend to his responsibilities and further welcome his agreement to appear before the Foreign Affairs Committee next week in order to provide further follow-up to this statement. Does he share my assessment that there is a key foreign affairs, security and defence interest for our 27 EU partners in finding continuing engagement with the UK after Brexit?

Mr Davis: My hon. Friend the Chairman of the Foreign Affairs Select Committee is right, and this is fundamental to one of the points I was making in my earlier remarks. There are very strong security, foreign affairs, foreign policy and environmental relationships, and a whole series of other relationships, that will continue to apply long after we have left the EU, to the benefit of both the EU and the UK.

Kate Hoey (Vauxhall) (Lab): I warmly welcome the Secretary of State to his new position and I know that millions of Labour voters and supporters across the country who voted to leave will be pleased that there is someone in this position who genuinely wants to get out of the EU. Will he confirm that there is a real difference between wanting to be members of the single market and wanting to have access to the single market, and that some of the remainers should learn that?

Mr Davis: The hon. Lady is right, and of course access to the single market is not really up for grabs; it is there for everybody and, frankly, there are many countries outside the EU that do a better job of exporting to the

single market than we do, even without a trade arrangement. So of course we want to have access to the single market and we do not need to be a member of it to do that. Indeed being a member of it is what has caused some of the problems of sovereignty that drove this referendum.

Sir William Cash (Stone) (Con): Congratulations to my right hon. Friend on his appointment. Will he confirm that the vote to leave requires the repeal of the European Communities Act 1972, and will the Government bring in a Bill to achieve that as soon as is reasonably possible?

Mr Davis: The aspects of the European Communities Act 1972 that are required to be repealed and the aspects of the *acquis communautaire* that need to be carried into British law are an important joint set of issues that have to be decided. Once we have got to the point of deciding what we need to do in that regard, we will come back to the House at the first possible opportunity.

Chris Leslie (Nottingham East) (Lab/Co-op): But do we not need more specifics from the Secretary of State? For example, do we not need to know that we can build new relationships without having to wait until the divorce proceedings have finished? Jean-Claude Juncker said this weekend that he did not like the idea of our negotiating trade arrangements, but would it not leave us in limbo if we could not do so? It is essential that we have the ability to get on with building these new relationships now. That means dealing with the Brexit issue while at the same time, in parallel, ensuring that we can forge those new relationships. Those two things have to happen together, not one after the other. How is the Secretary of State going to achieve that?

Mr Davis: The hon. Gentleman is absolutely right. Indeed, the suggestion from the Commission that it is somehow illegal for my right hon. Friend the Secretary of State for International Trade to go and talk to Ministers in India, Canada, Australia or wherever he is going next is somewhat ridiculous. The only thing the Commission can say in legal terms is that we cannot bring an agreement into force until after we leave, and that is perfectly fair and proper. That is what the laws of the European Union are. The hon. Gentleman can take it as read that we are looking to ensure the fastest possible transition to the opportunities I mentioned after Brexit concludes. Similarly, on the other front, there have been suggestions that we cannot talk about the trade arrangement with Europe until the article 50 process has concluded and we are outside the European Union. That, too, is nonsense. I have looked carefully at several different versions of article 50 in different languages, and they all refer to the parallel negotiations that will need to take place, so the hon. Gentleman can take it as read on both those counts that he is right and that we are pursuing the matter.

Mr Owen Paterson (North Shropshire) (Con): I congratulate my right hon. Friend on his appointment and wish him well in his historic task. Many industries and everyday activities depend on European regulation, but there is some uncertainty being stirred up about the future of the law. Further to his reply to the Chair of the European Scrutiny Committee, my hon. Friend the Member for Stone (Sir William Cash), can he confirm

that the Government are going about establishing the entire corpus of European law and all the detail of the *acquis communautaire*, following the path set by countries such as India and Australia when they took on full independence and converted the whole of British law into their national law and then, in subsequent years, repealed, filleted or improved upon it?

Mr Davis: My right hon. Friend makes a good point. This is one of the reasons that the process is taking some time. The legal interactions of certain elements of the *acquis communautaire* and British law are not straightforward. My starting position was that we would put them all into the law and take it from there, but it does not quite work like that. That is why this is taking a little while, but my right hon. Friend can be sure that my legal section and the Whitehall lawyers are on that issue as we speak and will come up with conclusions as quickly as they can. When they do so, I will tell the House what their conclusion is.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): Scottish fishing communities were due to receive more than €100 million of European maritime and fisheries fund support between now and 2023. The Secretary of State has committed to supporting our agricultural communities by guaranteeing that CAP funding will be matched until 2020. Will he make a similar commitment today to our fishing communities to honour the maritime and fisheries funding that has been allocated in the current round?

Mr Davis: Sadly, I did not make that commitment. The Chancellor made the commitment and—*[Interruption.]* With great respect, it is not for me to make commitments on behalf of the Treasury. We will place in the Library a copy of the letter in which the Chancellor laid out the underpinning of the CAP, structural and science funds and so on. He made it clear that that was effectively his decision until the autumn statement. I will report to him what the hon. Lady said so that he is at least aware of her concerns before that statement.

Mr Peter Lilley (Hitchin and Harpenden) (Con): A legitimate concern of many remain voters, and one which many of us on the leave side can well understand, is that an unduly long period of uncertainty while negotiations are ongoing would be damaging to the British economy. Will my right hon. Friend therefore confirm that it will be his priority to complete the process as soon as possible, that the two-year limit set down in article 50 is an arbitrary maximum, not a necessary minimum, and that most countries that have obtained independence or left a political union—India, Canada and Australia or the Czech Republic and Slovakia—have done so in far less than two years?

Mr Davis: I defer to my right hon. Friend's knowledge of the history of those other countries. The Prime Minister has said that we will not trigger article 50 until the new year. The reason is not unnecessary delay or the wasting of time; it is to ensure that we get all the decisions absolutely right. My right hon. Friend has heard over the past few minutes about some of the complexities involved in the *acquis communautaire* alone. We will trigger article 50 as soon as is reasonably possible. I would rather be a month late and get it right

than be a month early and get it wrong. We will do it as expeditiously as possible. The Prime Minister has said clearly that she thinks the British people expect us to get on with it.

Ms Angela Eagle (Wallasey) (Lab): Unravelling 40 years of close co-operation within the European Union with now 27 nation states is, as the right hon. Gentleman is learning if he did not know before, a complex issue. Does he intend to give the House some ongoing view of how that is going? Will he provide some assurance on issues such as workers' rights? Will we keep the principle of equal pay for work of equal value? Will the EU laws that guarantee our pension payments as though they are deferred wages still be recognised by this House?

The right hon. Gentleman talks about the sovereignty of Parliament. Will he give this Parliament more of a say on the deal that is done? Do his Government intend to give the British people a say on the deal when it is finally done?

Mr Davis: I will start by saying that we got our instructions from the British people to do this in the first place, but the hon. Lady raises some serious issues. My views on the importance of parliamentary accountability have not changed just because I have moved forward four Benches. I still believe that we should be as open with Parliament as possible while in negotiations. For example, I am appearing before the Foreign Affairs Committee in a week or two's time, which is an undertaking that I made some time ago, and I am doing the same with the relevant House of Lords Committee.

As for employment rights, a large component of the people who voted to leave the European Union could be characterised as the British industrial working class. It is no part of my brief to undermine their rights—full stop.

Nicky Morgan (Loughborough) (Con): I welcome the Secretary of State to his new role. He is absolutely right that we must respect the result of 23 June and that people want further controls on immigration and do not have confidence in our previous immigration policy. I do not know whether it was deliberate, but two words seemed to be missing from his statement: single market. The heart of the matter, about which we will be arguing over the coming months and years, is the balance between access to the single market and the freedom of people to come to this country. When will the Government set out their view on that fundamental point?

Mr Davis: I am afraid that I start from a disagreement with my right hon. Friend; the simple truth is that, as I said earlier, the negotiation over free trade with the European Union will be to the benefit of both sides—it will be beneficial to us and to the European countries. The question of immigration and the control of immigration is a very high priority for this Government, as the Prime Minister has made plain on many occasions. I do not agree with the fundamental tenet of my right hon. Friend's question; I do not think that that is a natural, necessary trade-off. The negotiation has to be very much about what is to the mutual benefit of this country and the European Union—full stop.

Hywel Williams (Arfon) (PC): Forty-five Japanese companies operate in Wales, supporting some 6,000 jobs, mainly in tech and manufacturing. Manufacturing alone is worth £9 billion to the Welsh economy. What assurances can the Secretary of State give those workers and those companies that Wales-Japan relations and the Welsh economy will not be harmed by Brexit?

Mr Davis: It is the same assurance I give to all manufacturing operations in the United Kingdom: the aim of this negotiation is to deliver the best trade opportunity that we can. That includes getting the best arrangement with the European market and exploiting the best arrangements with other, non-European markets. I will make a point to the hon. Gentleman on manufacturing alone: the quantity of exports we make to the European Union is exceeded by the exports we make to those countries with which we have no free trade agreement at all. Once we get a free trade agreement, or many free trade agreements, as the Secretary of State for International Trade will do—I shall not steal his thunder—we will not see downsides; we will see opportunities.

Several hon. Members *rose*—

Mr Speaker: A most exotic delicacy in the House, Mr Michael Gove.

Michael Gove (Surrey Heath) (Con): Thank you very much, Mr Speaker. I congratulate my right hon. Friend on his long overdue return to ministerial office. In the seven short weeks he has been in office, alongside our new Foreign Secretary and our new Secretary of State for International Trade, we have seen a record increase in service industries growth, a record increase in manufacturing industry growth and a 3.3% increase in motor car sales. We have also seen the Speaker of the US Congress, the Prime Minister of Australia and the Prime Minister of New Zealand all pressing for free trade deals with this country, while the Deputy Chancellor of Germany has acknowledged that the EU-US trade deal is dead in the water. Does that not confirm that the 17 million people in this country who voted to leave the European Union know a darned sight more about economics than the members of the International Monetary Fund, the OECD and the Institute for Fiscal Studies, and all these other soi-disant “experts” who have oeuף on their face?

Mr Davis: My right hon. Friend is not known for understating his case, but I would point out that it was 17.5 million people who made that judgment. He is right: much of the gloom and doom and fearmongering that went on before the referendum has been proven to be wrong. That said, I would not be quite so unalloyed in my optimism as he is, because of course we are in a world where there are a lot of economic pressures. That is why the meetings in China are taking place now. He makes his point brilliantly, as always, and I agree with its main thrust, but let us not get too optimistic before we close the deal.

Mike Gapes (Ilford South) (Lab/Co-op): The Secretary of State said that he wants to have the supremacy of this Parliament. If we are a sovereign, supreme Parliament, why is this Parliament not going to have the decision as to when we trigger article 50?

Mr Davis: We did—it was called the referendum Act, which was passed by a ratio of 6:1 in this Parliament.

Mr Dominic Grieve (Beaconsfield) (Con): First, may I congratulate my right hon. Friend on his complete and abysmal failure over a 10-year period to avoid high office? It is a great pleasure to see him in his place. May I also reassure him that as somebody who supported the remain campaign, I see it as my absolute duty to support the Government in giving effect to the public desire to leave the European Union, including supporting the Government in their implementation of article 50? He rightly pointed out that the matter is legally extremely complex. It also concerns, as he rightly said, the *acquis communautaire*, which is about the conferring of private legal rights on individuals in this country which have the force of statute. I have to say to my right hon. Friend that the idea that those should simply be revoked by our exit without parliamentary approval troubles me very much and appears to me to be an abdication of the responsibility of this House. I accept that in many cases they have been created by Henry VIII clauses, which was the unsatisfactory nature of the EU, but what we will now do if we cannot scrutinise them before article 50 is invoked is allow the Government to dispose of private property rights, including intellectual property as an example, by decree. That troubles me very much, and I ask him to use his ingenuity to find ways of resolving this particular dilemma.

Mr Davis: It is a pleasure to hear from my right hon. and learned Friend and long-term friend, but he is over-interpreting what I have said, I think. Article 50 is the beginning of this process; it is not the end. I know there will be many opportunities for this House to scrutinise what we are about to do after article 50 takes place, but it would be somewhat futile to do so before we start the negotiations, as some of those negotiations will have a direct impact on the very rights that he is talking about. He can take it from me that I did not spend all those years on the Back Benches defending those rights to give them up now.

Hilary Benn (Leeds Central) (Lab): Does the Secretary of State agree that it would be a good idea to try to find some way of maintaining a form of co-operation on foreign policy after we leave the European Union, because even after exit we will still very much be part of Europe, and there are a great number of challenges around the world on which we will have to continue to work with our European neighbours?

Mr Davis: The right hon. Gentleman is absolutely right. The tradition of this country in maintaining strong effective alliances generally for good in the world at large is one that I fully expect will continue. Indeed, one aspect of the picture of the future that I see is that Britain will continue to be a good global citizen, as it always has been. Co-operation on foreign policy is very much a part of that.

Mrs Cheryl Gillan (Chesham and Amersham) (Con): May I add my congratulations to my right hon. Friend; it is good to see him back in his natural habitat at the Dispatch Box. Businesses in the UK are concerned not just about access to the single market, but about other matters. A unitary patent and the proposed new Unified

Patent Court has been eagerly anticipated by businesses, which currently have to file for separate patents in separate countries at great cost. The UK was due to ratify that later this year alongside Germany and one other country. Will my right hon. Friend give businesses the undertaking that the UK will ratify this agreement before the end of this year and that we will continue to play a full part so that British businesses benefit from being able to be part of a larger unified patent authority?

Mr Davis: For as long as we are a member of the European Union, which by the sounds of it will be at least two years, we will meet all our obligations and we will take our responsibilities extremely seriously, including the one that my right hon. Friend has outlined.

Mr Speaker: May I gently ask the Secretary of State to face the House? Sometimes his answers are not fully heard. They are heard by the person at whom he is looking, but not by the House.

Mr Davis: All I can do is plead inexperience.

Mr Speaker: Yes! I call Mr Frank Field.

Frank Field (Birkenhead) (Lab): May I congratulate the Secretary of State on his return to the Front Bench and, on behalf of all those Labour constituencies that voted to leave, thank him for his statement and for making the control of our borders the cornerstone of any renegotiation? May I take him back to the question from the right hon. Member for Wokingham (John Redwood)? Given Europe's huge trade surplus with us, how does the Secretary of State think that power position will play out when we are talking about membership of or access to the single market?

Mr Davis: It is early days to forecast the negotiation, but the right hon. Gentleman is right—there is a large trade surplus. The one that was cited time and again during the referendum campaign, which I do not want to revisit, was the surplus in cars from Germany alone, for example. With countries of the European Union facing economic difficulties, I do not think they will want to create problems for themselves by creating bilateral arrangements that hurt them, so the way I think it will play out is that over the period concerned—probably a couple of years or so—people will start to focus on what their own national interest is. My experience of the European Union is that the Commission makes a great deal of public statements, but at the end of the day the national interest of individual countries decides the outcome.

Mr Andrew Tyrie (Chichester) (Con): Can the Secretary of State confirm that as the UK will want to be able to negotiate new trade deals with the rest of the world and has created a Department for that very purpose, it will not be able to remain a member of the customs union?

Mr Davis: I am pleased to be asked a question by my right hon. Friend. I spent the weekend reading his draft for Open Europe. I did not agree with everything in it, but, as always with him, what he has to say was insightful and wise. I recommend that people read pages 10, 11 and 12 if they do not have a lot of time.

My right hon. Friend has a good point on the customs union. Membership of a customs union puts restrictions of varying degrees on what countries can do outside. It would put restrictions on what my right hon. Friend the Secretary of State for International Trade is doing, so we have to look at the matter carefully. There is a range of different types of customs union, but that is exactly the sort of decision that we will resolve before we trigger article 50.

Ms Margaret Ritchie (South Down) (SDLP): Last week the Secretary of State visited Northern Ireland, where he met political and business leaders, and this week he will visit Dublin. Although it is true that the desire for a continued open border in Ireland is shared by many, does he recognise that maintaining an open border in Ireland will require agreements between Dublin, London, Belfast and Brussels? What steps has he taken to ensure that such an agreement will be possible?

Mr Davis: It will primarily require an agreement between London, Belfast and Dublin. Brussels will have a say in some respects, but it is down to us. When I was in Northern Ireland last week, everybody was absolutely clear—all sides, with no political divide and no division of any sort—on the need for an open border and the need to avoid a return to the days of the hard border. There are other open borders, which we will be studying. One of them is Norway/Sweden, but it is not identical. Of course, there was an open border before either of us was a member of the European Union, and we had the common travel area before we were members of the European Union, so there are ways to deal with the issue. Some of them may be technological and some may be political. We and, I think, the Irish Government and all the political parties in Belfast are committed to making sure that it happens.

Anna Soubry (Broxtowe) (Con): I, too, welcome my right hon. Friend to his place on the Front Bench, and I, too, accept the verdict of the British people—some 52% of whom voted for us to leave the European Union. Yesterday the Japanese Government produced a 15-page document, very unusually, being very bold about their assessment of the grave dangers, as they see it, of Brexit. They laid it out in some detail. Of course, there are many who would argue that if we retain our membership of the single market, we can allay their fears, especially in relation to the financial services sector and the automotive sector. With great respect to my right hon. Friend, I think we need some clarity now about where we see our membership of the single market. Is he saying that this Government are prepared to abandon that membership of the single market?

Mr Davis: I am saying that this Government are looking at every option, but the simple truth is that if a requirement of membership is giving up control of our borders, then I think that makes that very improbable. What we are looking for, in the words of the Prime Minister, is a “unique solution” that matches the fact that we are one of the largest trading countries in the world, and also a very large market for very large parts of very important industries in the European Union. I find it very difficult to believe that over the course of the next couple of years or so we will not be able to find an outcome that satisfies not just our own industries but those sponsored by Japan as well.

Derek Twigg (Halton) (Lab): A significant reason why my constituency voted to leave was immigration and free movement of labour, so may I ask the Secretary of State whether, at the end of this process, under no circumstances will free movement of labour be allowed? He said that the Government will bring the current rate of immigration to an end. What does that mean?

Mr Davis: I was, virtually verbatim, quoting the Prime Minister, who said in terms that free movement as it is now cannot go on.

Mr Mark Harper (Forest of Dean) (Con): My constituency voted more decisively than the country for Brexit, so my constituents will welcome the Prime Minister's and the Secretary of State's clear view that we are going to leave and do so decisively. However, businesses in my constituency will also want to get the right result for their exports, so they will welcome the thoughtful and careful approach set out by the Secretary of State. I urge him to continue that careful approach to make sure that we get this right, not rush to make decisions, as Labour Front Benchers want us to, when we are in danger of then not getting the right deal for my constituents and for the country as a whole.

Mr Davis: I thank my right hon. Friend for his question. I promise him that I will take no lessons in organisation from the Labour party.

Liz Kendall (Leicester West) (Lab): May I press the Secretary of State on the issue raised by the right hon. Member for Broxtowe (Anna Soubry)? Japanese companies employ 140,000 people in the UK, and the Japanese Government say that these companies need to maintain tariff-free trade, consistency of regulation between the UK and the EU, passporting rights for financial services, and continued access to EU workers. In order to minimise uncertainty for these vital companies and their employees, is the Secretary of State going to prioritise any of those criteria? If not, which ones will he pursue?

Mr Davis: I have already made this pretty plain. All the issues that the hon. Lady names, such as passporting and access to markets, are being looked at and evaluated in terms of where the real risks are. Let me take passporting as an example. I have consulted a number of people in the City on passporting, and I get very different views. The City is not a single business but a sort of ecosystem of businesses, and one gets different views from each of them. Some of them have different solutions too, such as "brass plate" arrangements and so on. We have to assess all that before we decide exactly how we organise the strategy. It is pretty straightforward. As my right hon. Friend the Member for Forest of Dean (Mr Harper) pointed out, it is straightforward, but it is complex to calculate and complex to work out, and we will do that.

Alistair Burt (North East Bedfordshire) (Con): I, too, congratulate my right hon. Friend on securing his position. I appreciate what he said about taking time to get this right and building a national consensus, because it is right, regardless of how we all voted, that we must make a success of it. Is he sufficiently confident that there is clear delineation between the interests of his Department, the Foreign and Commonwealth Office, and the Department for International Trade to make sure that

there is no conflict of interest between them so that due credit can be given for the success of negotiations as they go on? In terms of parliamentary scrutiny, does he envisage himself coming before a Select Committee based on his own Department alone or some other arrangement, and if so, when?

Mr Davis: On that last point, when I was still on the Back Benches it would have been very dangerous for any Secretary of State to try to tell Back Benchers how to organise their Select Committees. I would certainly not have accepted it then and I will not fall into that trap now. On the question of relationships with the Foreign Office and the Department for International Trade, we have very clear purposes. Mine is effectively one of support for the Prime Minister, who is the leader of this exercise. The Department for International Trade has the task of exploiting the enormous opportunity this creates and the Foreign Office, as my right hon. Friend will well know from his own experience, has plenty on its plate too but will also act in a sympathetic and supportive way to establish all the relationships and build all the alliances that will deliver a positive outcome at the end of these two years.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): I, too, congratulate the Secretary of State on his appointment. In March, the Secretary of State for Scotland stated:

"Our access to the single market of 500 million people reduces costs for Scottish businesses by removing barriers to an export market, currently worth around £11.6 billion."

What evaluation has the Secretary of State made of the impact of exiting the UK on the Scottish economy?

Mr Davis: It is a pleasure to hear from the hon. Lady, my old ally on other subjects. We have not yet done that calculation, but we will. She crystallises rather well the task we have to do in the next few months—[*Interruption.*] The hon. Member for Islington South and Finsbury (Emily Thornberry) is now trying to give me organisational advice; I suggest she focus on her own party first and worry about us next. The hon. Member for Ochil and South Perthshire (Ms Ahmed-Sheikh) is absolutely right. That impact is exactly the sort of thing we have to assess and we will assess it, and will do it carefully. I intend to deliver on our undertaking that we will ensure that this outcome serves all parts of the United Kingdom.

Mr Steve Baker (Wycombe) (Con): I was very grateful that my right hon. Friend appeared to accept the principle that when we repeal the European Communities Act we should transpose EU law into UK law. Given that EU law currently applies in the UK, does he accept that any complexity that might be apparent today would apply whether or not we repealed that Act, since that body of law applies? Will he therefore be very careful that paid advisers—perhaps paid by the day—do not introduce complexity in order to extend their fees?

Mr Davis: I know that there has been a great revolution in employment law, but I do not think that any of my civil servants are paid by the day. I take my hon. Friend's point, and we will make sure that we consult widely and do not rely on a single source. This is part of the issue: on so many of the legal and technical issues we deal with, we get different sets of advice from

different components of the same industry. The same is true here. That is what we will do; we will resolve it properly before we act.

Emma Reynolds (Wolverhampton North East) (Lab): I campaigned for the UK to remain in the EU, but I accept the outcome of the referendum and the views of the majority of my constituents. The Secretary of State has always, from the Back Benches and the Front Bench, defended parliamentary sovereignty, and that is why I am struggling to understand why he is seeking to deny Members of this House an opportunity to feed in the views of their constituents on the Government's negotiating strategy before the triggering of article 50. That would not be to stop the triggering of article 50, which I will vote for, but to help shape that negotiating strategy.

Mr Davis: I think that the hon. Lady is misinterpreting what has been said. What we are saying is that there is no point in having a vote in the House on article 50, because all it can do is stop the instruction that the British people have already given us. That is not to say that we will not have debate after debate or that I will not appear before Select Committee after Select Committee. Indeed, I am of course accessible to everybody in this House, from all parties. I do not see that as a barrier to her bringing forward the concerns of her constituents. Indeed, I strongly encourage her to do so as soon as possible.

Mr Dominic Raab (Esher and Walton) (Con): May I join the chorus welcoming the Secretary of State to his post, and also welcome the Prime Minister's statement about Britain becoming a global leader on free trade? May I urge him to follow the example of Japan and, indeed, every other non-European member of the G20 in engaging in free trade deals and negotiations, which is never to give up national control over immigration or, indeed, pay a fee?

Mr Davis: My hon. Friend, who is an old friend of mine, is exactly right. The most successful countries in the world in establishing free trade deals—this might surprise Members—are places such as Chile and South Korea. They never, ever give up anything other than access to their own market in exchange for a free trade deal. Not one of them gives up money or immigration rights.

Mr Kevan Jones (North Durham) (Lab): I agree with the right hon. Gentleman that the British people made a decision on 23 June and we should respect it. I will certainly not be arguing for another referendum. We now need to make the best of the negotiations. He will, however, know that there is uncertainty, certainly in the north-east of England, about the future of EU structural funds. Can he give a guarantee that, once we come out of the EU, those funds will be replaced by the Government?

Mr Davis: I cannot speak for a future Government—as the hon. Gentleman well knows, that will be beyond the next election—but I promised the hon. Member for Banff and Buchan (Dr Whiteford) that we will put in the Library the Chancellor's letter underwriting many of the structural funds, research grants and common agricultural policy funds that are already in place. It would be better if he looked at that carefully, rather than rely on my rather inaccurate estimate.

Neil Carmichael (Stroud) (Con): I welcome my right hon. Friend to his new post, although its precise title is not the stuff of my dreams. Nevertheless, this is a new dawn and a new day and he has a job to do. What has he done so far about the university sector, which is struggling with research and development issues and considering issues relating to the free movement of people and to the single market?

Mr Davis: The Chancellor made some arrangements that helped underpin the current circumstances. The Student Loans Company has made some arrangements and I saw Universities UK myself the other day to find out what other concerns it has. We are pursuing those concerns, so I do not think that we can be accused of not paying proper attention to that sector. We are very conscious that it is a sensitive sector in these terms.

As for the title of my Department, I do not know whether my hon. Friend was the parliamentary wag who called it "Department X", but thank you very much.

John Pugh (Southport) (LD): Following on from that question, 15% of our academics are EU citizens and we would like more. What is being done to give them long-term security?

Mr Davis: The movements of academics—researchers in particular, I guess—in and out of British universities antedates entry to the European Union by a very long margin. Britain is a science superpower standing on our own two feet, and that will continue after we leave the EU.

Mr Bernard Jenkin (Harwich and North Essex) (Con): I congratulate my right hon. Friend on his appointment. May I remind him that the remain campaign was characterised by a campaign to spread fear and uncertainty about the future of this country? And they are still at it—oh yes, they are still at it—and they are trying to make this process as complicated and as protracted as possible in order to try to frustrate it. May I warn my right hon. Friend that it would be a mistake to try to agree everything about our new relationship with the European Union by the time we leave? Leaving the European Union is but a first step towards a new relationship with our European partners and the establishment of a new relationship with the rest of the world. What the business community, the country and, indeed, many in the European Union want is speed and certainty as quickly as possible.

Mr Davis: I hope that my hon. Friend was not accusing me of being a member of the remain group. One of the things that I noticed over the summer as I pored over the vast tomes of papers that come with this job was the tendency to blame everything on Brexit, ranging from bank lay-offs to the state of the Italian bond market, which have nothing to do with Brexit. My hon. Friend is right about that, but the simple truth is that we have to get this right. We will do it as expeditiously as possible. We will not delay one day more than is necessary to do the job that we have to do, but it is a complicated and extensive relationship that we have to untangle, and we will do so in good time.

Ms Karen Buck (Westminster North) (Lab): Two months ago, I asked the then Home Office Minister for urgent clarification on the status of the EU nationals

[Ms Karen Buck]

resident in Britain, including the 36,000 EU nationals resident in the London borough of Westminster. They are people who are going about their jobs and setting up businesses, and they need confirmation of their status. I was told that that was going to be a priority. What does the Secretary of State mean by priority?

Mr Davis: I will answer the question, but before I do, let me just say this. One of my concerns was that quite a lot of European Union citizens who are in Britain were being unnecessarily frightened by that argument. People should bear it in mind that leave to remain is pretty much automatic, if someone has a clean criminal record, after five years, and that is the case for citizenship after six years. This process is not going to happen for two years, so if someone has been here for three years already, they are in a pretty safe place.

Having said that, the Prime Minister and I have both said in terms that we want to provide a generous guarantee to European Union citizens who are already in this country. I am confident that that can be delivered as long as we get proper, civilised treatment for British citizens abroad—who are, after all, our responsibility too.

Philip Davies (Shipley) (Con): I congratulate my right hon. Friend on his appointment. There could be nobody better for the job. In order to help the Opposition, who have badly lost touch with the working-class voters they once claimed to represent, will he agree that people voted to leave in the referendum because they wanted to control immigration, they wanted to stop handing over more than £10 billion a year net to the European Union and they wanted laws to be decided for this country in this House and not in Brussels? Will he therefore make a commitment that in his negotiation, the red lines for him will be full control over immigration, no contribution to the EU budget and that all laws will be decided in this House and none will be decided in the European Union? [Interruption.]

Mr Davis: Somebody on the Front Bench muttered that I should be all right with that; I shall not say who. I demurred from—[Interruption.] I beg your pardon, Mr Speaker. I demurred from second-guessing our own negotiating position for six months in respect of the Labour party, and I am going to demur in this case. I will say this to my hon. Friend: the decision of the British people was, I think, first and foremost about control of our own destiny over and above anything else, and that is what we are seeking to return.

Mr Speaker: The Secretary of State is an immensely cerebral denizen of this House, and therefore there is no need for him at any time to imitate a turnstile. That is best avoided.

Liam Byrne (Birmingham, Hodge Hill) (Lab): I also welcome the Secretary of State to his place, but may I say to him that many of us wanted rather more detail than a few more reheated old soundbites? We know the old slogan “Brexit means Brexit”, and what we got this afternoon was an essay on how waffle means waffle. May I commend to him the approach of the Japanese Government, who have not simply spent the last seven weeks setting up a Brexit commission, but gone to the

lengths of reporting its results? I hope that that diligence and speed will inspire his work in his Department over the months to come.

I want to press the Secretary of State on his answer to my hon. Friend the Member for Wallasey (Ms Eagle). He made a big play in his statement of his ambition, which I share, to restore parliamentary sovereignty. Will he therefore give this House a vote on the final package for Brexit, whenever and however it is finally negotiated?

Mr Davis: First, on this issue of detail, the right hon. Gentleman should know well that we are not simply looking at the interests of a limited number of companies and a limited number of banks, which is obviously the issue for the Japanese Government. We are looking at the interests of a whole economy, so it will take just a touch longer. Given his prior experience, he should know that, and he should know it well.

In terms of the position with respect to parliamentary approval, I suspect that a great deal of things will be brought before the House during the course of the negotiation, not just at the end. There will be plenty of opportunity both to speak about them and to vote on them.

Dr Julian Lewis (New Forest East) (Con): The very welcome appointment of my right hon. Friend, and indeed of the Foreign Secretary and the International Trade Secretary, certainly shows that the Prime Minister means what she says and that Brexit will really happen. However, some people on the losing side hope to sabotage the result of the referendum by delaying the process indefinitely. Is my right hon. Friend absolutely confident that, come what may, the UK will be outside the European Union well before the date of the next general election?

Mr Davis: I have said very plainly that we will not trigger article 50 before the end of this year, but we will trigger it as expeditiously as possible. The article 50 process takes two years. Extending it takes unanimity among every other member of the European Union, and my right hon. Friend can make his own judgment about both the probability of that and the arithmetic that it delivers.

Robert Ffello (Stoke-on-Trent South) (Lab): The people of Stoke-on-Trent voted overwhelmingly to leave the European Union. I will therefore work tirelessly and do everything I can to make sure that we make the best efforts for and get the best deal from that exit. To help me and other Members on both sides of the House to do so, will the Secretary of State place in the House of Commons Library details of what is going on, what is being looked at and timetables, when they are available, rather than—dare I say it—the very generalised explanation he has given today? May I put in an early bid for him to meet north Staffordshire Members of Parliament from across the House to hear at first hand the issues of great concern to those who voted for exit, as well as to others, in our city and just outside it?

Mr Davis: Let me say two things to the hon. Gentleman. One of them he did not ask about, but I am going to tell him anyway: I take this very seriously. When I talked about the British industrial working class voting for Brexit, it was his sort of seat I had in mind, and I take

that very seriously. I take those votes, those people and their lives very seriously indeed, so I will see his group with the specific aim of identifying their concerns and worries about their futures and the prospects and opportunities that go with them.

To that end, I will also do what I can to make this process as open as possible. Let me say to the hon. Gentleman that this is a negotiation, and you do not play cards with all of them turned face up, as he will understand. Nevertheless, I will do what I can to make the process as open as possible. He said that what I have said today has been rather general, but I have been talking about the process. The Department has 180 people—it has quadrupled during August—and this is a fast-developing process. I mean it to be open, and I asked for a statement on the first day back so that the process can be open to everybody in the House. That is what we will do, and perhaps we will start with him.

Mr Peter Bone (Wellingborough) (Con): May I welcome the Secretary of State to his position, not least because he headed up Conservative GO? Unfortunately, one of the drawbacks of being made Secretary of State is that he can no longer wear the green tie. He has been as clear as he can—one of his great advantages is straight talking—but will he give us his best estimate now of the date on which he thinks we will actually leave? I am asking for his best estimate. We will not hold him to it—nobody is that worried—but will he just give us a date?

Mr Davis: That is a very good try. I am sure that, in his youth, my hon. Friend was a great seducer, but I am not going to be seduced. [*Interruption.*]

Mr Speaker: I do not think we want too much information on that front.

Helen Goodman (Bishop Auckland) (Lab): The right hon. Gentleman has always been a great defender of parliamentary democracy. Throughout the afternoon he has emphasised that the situation is complex and there are trade-offs to be made. That is why it is so incomprehensible to many of us that he does not want the House to have a vote before the path is chosen for how to trigger article 50. I wonder whether he is aware of the statement made by the former Foreign Secretary, Lord Hague, that it would be sensible

“to endorse the start of negotiations”

as

“a defeat for the terms of exit, after lengthy negotiations...could leave the UK in...limbo”.

Mr Davis: I always listen very carefully to my fellow Yorkshireman. Let me say to the hon. Lady that the reason for the question of article 50 not being put to a vote of the Commons is simply this: I am a great supporter of parliamentary democracy because it is our manifestation of democracy in most circumstances; in this unique circumstance we have 17.5 million direct votes that tell us what to do. I cannot imagine what would happen to the House in the event that it overturned 17.5 million votes. I do not want to bring the House into disrepute by doing that. I want to have the House make decisions that are effective and bite into the process. That is what will happen.

Mr John Baron (Basildon and Billericay) (Con): In welcoming my right hon. Friend to his post, may I stress to him the importance of achieving fairness when it comes to our immigration policy? Does he agree that whatever criteria eventually guide it, we must have an immigration policy that no longer discriminates against the rest of the world outside the EU, as our present policy does?

Mr Davis: My hon. Friend makes a very good point. He has campaigned on this matter for a very long time, I know. All I can say is that he should bear in mind that I am not the Home Secretary. My job is to bring the power back so that the Home Secretary can exercise it. I am quite sure she will listen to what he has said and pay great attention to it.

Joanna Cherry (Edinburgh South West) (SNP): Today, the Japanese Government have provided the British people with more detail on what Brexit means than the UK Government. Most of us had hoped that we would hear more this afternoon, but I am sad to say that what we have heard was sadly lacking in detail and could best be described as the Ladybird guide to exiting the European Union. This is not a petty point; like many other hon. Members, this summer I have been speaking with major employers in my constituency—in particular, the financial sector in Edinburgh South West and the universities, Heriot-Watt and Napier, which are huge employers. They are all very keen to see a detailed explanation of what Brexit will mean for them, their institutions and their employees, my constituents. When is the Minister going to give this House that sort of detailed explanation?

Mr Davis: The first point to make is that we have been in the European Union for 40-odd years. The links are very complicated. The effects on much of our society are quite complex, and some of them are quite expensive to replicate. The hon. and learned Lady will get the information she is asking for, but stepwise, as it comes out and as we generate it, and it will be accurate and useful at that point in time. A few months is not going to be a problem for her constituents.

Mr Edward Vaizey (Wantage) (Con): May I also join in welcoming the three Secretaries of State to the Front Bench? They are like magnificent dreadnoughts at anchor, and we wait for them to set sail enforcing the pax Britannica. May I echo the comments about the importance of science, but also bring to the Secretary of State's attention the creative industries, which grow three times faster than the UK economy as a whole? They rely to a certain extent on European regulations, such as the poetically named audiovisual media services directive and the general data protection regulation. May I gently nudge their interests near to the front of the queue as the Secretary of State takes us out of the European Union?

Mr Davis: I say to my right hon. Friend that he almost does not need to nudge them forward. I am very conscious of the issues relating to the film industry, in particular, which is a very mobile industry in both capital and personnel terms, and is therefore one that we are looking at very soon—indeed, it is the subject of one of the roundtables I was talking about earlier.

Stephen Timms (East Ham) (Lab): The Secretary of State is well placed to address the problems with EU rules faced by Tate and Lyle in my constituency, and I welcome him to his position. It sounds from his earlier answers as though he thinks that it is possible that, at the end of the two-year negotiation, Britain will continue to be a member of the European Union single market. Will he confirm whether he thinks that is possible, and in what circumstances he thinks that would be the outcome?

Mr Davis: What I said—and I apologise to the right hon. Gentleman if I misled him—is that I am seeking to get the best possible access. That does not necessarily mean being a member of the single market. As listed earlier, plenty of countries have that access without making the sorts of concessions that we have had to make as a member of the Union.

Mr Nigel Evans (Ribble Valley) (Con): It is good to see the three Brexiteer Cabinet Ministers sitting together in the Chamber, working for one nation, with one referendum and one clear decision, despite the fact that some people, including Tony Blair, who famously offered us a referendum and then took it away, have said that there is a chance that we might remain a member of the European Union. Will my right hon. Friend make it absolutely clear that we will be leaving the European Union in its entirety? When does he envisage us getting our hands on the Brexit dividend—the membership money—so that we can spend it on our priorities?

Mr Davis: The answer to the first question is yes; the answer to the second question is: “At some point, once we have left.”

Danny Kinahan (South Antrim) (UUP): I welcome the Secretary of State to his position and thank him for the fact that one of his early visits was to Northern Ireland. Will he ensure that he always talks to the official Opposition there? What I have been picking up from businesses throughout the summer is uncertainty, which we have talked about. It is absolutely key, particularly in Northern Ireland, that we do not slip into a recession. We are always on the edge of it. Will he keep that foremost in his mind?

Mr Davis: Very much so. One group I met in Northern Ireland was the Secretary of State for Northern Ireland’s new business advisory group, which talked about exactly that. Sadly, we were there on the day of the Caterpillar announcement, which was bad news—it was nothing to do with Brexit but with a problem with markets in the far east. We will have that clearly front and centre.

Nick Herbert (Arundel and South Downs) (Con): I congratulate my right hon. Friend on his resurrection. He spoke about the value of free trade with the European Union when we leave it. That trade consists of trade in both goods and services. The barriers to it are tariff barriers, which have been discussed extensively, and non-tariff barriers, which have received rather less attention. What reassurance can he give to the many businesses in this country in the services sector, which is particularly important to us and is growing—trade with the European Union in the sector is important—that the removal of non-tariff barriers, which is in their interests, will continue?

Mr Davis: My right hon. Friend is the author of the resurrection line I cited earlier, and I would say a couple of things to him. I am tempted to use Ghandi’s comment about western civilisation. The single market in services would be a good idea, but it is somewhat patchy to say the least, and one major part of the big exercise we are doing is trying to establish exactly what the non-tariff barriers are and where they can and cannot be resolved. I take his point entirely on board. Services is the one area where we have a surplus with Europe, and we want to keep it.

Martin Docherty-Hughes (West Dunbartonshire) (SNP): The industrial working class of West Dunbartonshire voted overwhelmingly to remain within the European Union and to become part of a sovereign, independent Scotland. With that, I welcome the Secretary of State to his position.

The hon. Member for South Down (Ms Ritchie), who is no longer in her place, posed a very interesting question that requires further investigation on our relationship with Ireland. It is not just an economic relationship, but a social one and a familiar, reciprocal one across the length and breadth of this Chamber and the Dáil Éireann. After the Secretary of State meets the Foreign Minister of Ireland this week in Dublin, and possibly the Taoiseach, will he return to the Floor of the House and make a statement on their discussions in relation not only to the common travel area, but to the Ireland Act 1949, so that those relationships can continue when this part of the United Kingdom leaves the European Union?

Mr Davis: When the United Kingdom leaves the European Union, the common travel area will continue.

Richard Drax (South Dorset) (Con): I welcome my right hon. Friend to his post.

The fishing industry, not least in Scotland, was once a proud and large industry envied around the world. Many of my fishermen constituents see leaving the EU as a huge opportunity. Will he reassure them, other fishermen and potential new fishermen around the United Kingdom that fishing will be very high on his list of priorities, including potentially taking the 200-mile limit back?

Mr Davis: One group I have met already is fishermen. The answer to my hon. Friend’s initial question about priority is yes. What form that takes depends on the interests of our fishermen. Because they have interests in other waters, I will not say yes to his second question, but on priority, the answer is yes, absolutely.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Whether we were on the side of remain or on the side of leave, we should now be on the side of doing things in the interests of the British public. In that context, the Secretary of State mentioned the rights of EU citizens and said that he was sure we could arrive at a generous settlement. May I suggest that people worry about their futures, whatever the legal framework? The negotiations with other EU member states on the rights of UK citizens there, and the rights of EU citizens here, are a top priority, because those people deserve to have those uncertainties settled as soon as possible.

Mr Davis: I agree with the right hon. Lady that that is a high priority. If I can accelerate it, I will.

Dr Andrew Murrison (South West Wiltshire) (Con): I welcome my right hon. Friend to his post. He is absolutely the right man to do this important work. He will appreciate the complete economic illiteracy of the European Union. On the one hand, it writes very big cheques to middle-income and developing countries to bail out their flailing economies, and on the other, it gives unequal access to European Union markets. That clearly hampers the ability of those countries to be equal partners rather than supplicants. How can Britain do better?

Mr Davis: I take my hon. Friend's point well, but I am loth to offer free advice to people who are our negotiating partners. That is a central point of their own policy to put right.

Peter Kyle (Hove) (Lab): Does the Secretary of State accept that we will never attain the goal of being a beacon of free trade unless the British financial services industry retains free and full access to the single market?

Mr Davis: That is just one element of free trade, but of course we want to maintain as much access as possible. That is the aim in the negotiations.

Conor Burns (Bournemouth West) (Con): I welcome my right hon. Friend to his place on the Front Bench, and my right hon. Friends the Foreign Secretary and the Secretary of State for International Trade, who are sitting either side of him. We have great faith in what they will deliver. Does the Secretary of State for Exiting the European Union agree that not liking the outcome of a democratic vote is no justification for seeking to overturn it, however much sympathy we may have for Labour Members with their forthcoming democratic vote? This is a great opportunity for the United Kingdom. Is it not time to put the arguments of the referendum behind us and back Britain's Government in getting a good deal for Britain? We are changing the direction of our country. This is not just the Government's negotiation but Britain's negotiation, and this House should unite behind them.

Mr Davis: As always, my hon. Friend speaks for England.

Nic Dakin (Scunthorpe) (Lab): The Greater Lincolnshire and Peterborough Federation of Small Businesses recently briefed me that the confidence of its members is at a four-year low. Like all of us, they want to make Brexit work and are keen to work with the Government to bring that about, but they are keen to retain access to the single market and ease of access to European labour. Most of all, they want certainty. What road map to certainty can the Secretary of State give them?

Mr Davis: Let me first deal with the immediate uncertainty and loss of confidence. There was undoubtedly a downward dip in confidence immediately after Brexit, partly because of all the terrible things people said would happen. They have not happened, and confidence is recovering, so let us put that to one side for the moment.

On access to markets, I am absolutely on the side of those FSB members. That is what we will seek to do, but we must take on board the fact that the sheer level of immigration into the UK from the European Union has caused social issues, and perhaps economic issues for low-paid workers and the like. We must balance that against the corporate interests—that is what we will do—and try to get the outcome that is best for Britain.

James Duddridge (Rochford and Southend East) (Con): As someone who supported Brexit, I offer congratulations on the creation of the Secretary of State's Department and wish it success. However, may I gently ask him when he hopes to close down the Department and return the function of the Minister of Europe to the Foreign Office?

Mr Davis: My desire to return to the Back Benches is overwhelming, so it will be as soon as I can.

Paula Sherriff (Dewsbury) (Lab): The Secretary of State will undoubtedly be aware of our debate later today on the tampon tax and the Government amendment that makes its abolition subject to the UK's EU obligations, and not just our obligations of EU membership. Will he tell the House whether any exit agreement with the EU could include requirements on the UK to set minimum rates of VAT even after our membership ends? In that scenario, can he give us an absolute guarantee that we will be allowed to zero-rate women's sanitary products?

Mr Davis: What the hon. Lady describes is one of the reasons—it is not the only reason, but it is one of many—for wanting to leave the European Union. Being able to set one's own tax rate is a fundamental for an independent country. That is what we want to be once more.

Dr Sarah Wollaston (Totnes) (Con): I warmly welcome my right hon. Friend and the whole Front Bench team to their important new roles in making a success of Brexit. Will the Secretary of State set out what discussions he has had with the EU Trade Commissioner, who has taken a much tougher line on article 50? We all agree it is in everyone's interest to get on and negotiate before we exit, but in a recent interview she indicated that that will not be the case.

Mr Davis: Yes, but the commissioner is not in a position, frankly, to tell the Secretary of State for International Trade what he can do, subject to meeting European law. European law in this case means not putting a free trade agreement into effect until we leave. That is the limit. In terms of other discussions and negotiations, commissioners have tried to say that we cannot speak to other members of the European Union, which is sort of silly. We are an ongoing member of the European Union and we take our responsibilities seriously. It is implausible that, in our conversations with member states, we will not talk about what is coming next.

Liz McInnes (Heywood and Middleton) (Lab): I am surprised by the right hon. Gentleman's assertion that the mandate for Brexit is overwhelming. I remind him that 16 and 17-year-olds, whose future as European citizens will be most affected by the decision, were denied

[Liz McInnes]

a vote. While the Secretary of State is speaking with stakeholders, what steps will he take to ensure that young people are given a voice and a say in their future?

Mr Davis: One aspect of democracy is that one side wins and one side does not win. [*Interruption.*] Someone from the Labour Front Bench says that young people lost, which is certainly not true. We will see a bigger, greater and more glorious country in future than the one we already have. Just because the hon. Member for Middlesbrough (Andy McDonald) does not understand that does not mean that they lost.

To return to the hon. Lady's point, young people may of course feel at this point that their views did not win the day. I am afraid that that is part of democracy. It is our job to ensure they gain from the outcome of that decision.

Henry Smith (Crawley) (Con): In warmly welcoming my right hon. Friend to his very well-deserved position, I implore him to have early discussions with our right hon. Friends the Home Secretary, the Secretary of State for Transport and others to ensure that the words "European Union" are removed at the earliest possible moment from UK passports and driving licences.

Mr Davis: I will draw my hon. Friend's comments to their attention.

Pete Wishart (Perth and North Perthshire) (SNP): The statement was 15 minutes of meaningless waffle from a clueless Tory Government who have absolutely no plan for this accidental Brexit. I say to the Secretary of State that there is no point in just dictating to the people of Scotland when it comes to Brexit. Some 62% of the Scottish people voted to remain within the European Union, along with every single one of the Scottish local authorities. How should their views now be progressed?

Mr Davis: And 1 million Scots voted to leave. Despite the partisan use of this argument by the Scottish National party for its own interests, the simple truth is that the Scottish view on whether it should have independence has changed not one jot. That is an answer to the hon. Gentleman's waffle.

Sir Edward Leigh (Gainsborough) (Con): Congratulations on resurrection after 18 years. It gives the rest of us hope.

It was not just places such as Lincolnshire that delivered the leave result; it was the Labour heartlands in the north and the midlands. My right hon. Friend knows those heartlands very well indeed. Does he think it would have been helpful if the official Labour spokesman—if there is such a thing—had made it absolutely clear that the people had spoken and that all Conservative and Labour Members will deliver this democratic result?

Mr Davis: Sadly, I am not holding my breath for that outcome. What I will say is that the Conservative party is the only party willing to deliver on the people's decision.

Nia Griffith (Llanelli) (Lab): The Secretary of State for Environment, Food and Rural Affairs, the right hon. Member for South Northamptonshire (Andrea Leadsom) said during the referendum campaign that "those with the big fields do the sheep, and those with the hill farms do the butterflies. That would make a lot more sense for the UK and it's perfectly possible but only if we leave the EU".

What reassurances can the right hon. Gentleman give the farming communities that are the lifeblood of rural Wales that subsidies will continue to the more-challenging-to-farm areas, so we are not turned into a big butterfly park?

Mr Davis: The first thing that happened was that the Chancellor underwrote the common agricultural policy payments. That was very important in its own right in terms of confidence for exactly those people. In the discussions on departure from the European Union, and on subsequent agriculture and trade policy, we are discussing exactly those things. We have very much in mind what the hon. Lady is saying.

Richard Graham (Gloucester) (Con): I totally support the Government's position not to rush into triggering article 50. I welcome the Secretary of State's comments. He knows how important access to the single market is both for our own businesses and for inward investors from growth markets such as Asia. Does my right hon. Friend agree that just as we are currently in the European Union but have various opt-outs, so in due course we shall be out of the European Union but have the ability to continue arrangements that work well for all sides, for example Europol and the European health insurance card from which so many British families benefit?

Mr Davis: The first premise is returning power to this Government and this Parliament. How they deploy that power is entirely up to them. I would think any sensible Government would be involved in mutually beneficial activity. Israel subscribes to some European research operations and it is nowhere near being a member of the European Union. In those terms, my hon. Friend's point is well made.

George Kerevan (East Lothian) (SNP): Will the Secretary of State repeat to the House the guarantee he gave in Northern Ireland last week that his Government will not seek to impose a hard border, which would restrict the free movement of people and labour between Northern Ireland and the Irish Republic? Will he extend such a guarantee to Gibraltar and Spain?

Mr Davis: I certainly repeat the statement I made in Northern Ireland last week. The soft border or open border—I am not quite sure what the right phrasing is—existed before either of us were members of the European Union. We were separate countries with different VAT and income tax rates. It seems to me entirely possible, given modern technology, that we can do the same, and that we can design an immigration system that is also able to cope. I certainly reiterate in the House what I said in Northern Ireland last week.

Mr David Nuttall (Bury North) (Con): I warmly welcome my right hon. Friend to his new post and his statement, no doubt the first of many to this House. On 22 June, the day before the referendum, the FTSE

closed at 6,261. Today, it is over 6,800—up 10%. Does my right hon. Friend agree that this tells us all we need to know about investor confidence in our future: that we will be better off outside the European Union?

Mr Davis: What it certainly tells us is that the business community is not as afraid of this great new opportunity as was claimed before the referendum. I do not want to re-run the arguments of the leave campaign, but let me say that while market movements in stock markets are volatile, small and often reverse themselves, what do not reverse themselves are large inward investments. In the year in which our party committed to give the referendum, we had the largest inward investment in our history.

Alan Brown (Kilmarnock and Loudoun) (SNP): I congratulate the Secretary of State who has clearly learned the lessons from the leave campaign because he has said nothing at all today. His statement was 15 minutes of waffle and soundbites about “national consensus”, “interests of the entire nation” and “one nation”, which is completely at odds with the fact that 62% of the electorate in Scotland voted to remain. This does not bode well for meaningful input from the Scottish Government. Will the right hon. Gentleman confirm the claim made during the campaign by the right hon. Member for North Somerset (Dr Fox), now the Secretary of State for International Trade, that Scotland would suddenly have control of a whole new raft of powers, including over immigration—or was that a piece of nonsense, too?

Mr Davis: I do not think that my right hon. Friend was referring to immigration; I suspect he was referring to fishing. What certainly will be the case is that we will take back control of UK fishing rights.

Nigel Adams (Selby and Ainsty) (Con): I, too, congratulate my right hon. Friend and parliamentary neighbour on his appointment—an inspired choice. While he has been in the role during these short few weeks, has he seen any evidence of contingency planning across any Whitehall Department prior to the referendum relating to the possibility that the British public might vote to leave the European Union? It strikes me that in a two-horse race, it might have been an idea to look into this possibility. Furthermore, given that we are going to have to look at all these different laws and 12,000-plus EU regulations that affect our lives, what progress are the Government making on ensuring that we recruit the brightest minds to do this properly?

Mr Davis: Given that my Department did not exist before I arrived in it, it is rather difficult to find documents that relate to what happened beforehand. There was certainly some planning done on the financial side—to deal with any financial turbulence. As we saw, the Bank and the Treasury undertook certain measures. As for the Department itself, I have brushed across it, but the fact that it quadrupled in size in August certainly says something. My hon. Friend will remember from his days as a Parliamentary Private Secretary what Whitehall is like in August—it is empty. We are not short of applicants, and we really have the brightest and the best applying to help us. That applies to the Department for International Trade as well as mine, so my hon. Friend can feel confident about that.

Andrew Gwynne (Denton and Reddish) (Lab): The Secretary of State, whom I welcome to his post, reaffirmed in his statement the Chancellor’s promise that all structural investment fund projects signed before the autumn statement would be underwritten by the Treasury as we leave. That is a bit of a quandary for the people of Greater Manchester. We have been allocated to 2020 £322 million in European structural investment funds, but £157.9 million of that has not yet been contracted. It is currently held up in Whitehall Departments, predominantly the Department for Communities and Local Government and the Department for Work and Pensions. Can the right hon. Gentleman ensure that the people of Greater Manchester get all the £322 million allocated to them by the European Union—and not the lesser amount that has already been approved by the Government?

Mr Davis: I will draw the hon. Gentleman’s request to the attention of the Chancellor.

Mr Philip Hollobone (Kettering) (Con): I congratulate my right hon. Friend on his well-deserved appointment. Some 61% of the people of Kettering voted to leave the European Union and they want to make sure that my right hon. Friend has the tools to finish the job. Following the question about staff numbers from my hon. Friend the Member for Selby and Ainsty (Nigel Adams), the Secretary of State says that he has 180 people at the moment, but how many does he need? Given that his Department will hopefully no longer exist in two years’ time, what incentive is there for the brightest and best civil servants, who will have long-term civil service careers in mind, to join his Department; and what incentives are there to attract people from the private sector?

Mr Davis: The first thing about incentives—we barely need them—is that people will want to be at the centre of the most important historic change that has happened over the last two or three decades. I do not think that will be a problem. Arrangements are being made, precisely because we will disappear when the process is over, to ensure continuity and to ensure that they will go back seamlessly into the Whitehall system. I rather suspect that, at the end, there will be lots more bids for them than that.

Stuart Blair Donaldson (West Aberdeenshire and Kincardine) (SNP): Membership of the European Union allows young people in Scotland the freedom to easily live, learn and work across Europe, and they voted overwhelmingly to remain in the EU. What assurances can the Secretary of State give to young people living in my constituency that these benefits and freedoms will be retained after Brexit?

Mr Davis: That is a good question. I would expect us to be able to ensure that there will be freedoms that are at least as good as those that are in place now. One important aspect—it applies to the EU, but particularly to Britain—is that we are a science superpower. We have a fabulous education system and some of the best universities and the best students in the world. I think that that will be reflected in the outcome that we see in a few years’ time.

David Morris (Morecambe and Lunesdale) (Con): I congratulate my right hon. Friend on his new position. Speaking as a parliamentarian who has never seen him

[David Morris]

in action at the Dispatch Box, it is an absolute pleasure to watch him. Enough of all that, however; let me get down to the nitty-gritty in my blunt northern way. Will my right hon. Friend look into VAT? As he knows, it was a purchase tax before 1973; it is now VAT. It has fluctuated up and down over the years, but irrespective of that, many small businesses out there need the taper relief because when they hit the VAT threshold, it can actually kill them off. I know that—I was a small businessman; I succeeded, but it was a problem. Will my right hon. Friend please look further into this on behalf of the small businesspeople of the United Kingdom?

Mr Davis: I will personally draw this to the attention of the Treasury, and I will make sure that we think about it as we go through this process.

Diana Johnson (Kingston upon Hull North) (Lab): I congratulate my parliamentary neighbour on his appointment. As he knows, the Humber estuary is fast becoming the UK energy estuary, with Siemens investing massively in Hull and having the potential to export to the single market. Trade deals with Australia will not really cut it in Hull, so will the Secretary of State agree to meet a delegation from the Humber to make sure that the green energy industry benefits from the huge and exciting opportunities that he has talked about?

Mr Davis: How could I say no to meeting a delegation from the Humber? Siemens was one of the companies that said that it would continue investment in the UK, which was something of a change from what appeared to be the case before the referendum. Yes, of course.

Robert Jenrick (Newark) (Con): I was delighted to hear my right hon. Friend say that he had begun the huge task of going sector by sector to assess the undoubted challenges that many parts of the British economy will face. Will he add a second column to his spreadsheet for the opportunities that those sectors might have and that might arise from Brexit? We all know from every industry and business that we have worked in that there will be areas of promise from leaving the European Union, particularly in respect of avoiding onerous and excessive European regulations that hold back British economic sectors. Will my right hon. Friend create a parallel process of assessing those regulations so that we can be in a good position as soon as we leave?

Mr Davis: That is a good point, and we are on it already. The opportunities side of the spreadsheet, as my hon. Friend puts it, is integral to the process. We have already had reports on some of them, but we are also challenging some of the points that have come back to us because of a degree of special pleading. It takes a little longer than just asking the question, but yes, we are doing what my hon. Friend suggests.

Nick Thomas-Symonds (Torfaen) (Lab): In June, Vote Leave issued an unequivocal letter, co-signed by the Foreign Secretary, saying that the levels of funding that constituencies such as mine currently receive from the European social fund would continue post-Brexit. Will the Secretary of State repeat that guarantee from the Dispatch Box today, or was that letter simply worthless?

Mr Davis: Perhaps the hon. Gentleman was not listening earlier when I said that I was putting into the Library the letter from the Chancellor of the Exchequer about the structural fund—exactly what the hon. Gentleman asks.

Scott Mann (North Cornwall) (Con): I welcome my right hon. Friend to his place. One of the greatest opportunities presented by leaving the European Union, particularly for Cornwall, is reclaiming the UK's territorial fishing waters. Will my right hon. Friend commit not to using this natural resource as a bargaining chip for the wider deal but to embracing the opportunities that this could deliver to coastal communities such as mine and others around the UK?

Mr Davis: I have never experienced so many attempts to seduce me into making promises. As I said earlier, this will be one of the gains from the European Union negotiation, but there may be some internal negotiations within it. If my hon. Friend speaks to his local fishermen, he will see what I mean.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): Following the referendum, in which Renfrewshire voted 2:1 to remain, I wrote to businesses across the county to offer any support that I could, and visited many businesses and institutions during the summer recess. They are all desperate for information, but, shamefully, the Secretary of State offered nothing but doubletalk, prevarication and assertions in his statement. When can EU citizens and businesses in Renfrewshire expect some details to emerge about what Brexit will entail, and about how the Government plan to spend the Foreign Secretary's £350 million a week windfall?

Mr Davis: I repeat what I have said already: the information will become available as we work through the process. If the hon. Gentleman somehow imagines that this is a "Lego block" process in which anyone could engage without thinking about it, I suggest that he look at it again.

Tommy Sheppard (Edinburgh East) (SNP): I welcome the Secretary of State to his position, but may I ask whether he appreciates that the appetite of people in Scotland for a further independence referendum, and, indeed, how they might vote in such a referendum, will depend in large part on the response that he and the Government now make to those people's decision to reject, by a large majority, the separation from the European Union? In 2014, we were promised that Scotland would be respected within this United Kingdom. If, in the months ahead, proposals emerge which offer the prospect of separate and different arrangements for Scotland and for the European Union, will the Secretary of State listen and consider them in good faith, or will he reject them out of hand?

Mr Davis: Before I answer the hon. Gentleman's question, may I apologise to him for the late response to the letter that he wrote to me earlier in the summer? We did try to give him some facts in it.

In respect of the discussions with the Scottish Government and other devolved Administrations, let me say this first up. There is a joint ministerial committee, in which the First Minister, or her nominee—whichever

she wishes—has been offered a place, and that will be the process whereby we will look at all proposals. The Prime Minister has said that we will look at all proposals. I have to tell the hon. Gentleman upfront that—as I said to the First Minister when I spoke to her about it—I really cannot see how his proposed arrangement could be made to work, but we will look at it.

Ian C. Lucas (Wrexham) (Lab): I congratulate the right hon. Gentleman on his appointment. May I ask him a question about immigration controls? Do the United Kingdom Government propose to continue to differentiate between entry restrictions applying to citizens of the European Union and those applying to people from outside the EU?

Mr Davis: All I can say to the hon. Gentleman is this. My task is to bring the control of that process back to the Government and back to Parliament, and it is for the Government and for Parliament to decide how they use it. The simple truth is that I expect us to see a much more even-handed policy in the future than the one that we have now, but I think that we must wait until the negotiation is completed.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): It is clear to SNP Members that the Government's handling of the withdrawal from the European Union has been nothing short of a disgrace, and the lack of leadership shown by the new Prime Minister has done nothing to quell the fears of either British citizens or EU nationals living on these islands. Does the Secretary of State not agree that the only person who has shown any leadership and forward thinking on Brexit is the First Minister of Scotland, Nicola Sturgeon?

Mr Davis: I must say that I thought the hon. Lady was going to refer to Ruth Davidson, who won the popularity contest this time round, but let me say

something else about the Scottish nationalist approach to this. Our new Prime Minister, before she even carried out her reshuffle, went to Scotland to see the First Minister. How much more respect one politician could pay to another I do not know, but what gratitude do we get for it? What we have just heard.

Stewart Malcolm McDonald (Glasgow South) (SNP): I will let the House into a secret. Back in 2008, when the Secretary of State resigned his seat over civil liberties, I, as a young 22-year-old, sent him an email wishing him all the best in that election, and, despite our differences, I have been an admirer of his since then. I have to say, however, that I was disappointed by the weakness in his statement. My constituents voted to remain by more than 70%—the highest proportion in the city of Glasgow—but they will expect me to get the best deal in the circumstances. With that in mind, will the Secretary of State outline what powers he expects the Scottish Parliament to gain as a result of the Brexit vote, and when he expects those powers to be implemented?

Mr Davis: First, it depends very much on what is agreed in the negotiation. Secondly, the undertaking that was given was to do everything possible to protect all the interests of all the parts of the United Kingdom—and Scotland, of course, is at the front rank of those people. The issue is not about giving powers to politicians; it is about looking after the interests of the people, and that is what will happen. We will look after the interests of everyone in the United Kingdom, including Scotland.

Several hon. Members *rose*—

Mr Speaker: Order. I thank the Secretary of State, the Opposition Front-Bench spokespersons, and all 85 Back Benchers who had the opportunity to question the right hon. Gentleman. I am sure that other instalments will follow in due course.

Junior Doctors: Industrial Action

6.26 pm

The Secretary of State for Health (Mr Jeremy Hunt): I regret to inform the House that last week the British Medical Association announced that it was initiating further rounds of industrial action over the junior doctors contract. They involve a series of week-long all-out strikes between now and Christmas, which were scheduled to start next Monday, although this afternoon the BMA delayed the first strike until 5 October. That news is of course welcome, but we must not let it obscure the fact that the remaining planned industrial action is unprecedented in length and severity and will be damaging to patients, some of whose operations will have already been cancelled.

Many NHS organisations, including NHS England, NHS Providers, the NHS Confederation and NHS Improvement, have expressed concern about the potential impact on patient safety. Indeed, this morning the General Medical Council published its advice to doctors on the strike action. While recognising a doctor's legal right to take industrial action, it urged all doctors in training to pause and consider the implications for patients, saying:

“Given the scale and repeated nature of what is proposed, we believe that, despite everyone's best efforts, patients will suffer.”

Many others have also questioned whether escalating the strikes is a proportionate or reasonable response to a contract that the BMA junior doctors' leader, Dr Ellen McCourt, personally negotiated and supported in May. She said then that the new contract was

“safer for our patients, safer for our junior doctors... and also fair.”

She said, with respect to junior doctors, that the contract “really values their time, values them as part of the workforce, will really reduce the problem of recruitment and retention, emphasises that all doctors are equal, and has put together a really good package of things for equalities.”

We recognise that since those comments were made, the new contract has been rejected in a ballot of BMA members. However, it is deeply perplexing for patients, NHS leaders and, indeed, the Government that the reaction of the BMA leadership, which previously supported the contract, is now to initiate the most extreme strike action in NHS history, inflicting unprecedented misery on millions of patients up and down the country. We currently expect up to 100,000 elective operations to be cancelled and up to a million hospital appointments to be postponed, which will inevitably have an impact on our ability to hit the vital “18 weeks” performance standard.

Today I want to reassure the House that the Government and the NHS are working round the clock to make preparations for the strikes. All hospitals will be reviewing their rotas to ensure that critical services such as accident and emergency, critical care, neonatal services and maternity services are maintained. The priority of all NHS organisations is to ensure that patients have access to the healthcare they need and that the risks to patients are minimised, but the impact of such long strikes will severely test that. As with previous strikes, we cannot give an absolute guarantee that patients will be safe, but hospitals up and down the country will bust a gut to

look after their patients in this unprecedented situation and communicate as soon as possible with people whose care is likely to be affected.

Turning to the long-term causes of the dispute, it is clear that for the BMA negotiators it has been largely about pay, but I recognise that for the majority of junior doctors there is a much broader range of concerns, including the way their training is structured, the ability to sustain family life during training periods, the gender pay gap and rota gaps. After the May agreement, we set up a structured process to look at all these concerns outside the contract and I intend that that work will continue.

Health Education England has been undertaking a range of work to allow couples to apply to train in the same area, to offer training placements for those with caring responsibilities close to their home, to introduce a new catch-up programme for doctors who take maternity leave or time off for other caring responsibilities, and to look at the particular concerns of doctors in their first year of foundation training. Today, HEE has set out further information for junior doctors about addressing these non-contractual concerns, and we are proceeding with the gender pay review that I mentioned in my last statement to the House on this issue.

We have also responded to specific concerns raised by the BMA. First, the BMA, NHS Employers and Health Education England have agreed changes to strengthen whistleblowing protections for junior doctors beyond the scope of existing legislation, so that junior doctors can take legal action against the HEE, in relation to whistleblowing, as if the HEE was their employer. Secondly, in direct response to the concerns raised by Dr McCourt over the role of the independent guardians of safe working hours, NHS Employers has written to all NHS chief executives to set out in considerable detail the expectations for the new guardian role. As of 2 September, 186 of 217 guardians had been appointed with the involvement of BMA representatives, with a further 15 interim arrangements in place, and it is expected that all will be appointed by the middle of this month.

Many junior doctors have expressed concern about rota gaps, and the new contract acknowledges and tackles this concern. The guardians of safe working hours will report to trust and foundation trust boards on the issue of rota gaps within junior doctor rotas. This will shine a light on the issue and it will be escalated, potentially to the Care Quality Commission and the General Medical Council, when serious issues are not addressed. I strongly urge all those considering taking industrial action to consider the progress being made in all these areas before making their final decision.

With respect to the broader debate about seven-day care, we recognise that many doctors have concerns about precisely what is meant by a seven-day NHS. As Sir David Dalton stated publicly last week, we offered to insert details of our seven-day plans in the May agreement, but this was rejected by the BMA, so it is very disappointing that it now says the need for more clarity over seven-day services is one of the reasons for the strike, but given that it has said that, I would like to repeat further reassurances on that front today.

First, while the changes to the junior doctors contract are cost-neutral—that is, the overall pay bill for the current cohort of junior doctors will not go up or down—our seven-day services policy is not cost-neutral,

and will be funded out of the additional £10 billion provided to the NHS this Parliament. Secondly, while the pay bill for the current number of junior doctors will not increase, we do expect the overall pay bill to go up as we have committed to employing many more doctors to help to meet our commitment on seven-day services. That means that our plans are not predicated on simply stretching the existing workforce more thinly or diluting weekday cover.

Thirdly, we recognise that junior doctors already work very hard, including evenings and weekends, and while we do need to reduce weekend premium rates that make it difficult to deploy the correct levels of medical cover, we expect this policy to have greater implications for the working patterns of other workforce groups, including consultants and diagnostic staff. Finally, we have no policy to require all trusts to increase elective care at weekends. Our seven-day services policy is focused on meeting four clinical standards relating to urgent and emergency care, meaning that vulnerable patients on hospital wards at weekends will get checked more regularly in ward rounds by clinicians, and clinicians will be able to order important test results for their patients at weekends.

Despite these reassurances, there may remain honest differences of opinion on seven-day care, but the way to resolve them is through co-operation and dialogue, not confrontation and strikes which harm patients. To those who say these changes are demoralising the NHS workforce, I simply say that nothing is more demoralising or more polarising than a damaging strike. It is not too late to turn decisively away from the path of confrontation and to put patients first, and I urge everyone to consider how their own individual actions in the coming months will impact on people who desperately need the services of our NHS.

This Government will not waiver in our commitment to make the NHS the safest, highest-quality healthcare system in the world, and I commend this statement to the House.

6.36 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): The prospect of a rolling five-day strike by junior doctors was one of the utmost gravity. The junior doctors have suspended next week's action, which is a step I believe the whole House welcomes, but the remaining programme of industrial action stays in place. If it eventually goes ahead, it will be the first such strike by junior doctors in the entire history of the national health service.

What the current situation shows is that there has been a complete breakdown in trust between junior doctors and the Government. The morale of junior doctors could not be lower, and that is not something for the Secretary of State to dismiss. But somehow the Secretary of State continues to take no responsibility for the current state of affairs—no responsibility for repeatedly arguing that the only problem was that doctors had “not read the contract”, no responsibility for the misleading use of statistics by claiming that thousands of patients were dying because of poor weekend care.

The president of the Royal College of Paediatrics and Child Health, Professor Neena Modi, said:

“despite concerns raised by senior officials, Jeremy Hunt persisted in using dubious evidence about the so-called ‘weekend effect’ to impose a damaging Junior Doctor contract under the bogus guise of patient safety”.

The Secretary of State still insists that the contract is about a seven-day NHS when we know now that his own officials were telling him that the NHS had too few staff and too little money to deliver what he was talking about.

The Secretary of State well knows that the public simply do not believe him in his attempt to demonise the junior doctors. Try as he might, he has failed to convince the public that somehow junior doctors are the “enemy within” or mere dupes of the BMA. Far from being manipulated, doctors voted emphatically against the new contract.

Everyone in this House will remember the 7/7 bombings and the No. 30 bus which exploded in Tavistock Square, a few yards from the headquarters of the British Medical Association. Everyone will remember the pictures of doctors, who had been in meetings and their offices, pouring out of the BMA building, heading for the 14 dead people and the 110 victims, without flinching or faltering, fulfilling their vocation of saving lives. These are the people that the Secretary of State seeks to vilify.

Today we know that the junior doctors—who, contrary to what the Secretary of State implied, have always made patient safety a top priority—have cancelled the action planned for next Monday, but if we are going to remove the threat of industrial action, there are questions that the Secretary of State has to answer. There are widespread reports of deficits and financial crises, so how can the NHS move to enhanced seven-day week working, even with the proposed £10 billion the Secretary of State mentioned in his statement, when there are not the resources to maintain the status quo?

I welcome the structural work going on outside the contract on issues such as work-life balance, the gender pay gap, the rota gaps, strengthening whistleblowing protections for junior doctors and, importantly, looking at the role of guardians of safe working hours, but the Secretary of State talked in his statement about confrontation: what could be more confrontational than seeking to impose a contract? Even at this late stage, I ask him to listen to the junior doctors' leader, Dr Ellen McCourt, when she says:

“We have a simple ask of the Government: stop the imposition. If it agrees to do this, junior doctors will call off industrial action.”

The public are looking for the Secretary of State to try to meet the junior doctors: stop vilifying them, stop pretending they are the “enemy within”, and meet their reasonable demands.

Mr Hunt: I will respond to the hon. Lady's comments, but she needs to be very clear to the House about the implications of Labour's position on this. She has just said that she welcomes the suspension of next week's industrial action, but that was not her position at the weekend. At the weekend, when the medical royal colleges, the General Medical Council and even *The Observer* criticised the proposed strike, what was she saying? She was saying that she would join them on the picket line—something her predecessor refused to do. The fact is that strikes cause harm, misery and despair for families

[Mr Jeremy Hunt]

up and down the country. When one of the most extreme members of the BMA junior doctors executive, Dr Yannis Gourtsoyannis, said that these strikes were “the single most positive thing that has occurred within NHS politics in decades”, what was Labour’s response? Did it condemn that? No. The shadow Chancellor actually invited him to advise Labour on policy. I just say this because—

Ms Abbott *rose*—

Mr Speaker: Order. For clarification, I must emphasise that there is no concept of giving way in respect of a statement. Although this might resemble a debate to those who are attending our proceedings from beyond the confines of the Chamber, it is a statement with a response. There are no interventions.

Sir Peter Bottomley (Worthing West) (Con): She is new to her job.

Mr Speaker: We are always grateful to the hon. Member for Worthing West (Sir Peter Bottomley) for whatever counsel he might wish to proffer, even if it is done from a sedentary position.

Mr Hunt: Thank you, Mr Speaker.

The shadow Health Secretary needs to recognise that working people, the people her party claims to represent, need a seven-day NHS. The vulnerable people that Labour claims to represent get admitted to hospital at the weekends, and in industrial disputes patients should always matter more than politics. The next time she meets a constituent who has suffered because of not having a seven-day service or because their operation has been cancelled because of a strike, she and her colleagues should hang their heads in shame.

The hon. Lady has used some very strong words. She used words such as “vilifying” and “demonising” in relation to the junior doctor workforce, and that is a very serious thing to say. I challenge her to find a single piece of evidence that has come from me or anyone in the Government, and if she cannot do so, she needs to withdraw those comments and apologise to the House. The fact is that the single most demoralising thing for the NHS workforce is strikes, because they entrench and harden positions, which results in people getting very angry, and it becomes much harder to find consensus.

The hon. Lady also talked about the use of statistics. She does not have to listen to what I say—and I understand, given the sparring that goes on between us, that she might not want to—but we have had eight academic studies in the past five years that describe increased mortality rates for people admitted to hospitals at weekends. Her response to this, in a phrase she used in another context, was that there was “zero empirical evidence” for a weekend effect. I would caution her on this, because taking that approach to hard data is exactly what happened at Mid Staffs, where hard evidence was swept under the carpet year after year because it was politically inconvenient. This Government will not make that mistake.

Finally, the hon. Lady said that my civil servants had apparently advised me that this policy would not work. Not at all. What happens with every Government policy,

as you would expect, is that smart civil servants kick the tyres of every aspect of the policy to enable us to understand the risks involved. She did not mention the fact that the same document to which she referred actually says that we are on track to deliver the four clinical seven-day standards to 20% of the country by next April. I think that her constituents will welcome that, even if she does not. These strikes are going to harm patients, damage the NHS and make it harder, not easier, to resolve the challenges facing junior doctors. Labour has chosen political opportunity today, but we will do the right thing for patients.

Mr Kenneth Clarke (Rushcliffe) (Con): Does my right hon. Friend agree that it has been an indefensible anomaly for many years that the national health service so reduces its services at weekends when the patients it serves are vulnerable to urgent or emergency conditions and need the highest standards of care for chronic conditions on a seven-day basis? Will he continue to make what he has described as careful progress? Will he also make it clear that the seven-day service will not simply do routine work and that it will be introduced as resources and staffing allow in line with civilised conditions? Further, on the strange politics of the dispute that keeps coming back to haunt him, does he agree that while the BMA has always been one of our most militant trade unions and while the Labour party has been very left wing in its leadership before—most notably in the 1980s—it is almost inconceivable that at any time in the past such extreme militant action that threatens patients would have been supported by the BMA or the Labour party? They are now opposing a contract that union leaders praised as a sensible settlement, given the improvements that it offered, only two or three months ago.

Mr Hunt: As ever, my right hon. and learned Friend speaks incredibly wisely. Actually, his last comment goes to the nub of why this is totally extraordinary, unprecedented and completely unacceptable. It is true that the junior doctors have rejected the agreement that was reached in May in a ballot, and we have to accept that. There are all sorts of reasons why that might have happened, but the choice to escalate the industrial action and to call the worst strike in NHS history was made not by those junior doctors but by the BMA leaders. They made that decision about a contract that they themselves had described as being good and safer for doctors and patients only in May. How can they justify that? Is there not perhaps a desire to pick a very big fight?

We were making good progress over the summer in a whole series of dialogues in different areas to try to resolve some of the non-contractual issues that the junior doctors are worried about, but this action makes it virtually impossible to continue that progress, although we will try very hard to do so. My right hon. and learned Friend is absolutely right to say that this is completely unacceptable and damaging for patients. I am afraid that I am having to go through some of the very same battles that he had to go through when he was Health Secretary.

Dr Philippa Whitford (Central Ayrshire) (SNP): I know how difficult it will be for junior doctors to take part in the strikes that have been described, and I personally am really sad that we have come to this

point. Does the Secretary of State recognise the anger and desperation among the junior doctors that have led us to this point? In my mailbag from junior doctors, two things stand out. One is that the threat of imposition was there right from the word go last summer, and it therefore felt like a threat rather than a negotiation. The other involves the misuse of numerical statistical data by translating it into a claim that it refers to avoidable deaths at weekends, even though there has been no evidence of avoidable deaths. The Secretary of State has not commissioned a review of cases that might show how many of those deaths were avoidable and whether a lack of junior doctors contributed to them. The real danger in the NHS at the moment is rota gaps. Doctors are being asked to do double shifts or to carry two pagers, which means that where there should be two doctors covering an area or a service, there is only one. That is a real, palpable danger right now.

The Secretary of State has said that he would employ extra junior doctors rather than spreading the same number more thinly, but where does he plan to get them from when we cannot even fill the existing posts? I welcome the focus on the four clinical standards that boil down to greater senior doctor review and access to diagnostics, but does he not think that we might have got further if we had started at that point last summer? He calls for a turn away from strikes and for getting around the table to co-operate and discuss these matters, so when is he going to meet the junior doctors to try to avert these strikes?

Mr Hunt: The hon. Lady is a doctor, and I would simply say to her, as I said to the shadow Health Secretary, that she needs to justify the claims that she constantly makes in this Chamber about a misuse of statistics. I have been very clear about when we can actually statistically say that a death is avoidable. The studies demonstrate clearly that a higher number of people are dying from weekend admissions than we would expect. What this Government will not do is sit and ignore those numbers, which are backed up in study after study. I think that we are doing the right thing, and as a doctor she should recognise that.

The hon. Lady has said time after time over the past year that the Government should lift the plans to impose the contract and get around the table and negotiate. She could today have given the Government credit for doing exactly that in May when we thought there was an opportunity to do a deal. We lifted the imposition of the contract and got around the table to negotiate a deal that turned out to be good for both sides. Having done that, the problem is that the same people with whom we negotiated the deal have decided to call the most extreme strike in NHS history, which is unacceptable.

Rota gaps are a real problem that we are trying to address by, first, ensuring that systems are in place for junior doctors to blow the whistle if they think that such gaps are unsafe for patients. That is why we have introduced guardians of safe working, and we are committed to that. Secondly, we want to ensure that there are people to fill those rota gaps by training more doctors. We are training 11,420 more doctors in this Parliament than in the previous and already have around 9,000 more doctors than in 2010. As a doctor, those are things that the hon. Lady should recognise.

Several hon. Members *rose*—

Mr Speaker: As always, I am keen to accommodate everybody who wants to take part, but I think it not unreasonable, given the relatively small number, for me to hope that we might conclude these exchanges by 10 past 7—quarter-past at the latest. Brevity is of the essence. We do not need long narratives. We just need questions and short answers. We will be led in that mission by the Chair of the Health Committee.

Dr Sarah Wollaston (Totnes) (Con): I welcome the BMA's suspension of next week's damaging industrial action. It is clear from its statement that thousands of doctors had been in touch to say that they wanted to keep their patients safe. Doctors know that they cannot do so with full, rolling, five-day walkouts. Will the Secretary of State therefore join me in asking the BMA to ballot its members to hear their views before they proceed with the other proposed, damaging, five-day walkouts?

Mr Hunt: The BMA should talk to its members much more because, as far as I could tell, the consultation over the summer showed that only a minority actually wanted this extreme series of rolling one-week suspensions of labour that the BMA supported in the end. Most junior doctors are perplexed and worried about the situation and would love to find a solution. There was a bitter industrial dispute, but we actually started a process through which trust was being rebuilt on both sides. In a series of meetings, I met the junior doctors' leader to talk through the areas of her greatest concern and we made progress in addressing two of those four outstanding areas. Building that trust means actually sitting around the table and talking, not having confrontational strikes. I think that that is what most junior doctors want.

Norman Lamb (North Norfolk) (LD): I want to return to the critical issue of how we ensure safe cover during the week if we expect doctors to work more hours at weekends. The Secretary of State has repeated again today that he will employ more junior doctors, but what is the timescale? What will the net increase in doctors be this year, next year and in the rest of the Parliament?

Mr Hunt: I do not have figures to hand for exactly what the number will be this year—I will certainly let the right hon. Gentleman know—but around 11,500 extra doctors will be trained during the course of this Parliament.

As I said in the statement, it is important to recognise that the changes involve not only junior doctors. We need more weekend consultant cover—that is particularly important—and more people who are able to do the diagnostic tests. A whole range of people need to take part in the changes to improve standards of care at the weekends.

Michael Gove (Surrey Heath) (Con): I congratulate my right hon. Friend on his reasonable yet resolute approach throughout the negotiations, which has been reflected in the fact that the leaders of so many royal colleges chose to criticise the decision to go on strike. The suspension of the strike action is therefore wholly welcome.

[Michael Gove]

My right hon. Friend made the point that clinical standards will be improved as a direct result of the move towards a seven-day NHS. Will he enlighten the House about which particular types of patient in which circumstances will benefit as a result of his welcome drive to improve patient care?

Mr Hunt: I am happy to do that. Indeed, I am delighted to take a question from my right hon. Friend, because it is after someone has long departed an office that people actually appreciate that big, important changes were made, which was certainly the case from his tenure as Secretary of State for Education.

One of the clinical standards states that people admitted at weekends should be seen by a senior doctor—a consultant or an experienced junior doctor—within 14 hours. They will be seen by a doctor much sooner than that, but they should be seen within 14 hours by someone experienced enough to know whether there is something to worry about. That would happen in most places during the week, but it does not happen in many places over the weekend. Another standard relates to the most vulnerable patients who are at real risk of going downhill. This is not the clinical term, but doctors say that spotting people who are going downhill is one of the most important things. Such people should be checked at least twice a day by someone experienced enough.

Those are two of the four clinical standards that we want our constituents to be reassured are in place across the country. We think that that will make a big difference.

Heidi Alexander (Lewisham East) (Lab): The Health Secretary will know that a worrying number of A&E and maternity departments were either closed or downgraded over the summer because they simply could not get the necessary number of junior doctors: Chorley, Ealing, Stafford—I could go on. If we are training more junior doctors, why do we still have that problem?

Mr Hunt: The pressures in the NHS mean that there is a need for more doctors for all sorts of reasons, and we do not have as many doctors as we need at the moment. That is why this Government are training more doctors and putting an extra £10 billion into the NHS. The manifesto that the hon. Lady stood on just over a year ago would not have put that sort of funding into the NHS and would have meant that we were unable to train that number of extra doctors. We are doing that, but it takes time and we need to ensure that services are safe while we are getting there.

Dr Andrew Murrison (South West Wiltshire) (Con): I congratulate my right hon. Friend on his balanced and reasonable approach in the negotiations despite provocation from people who really should know better. Does he agree that there cannot have been a single occasion in the history of the NHS other than this in which the General Medical Council—the body responsible for professional standards—has effectively had to intervene to stop a strike? Will he also admit that we might have underscored the centrality of Sir Bruce Keogh's four clinical standards a little more when introducing the notion of the seven-day NHS?

Mr Hunt: In response to my hon. Friend's last point, we have been clear from the outset about what we mean by a seven-day NHS for hospital care, but a huge amount of misinformation has been put out. This time last year, for example, the BMA was telling many people that our plans were to cut pay by between 30% and 50%. That is why strikes are damaging. Positions get entrenched on both sides and misinformation sometimes gets out, as it has done, causing a lot of anxiety.

I agree with my hon. Friend about the GMC's significant intervention. The medical regulator is completely independent of Government and has been clear that doctors have a responsibility not to take a decision under any circumstances that would lead to their patients being harmed.

Dr Rosena Allin-Khan (Tooting) (Lab): As the Secretary of State knows, prior to taking up this office in June I was an emergency medicine junior doctor on the frontline of our NHS for the past 11 years. Today, doctors have listened and have halted strike action, putting patient safety first.

This is not the first time I have stood before the Secretary of State to say that I worry that the imposition of the contract does not put patient safety first. The Government can train all the extra doctors they want, but current junior doctors are leaving. The risk of having a contract imposed on them is causing them to move further afield to places such as Australia. I have always maintained that a safe seven-day NHS cannot be created with an overstretched five-day team and the rota gaps are proof of that. Doctors have listened today. Will the Secretary of State listen and please halt the imposition?

Mr Hunt: I thank the hon. Lady for what she did alongside many colleagues working in A&E departments over many years, but to call this an imposition is a mischaracterisation given what actually happened. The contract was not only agreed, but recommended and supported by the leaders of the BMA. Before she was elected, we had many discussions in the House about whether negotiations were possible and what I should do, and there were a range of different views. In the end, I listened—just as she has asked me to today—and sat down and negotiated a deal that was supported by the BMA's leaders. That is why it is so incomprehensible that those same leaders—the people who represent her and her profession—have now called the most extreme strike in NHS history.

Sir Peter Bottomley (Worthing West) (Con): I put it to my right hon. Friend that the choice for junior doctors or doctors in training is whether they have the old contract or the agreed contract. I have not yet had a letter from any of my doctors saying that they think the old contract is better for them, for the health service or for patients. May I therefore recommend that they sign up willingly to the new contract, that they start discussions with the BMA, and through the royal colleges, on what should happen in a few years' time when the contract itself comes up for review and that they work to improve the non-contractual situation, which my right hon. Friend has provided a good lead on?

Mr Hunt: My hon. Friend is absolutely right on that. In May, the BMA leadership, with whom we were having a very open discussion, had satisfied themselves

that on the concerns many junior doctors have about their working conditions, many of which I accept are wholly legitimate, we had done pretty much everything we could inside a contract and the work that needed to be done was on the extra-contractual things. I am talking about the way the training system works when people are being rotated to a different hospital every six months, the fact that some people were being sent to a different city from their partner and how bad that was for family life, and all sorts of other things that need to be sorted out. Ironically, since the introduction of the working time directive, things have got a lot worse for many people, although we do not want to go back to the excessive hours of before. Those were the things we were patiently working through, and the way that is done is through dialogue, not confrontation, which is why this action is such a step backwards.

Mr Dennis Skinner (Bolsover) (Lab): Is it not a weakness of the Secretary of State's argument that it is just conceivable that he is wrong about imposing a settlement on a seven-day week for the NHS? It takes two to cause a strike, which is why he should look at this proposal again. He is very airy-fairy about training these doctors for the future. He is not being clinically correct at all. He has heard from people who have recently worked there, so why does he not reassess this seven-day week, get around the table, stop imposing a settlement and come to a negotiated agreement?

Mr Hunt: With great respect to the hon. Gentleman, if I am wrong about this, so are the leaders of the BMA, because they said the contract that he says I should not impose was a good contract, safer for patients and for doctors, and good for the NHS, for equalities and for a range of things. The contract we are proceeding with is one that doctors' leaders said was a good deal for junior doctors, so if we are going to resolve this, that is the contract we should proceed with.

Alistair Burt (North East Bedfordshire) (Con): May I express my strong support for the Secretary of State, not only for the measured way in which he has handled today's statement, but for the way in which he has conducted the negotiations, as shown by the 100-plus concessions that have been made to doctors' negotiating positions over the past four years? Is not the inevitable logic of the BMA's suspension of the strikes—I warmly welcome that—on the advice of other medical professionals that this should be applied in exactly the same way to the other strikes that have been called? The same logic would apply. Would it not be best for the BMA's reputation to call off the rest of the strikes and to work with the Government on the other non-contractual areas that need to be dealt with, so that we can move forward from this, end this period of confrontation, get the health service that we all believe in and end some of this silly rhetoric coming from those who suggest that Conservative Members do not believe in the NHS?

Mr Hunt: I have a stunning new ministerial team, two of whom I am pleased to see here today, but I wish to take this moment to say how much I enjoyed working with my right hon. Friend last year. Then, as now, his advice and thoughts are very wise. The Government have made 107 concessions, and the BMA might like to think what signal it sends if that many concessions are

made, an agreed deal is reached with the union leadership and the reaction then is for the most extreme strike in history to be called. What encouragement will that give to other Ministers to be moderate and reasonable in their negotiations with unions? The position being taken is preposterous and many other choices could have been made when dealing with losing the ballot, but he is right in what he says.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): A lack of workforce planning and weak financial management have led to staff shortages, which have been a major contributor to this dispute. The Department of Health accounts and NHS England accounts, which came out on 21 July, underlined that weakness in financial planning, with the Comptroller and Auditor General saying clearly that he had real concerns about the future sustainability of NHS funding. We have, however, heard the Secretary of State say again today that the £10 billion available is to solve the issue about the seven-day NHS, but we have also heard that money promised for many other things by the head of NHS England. Does the Secretary of State really have a plan for the financial sustainability of the NHS? If so, what is it?

Mr Hunt: We do and we are implementing it. I know that the hon. Lady has looked at this in great detail, and I simply say, in broad terms, that following the tragedy of what happened at Mid Staffs the NHS was very honest about how some of the poor care there was happening in other places and NHS trusts decided that they needed to have more staff in their hospital wards. The poor workforce planning that she talked about, which goes back many decades in the NHS, meant that the result was an explosion in the use of agency staff, the cost of which rose to more than £3.5 billion in the last financial year, which has put huge pressure on finances. The lesson that we must take away, not just for the junior doctors' strike, but for financial sustainability, is that we need to be better at workforce planning and training up the number of doctors and nurses that we need.

Several hon. Members *rose*—

Mr Speaker: I call Dr (post-war strategic military planning) Julian Lewis.

Dr Julian Lewis (New Forest East) (Con): In other words, I am totally unqualified as a medical doctor. Therefore, may I ask a question about democratic mandates? I appreciate that, unlike a referendum, a general election does not give an entirely specific mandate on every proposal put forward, but will the Secretary of State take the opportunity to remind the House and the country of how central the proposal for a seven-day NHS was to the Conservative manifesto as far as his Department was concerned?

Mr Hunt: My right hon. Friend is right, as that was our only really substantive promise in terms of a commitment to the NHS at the last election. We are funding it and we have an absolute obligation to the British people to deliver on it. That is why in that short period after the last election I felt I had to be clear with the BMA that we were going to deliver on that manifesto promise. If the BMA had reflected on that, it might have perhaps behaved differently from how it did.

Diana Johnson (Kingston upon Hull North) (Lab): In the light of the ongoing dispute and concerns about patient safety, has the Secretary of State given any consideration to the idea of compulsory independent arbitration, binding on both sides, to settle disputes where patient safety and public safety is in dispute? Will he look at that?

Mr Hunt: I do not think that is the way forward, because the best way to solve these disputes is by an agreed solution. That is actually what we had, which is why it is so disappointing that the BMA has chosen not to work to try to implement it.

Michael Fabricant (Lichfield) (Con): Last Thursday, I was at Queen's hospital in Burton having a minor skin procedure—hence my black eye—where I met not just junior doctors and consultants, but patients. Let me tell my right hon. Friend how concerned they are about this series of strikes. They just do not understand it, as one junior doctor said to me—he may or may not have been in the minority. Dr Johann Malawana, the previous BMA representative for junior doctors, said that this was a “good deal” for junior doctors—I noted that down at the time. One point that was made to me was that this constant defence of BMA action by the Labour party and, in particular, by the Labour spokesman is regarded as being encouragement for these strikes, whether she means to do it or not. May I urge her to say, “Look, it is not good enough. It is not good enough for patients and it is not good enough for the NHS”?

Mr Hunt: My hon. Friend is absolutely right. All of us in this debate have one simple thing to consider: what is the right answer for the people we represent? They understand that there are financial constraints and that the NHS cannot do everything, but they do want us to strive to make it safer and better the whole time. It is a surprise and a disappointment that we do not hear more of that language from the Labour party.

Bill Wiggin (North Herefordshire) (Con): My constituents who are patients do not want this strike, and I do not believe that my constituents who are doctors want this escalation in industrial action. If it is the case that only 4% of doctors support this escalation, should the BMA not again check its mandate?

Mr Hunt: It absolutely should. The BMA has been out of step with both the British public and its own members this week. My hon. Friend's own hospital in Hereford—Hereford county hospital—is in special measures. It has a huge number of problems, which it is working really hard to sort out, and we are helping it to sort them out. Is that not what we should be focusing on in the NHS, rather than having to do contingency planning for these damaging strikes?

Alex Chalk (Cheltenham) (Con): Does the Secretary of State agree that the actions of the BMA in warmly backing the contract in May only to condemn it in August and call for these extreme strikes have seriously damaged its credibility? On the issue of pay, which we know from the leaked WhatsApp messages is the only red line, can he confirm that no doctor working legal hours will be paid less?

Mr Hunt: Yes, I can absolutely confirm that. We have put in place pay protection to make that happen. My hon. Friend is right that this is very damaging for his constituents in Cheltenham. Given that there is so much pressure in the NHS, the junior doctors who are thinking of striking must ask themselves whether it is really going to help their organisation respond to those pressures if it has this enormous distraction—this incredible demoralisation that we get with these kinds of strikes.

Mike Wood (Dudley South) (Con): Does my right hon. Friend share my disappointment that the BMA leader who co-authored the new contract and said that it was beneficial for our patients and for our junior doctors is now trying to whip up support for a series of strikes that every credible medical leader has said would be disproportionate and harmful to patients?

Mr Hunt: I am extremely disappointed and I hope that she reconsiders.

David Morris (Morecambe and Lunesdale) (Con): The fact that these strikes are occurring and being called off is very serious, especially against the backdrop of this contract. One of my constituents, who is a doctor, the chairman of Doctors in Unite and the deputy chairman of the BMA, stated in the *Sunday Times* that this issue could be used to beat the Tories and make the country great again. Does my right hon. Friend agree that it is appalling that patients across the country are being used as pawns in the political game of “Corbynism”?

Mr Hunt: I completely agree. I am afraid that this is where I am very, very disappointed with the Labour party. Thrilled though it might be to have so many supporters of the leader in the more extreme ranks of the BMA, it helps no one to try to use the NHS as a political pawn and to weaponise the NHS as it tried so destructively to do before the last election.

Mr Philip Hollobone (Kettering) (Con): Kettering general hospital is under pressure on a number of fronts. Even if the industrial action does not take place, the threat of it diverts key personnel from their normal difficult task of contingency planning, filling rotas and making sure that patients stay as safe as possible. Does my right hon. Friend agree that even the threat of industrial action does huge harm to our hospitals and the NHS?

Mr Hunt: I am more than happy to agree with my hon. Friend. The staff at Kettering general hospital work extremely hard. I have been there, as he knows. It is a very busy hospital. One shudders to think what the impact would be if we removed a third of the doctor workforce in a hospital such as that.

Philip Davies (Shipley) (Con): I was just reading an article from earlier in the year from *The Guardian* newspaper, which said that Saturday working is the major sticking point in the junior doctors' dispute. Does the Secretary of State agree that any doctor who goes on strike over premium rates of pay on a Saturday, which most people in this country do not get when they work on a Saturday, should hang their heads in shame? Will he give a commitment that he will not make any

further concessions, as he has already given far too many. Is it not time to look at whether we stop doctors from going on strike altogether in the NHS, as is the case with other emergency services?

Mr Speaker: It may be the first occasion upon which the hon. Member for Shipley (Philip Davies) has vouchsafed to the House that he is a *Guardian* reader.

Mr Hunt: I was nervous mentioning the fact that the Government have made 107 concessions when I saw that my hon. Friend might be in the Chamber because I knew that, for him, that would be 107 too many. His broader point is absolutely spot on. The working terms and conditions for Saturdays for junior doctors in this new contract are better than they are for nurses, police officers, fire officers and for those in many other parts of the economy. That is why I think it is a fair deal that everyone should recognise and welcome.

Kevin Foster (Torbay) (Con): I know that the Secretary of State will agree that what sums up this dispute is that, under the existing contract unless the new one is brought in, we could be treated by a doctor working their 91st hour in a week. Does he agree that it is absolutely bizarre to see this level of strike action called when even the BMA's own council was so divided over whether to support it?

Mr Hunt: That is absolutely right. What my hon. Friend is alluding to is the fact that, in the new contract, we are reducing the maximum hours that any doctor can be asked to work in any one week from 91 hours to 72 hours. There are all sorts of other safeguards that benefit safety. He is right. This should not be happening, and I urge the BMA to reconsider.

Richard Drax (South Dorset) (Con): May I offer my support to my right hon. Friend. I have never heard him vilify the doctors, as he was accused of doing. That language was not appropriate in this debate. Is he aware—I have heard this from one chief executive—that hospitals have been told not to speak to the junior doctors to try to resolve the dispute within the hospitals and the foundation trusts themselves? If there has been such an instruction, does he agree that it will not help solve the dispute for the future?

Mr Hunt: I am very surprised to hear that. If my hon. Friend wants to pass me the details, I will happily look into it. On the ground, the management of hospitals are

working very closely with not just junior doctors, but BMA representatives to try to do everything they can to keep patients safe if these strikes go ahead.

Mr Speaker: Order. I am most grateful to the Secretary of State and to colleagues.

FINANCE BILL (PROGRAMME) (NO. 2)

Ordered,

That the following provisions shall apply to the Finance Bill for the purpose of supplementing the Order of 11 April 2016 in the last Session of Parliament (Finance (No. 2) Bill: Programme):

1. Paragraphs (11) and (12) of the Order shall be omitted.
2. Proceedings on Consideration shall be taken on the days shown in the following Table and in the order so shown.
3. The proceedings shall (so far as not previously concluded) be brought to a conclusion at the times specified in the second column of the Table.

Table

<i>Proceedings</i>	<i>Time for conclusion of proceedings</i>
<i>First day</i>	
New clauses, new schedules and amendments to clauses and schedules relating to corporation tax.	Two hours after the commencement of proceedings on the motion for this Order.
New clauses, new schedules and amendments to clauses and schedules relating to tax avoidance and evasion.	Four hours after the commencement of proceedings on the motion for this Order.
New clauses, new schedules and amendments to clauses relating to VAT on women's sanitary products.	Six hours after the commencement of proceedings on the motion for this Order.
<i>Second day</i>	
New clauses, new schedules and amendments to clauses and schedules relating to capital gains tax.	4.30 pm
New clauses, new schedules and amendments to clauses relating to insurance premium tax; remaining new clauses, new schedules and amendments to clauses and schedules; remaining proceedings on consideration.	6 pm

4. Proceedings in Legislative Grand Committee and proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at 7 pm on the second day of proceedings on consideration.—(*Jane Ellison.*)

Finance Bill

[1ST ALLOCATED DAY]

Consideration of Bill, as amended in the Committee and the Public Bill Committee.

New Clause 5

CORPORATION TAX TREATMENT OF THE OIL AND GAS INDUSTRY

The Chancellor of the Exchequer shall, within six months of the passing of this Act, commission a comprehensive review of the corporation tax rates and investment allowances applicable to companies producing oil and gas in the UK or on the UK continental shelf, and publish the report of the review.—(*Kirsty Blackman.*)

Brought up, and read the First time.

7.18 pm

Kirsty Blackman (Aberdeen North) (SNP): I beg to move, That the clause be read a Second time.

Mr Speaker: With this it will be convenient to discuss the following:

New clause 10—*Review of the operation of the Patent Box*—

“(1) The Chancellor of the Exchequer shall, within six months of the passing of this Act, lay an independent report of the value for money provided by, and the efficacy of, the Patent Box legislation before both Houses of Parliament.

(2) The report shall—

- (a) assess the size and nature of the companies taking advantage of the Patent Box legislation;
- (b) assess the impact of the Patent Box legislation on research and innovation in the UK, including supporting evidence; and
- (c) assess the cost effectiveness of the Patent Box legislation in incentivising research and development compared to other policy options.”

New clause 11—*Assessment of taxation regime for securitisation companies*—

“The Chancellor of the Exchequer shall, within six months of the passing of this Act, commission an independent assessment of the efficacy of the taxation regime to which securitisation companies are subject and lay the assessment before both Houses of Parliament.”

Amendment 177, page 87, line 6, leave out clause 44.

Amendment 162, page 87, line 8, ‘leave out clause 45.

Government amendments 152, 153, 1 to 29, 154, 31, 155, 33 to 59, 156, 61 to 113, 157, 115 to 117, 158, 159, 119 to 128, 160, 129 to 131.

Kirsty Blackman: I rise to speak to new clause 5, which is in my name and the names of my hon. Friends, but I wish briefly to mention amendment 162, which has been proposed by the Labour party. I look forward to hearing from its Front-Bench Members. If they intend to push the amendment to a vote, we will join them in the Lobby.

New clause 5 is about the corporation tax treatment of the oil and gas industry. The House will not be surprised to hear me speaking on this subject as I have done so a number of times. What we want is a comprehensive review of the corporation tax rates and investment tax allowances applicable to companies

producing oil and gas in the UK, or on the UK continental shelf. This is a timeous ask from us for a number of reasons. For a start, this Bill implements measures that were put in place and discussed first in February and March, before the EU vote, and there have not been any substantive changes by the Government to the Bill as a result of the Brexit vote.

Substantive changes to the Bill are needed because we find ourselves in a completely different situation as a result of the fall-out from Brexit. It is unfortunate that changes have not been made and that there have not been more announcements from the Government about how they intend to manage the financial situation going forward. We want to know about the impact on Aberdeen, which I represent, and on the UK’s tax take and the Treasury. It is important that we seriously consider making changes to the Bill.

We have repeatedly asked for changes to the tax rates and for a comprehensive strategic review. We appreciate that the Government made changes earlier this year, but we do not think they go far enough. Alex Kemp, a renowned petroleum economist, and his long-term research partner, Linda Stephen, are both at Aberdeen University, where they have been working on sophisticated modelling tools. If the Minister has not read the article that appears in *Energy Voice* today, it is worth reading, together with the report that accompanies it. The work that they have done suggests that corporation tax of 30% is too high, and it is far above the non-North sea rate. They said:

“From the analysis of the economics of new field investments and exploration in current circumstances in the UKCS it is clear that, at \$50 and \$60 prices, there are many ‘marginal project investment situations’.”

That is key. It is what we have been arguing, and now it is backed up by renowned experts.

The position in which the industry finds itself bears repeating. Estimates vary, but we have lost around 125,000 jobs—from 425,000 we are down to about 300,000. That implies a huge reduction in the tax take for the Treasury and it is a massive hit for the local area, particularly Aberdeen and across Scotland and other oil and gas-producing areas. Because of the reduction in the oil price, we have seen changes in the behaviour of companies. As well as making people redundant, they have changed shift patterns and terms and conditions. They have also managed to reduce production costs, which is a good thing.

Philip Boswell (Coatbridge, Chryston and Bellshill) (SNP): Brexit casts further uncertainty over the oil and gas industry, which under this Conservative Government has seen the legislative goalposts moved almost continuously, thereby hindering vital investment. Does my hon. Friend agree that given that the Bill implements measures devised prior to the EU vote and, as such, fails to provide for an economy that is facing the harsh reality of Brexit, more must be done to mitigate investor uncertainty in the oil and gas sector?

Kirsty Blackman: Indeed. Brexit compounds the issues that we have seen in the oil and gas industry, particularly in the North sea, and affects investment. This year we are expecting less than £1 billion-worth of new capital projects to be agreed. In each of the past five years we have seen an average spend of £8 billion. There has been

a massive drop-off. Much of that is linked to the global oil price, but the Government have not done enough to increase investor confidence, especially in the light of Brexit. New projects are not being sanctioned because of companies' negative cash flow. Jobs are consequently being lost all the way along the supply chain. We are losing contracts, expertise and people working in the industry in and around Aberdeen, Scotland and the UK.

Exploration and development activity is at an all-time low. Oil and Gas UK produced a report in February this year which predicted that if the current trajectory of low investment and new projects not being approved continues, we will see a fall in production in 2020. We are not ready for that. Our strategy has been to maximise income and recovery, and the Oil and Gas Authority's main aim is to ensure that we get as much out of the North sea as we can. Because of the lack of investor confidence and the inability to sanction new capital projects, that is becoming increasingly difficult.

I have asked various Ministers about the Government's intentions. We are not seeing investor confidence. We are seeing a major drop-off in investment, as the figures show. I welcome some of the changes that the Oil and Gas Authority has made. It is working on making it easier to transfer assets that have reached the end of their life. We do not want decommissioning to take place now. I understand entirely that if there is sufficient UK spend, there will be a financial benefit to UK companies from decommissioning, as long as we can ensure that the supply chain for decommissioning is based in the UK.

However, some of the assets that have been in the North sea for 30 years are at the end of their useful life and need to be decommissioned. I welcome the OGA's push to ensure that as much of that spend as possible is in the UK, and I welcome its efforts to ensure that assets can be transferred so that as much oil as possible can be recovered from each of those fields. The OGA has been focusing on enhanced oil recovery, but the Government have not done enough in that respect. Changes are necessary to the tax regime to encourage companies to undertake enhanced oil recovery.

Rob Marris (Wolverhampton South West) (Lab): I hear the hon. Lady standing up doughtily for her constituency and for the oil and gas industry in Scotland. What bemuses me is that if the independence vote had gone through, in spring 2016, Scotland would have had income of £100 billion and expenditure of £120 billion—a structural deficit of 20%. Now the hon. Lady is advocating increasing that black hole. How would she bridge that gap?

Kirsty Blackman: We are under a Westminster Government; we do not have full control of our own economy. That is a damning indictment of the way that the Westminster Government are running the economy of Scotland. It is incredibly important that we get independence and that we are therefore able to make decisions, particularly in the oil and gas industry, where the Government have not moved quickly enough or been flexible enough in the changes they have made. It is important that we make the decisions and grow our economy, because the Westminster Government are failing to do so.

On the future for energy and for the North sea, Statoil produced a report entitled "Energy Perspectives". It is important to consider the future for the North sea and the UK continental shelf in that context. Statoil predicts that up to 2040, total primary energy demand will grow between 5% and 35%. That is a wide range because a number of different scenarios have been analysed. In all scenarios there is an increase in total energy demand. Statoil predicts that energy demand in 2040 will be between 78 million barrels a day and 116 million barrels a day. We currently use over 90 million barrels a day. It is important to note that as we think about the move towards renewables and different forms of energy generation, but by 2040, even if we have a huge number of renewables, we will still see a massive demand for oil and gas across the world. Oil and gas will still need to be produced in order to support the economies of the world. It is vital that we ensure that the UK continues to be involved in that and to benefit financially from it.

George Kerevan (East Lothian) (SNP): On that point, is my hon. Friend aware that more than half of the oil supply and support companies in the UK are located in England, and that the amendment affects all oil companies across the UK, not just in Scotland?

Kirsty Blackman: I appreciate that point. I was not aware of the numbers. However, from talking to colleagues across the House who have been very supportive of companies and industries in their constituencies, it is clear that the number of companies is substantial. We are discussing UK spend and, whether we like it or not, we are part of the UK, and the tax changes will help all the companies in the oil and gas industry throughout the UK, whether they are in Aberdeen, Wales or the south of England.

The Oil and Gas Authority has been very good at talking positively about UK supply chain spend, which is one of the most vital aspects. Although I have talked about energy demand and oil and gas demand out to 2040, we will see, at some point, a reduction in the amount of oil and gas being produced by the UK. It is key to note that we are world leaders in terms of our oil and gas expertise. We are very good at what we do, and we are respected across the world. In sub-sea technology, for example, we are 20 years ahead of America. America has not done very much when it comes to Gulf of Mexico extraction. We will be there teaching the Americans how to use sub-sea technology and exporting that technology to them. Even when the oil and gas in the UK eventually run out, we will see that our expertise is able to be exported. It is really important that the Government act now to ensure that we keep that expertise base and do not lose it in the current downturn.

7.30 pm

Rob Marris: Is the hon. Lady saying to the House, then, that the Scottish National party's position is to export the expertise of the Scottish hydrocarbon industry so that we can have more and more carbon dioxide going into the environment from fossil fuels because, for example, the Gulf of Mexico is producing more with Scottish expertise? If so, she is running counter to the direction of the world in the Paris talks.

Kirsty Blackman: The hon. Gentleman should listen to what I said. Statoil's "Energy Perspectives" report reckons that even if we have a huge push towards renewable technologies and towards reducing carbon emissions, we will still need between 78 million and 116 million barrels of oil a day—and that is while taking on board, and increasing, the very best of these technologies. We will still continue to need, for example, road surfaces that are made from heavy oil. We will still continue to need these things, so we will always need oil, or at least for a long way into the future until we come up with credible alternatives. It is not just about energy or about electricity generation; it is about all the different things that we use oil for, including plastics.

It is very important to make sure that we have a great future in exporting. I have never been to Houston, but I am told that one cannot go there without hearing an Aberdeen accent. That is because we have the links and we send our experts over there, and those experts are making money for companies here by whom they are still employed. They are devising the technology that is being spent on and used in America and in other places across the world. In the North sea, we are operating in a super-mature field. This is one of the first fields in the world that is reaching that super-mature status. We have a proud history of exporting, getting incredibly good at what we do and teaching the rest of the world how to do it.

We also have a proud history of being respected around the world. Our oil and gas industry is respected throughout the world. If you say to somebody in an oil company in a different country, "This technology is used in the UKCS in the North sea", it is automatically seen as a gold standard that is recognised around the world. In order for us to continue to generate tax revenues from this and to sustain jobs, we need to make sure that our companies have enough cash to innovate. Although the Government have been vaguely supportive in what they have done, they have not been supportive enough. Companies are still struggling to get venture capital and assistance from banks. I am aware that Ministers have spoken to banks, but it is still not enough. The confidence is still not there to the degree that we need it to be.

As I said, we are one of the first countries operating in this super-mature situation. What we really need now is a review of the taxes across the oil and gas industry. The system was devised many years ago in a totally different situation. It has had bits lumped on and bits lopped off, but it has never been looked at as a whole, and that is what we need to do now. I strongly urge the Minister to have a look at the entire tax regime for the oil and gas industry so that it can have a better future.

Mark Field (Cities of London and Westminster) (Con): The hon. Member for Aberdeen North (Kirsty Blackman) will be glad to know that she can also come to my constituency and hear a few Aberdonian accents from time to time, without having to go out to the middle of Texas.

I have a lot of sympathy for the situation that the hon. Lady finds herself in. Inevitably, there has been a lot of tinkering with tax rates in oil and gas. In my 15 years in the House, it has seemed that barely a year goes by without many paragraphs of any Finance Bill being part and parcel of this. Clearly, we are not yet to

know whether the gas price and oil price will be stabilised at \$50 to \$60 a barrel or will go in different directions. I am sure that the Treasury has this whole issue under constant review.

Philip Boswell: Many believe that the oil and gas industry has been adversely affected by Brexit. Earlier this year, I asked this Chancellor, in his first Treasury questions, when the people of the UK could get an insight into the scale of capital flight following Brexit. He replied:

"a series of data publications during the late summer and autumn will inform a proper response at the autumn statement."—[*Official Report*, 19 July 2016; Vol. 613, c. 664.]

Many other hon. Members in this House asked similar questions to which the Chancellor gave a similar answer—that all will be revealed in the autumn statement. Does the right hon. Gentleman agree that the Chancellor, having now had a few months to think about it, should at least furnish us with the date of the coming autumn statement?

Mark Field: I suspect we all know that the autumn statement will be coming up at some point in late November or early December, if precedent is anything to go by. As someone who was also very firmly in favour of Britain remaining in the European Union, I say to the hon. Gentleman that we have to make Brexit work, and this will take time. I understand the frustration of many who would like to see the Government put forward a template on these matters today, but I think they are right to recognise that we have to play our cards close to our chest. This is a diplomatic process that will take some considerable time. One of the great strengths that we have had as the United Kingdom in diplomatic affairs, going back many centuries, is the sense of being able to make something work for the interests of this country. We have to recognise what is going on in world affairs, whether in the oil and gas price or in prices in other areas. This is an incredibly volatile time, politically and economically, and the notion that we can have any direct template in place now, or indeed at any point during the course of this year, is wholly misleading.

Philip Boswell: The hon. Gentleman is being most gracious and I thank him for his time. The right hon. Member for Broxtowe (Anna Soubry) has mentioned real concerns expressed by the Japanese Government re investment in the UK. This concern was echoed when President Obama confirmed, post-EU referendum, that the EU is a much greater priority for US trade relations than the UK outside of the EU. Given US investment in oil and gas in the UK, does the right hon. Gentleman agree that this Government have had more than enough time to give the British people a definitive definition of "Brexit" and should be informing the public of urgent action they are taking now to support important industries such as the oil and gas sector?

Mark Field: A huge number of actions are taking place now. It is far, far too early to have any definitive approach as to exactly what Brexit will entail. We have to ensure, to an extent, that we get as much of the benefit of being in the single market—I see that, obviously, in the context of the City of London and its passporting rights—as is compatible with the public's clear view about free movement of people. I hope that in the

months ahead we will begin to work on that. However, it is far too early, and it would be doing a disservice to all industries—oil and gas and others—that are so dependent on exports and on being global industries, with the expertise that they have across the globe, to be definitive about precisely what role Brexit has to play.

I wanted only to make a few brief comments on new clause 10 with regard to the patent box. I am sorry if I am moving slightly ahead of the observations of the hon. Member for Hayes and Harlington (John McDonnell) on this matter. There has perhaps been a danger that Governments of all political colours over the past decade or so have been rather too much in thrall to certain industries, whether financial services or the global internet technology industries. It is worth pointing out that the benefit—the very significant benefit—of the whole patent box plan that was put in place by the former Chancellor some years ago is that it has begun to enable intellectual property value to be quantified and used as collateral in many of the fast-growth companies in the technology sphere. It strikes me that the Treasury, any Treasury, will now need new sources of revenue to swell our collective coffers at a time when the deficits remain dangerously high. Indeed, in what might be regarded as normal peacetime conditions we have an unprecedentedly high rate of deficit.

I also think that it would be wise not to ignore the level of public anger at the wilful tax avoidance of a number of the digital disruptors that are potentially the beneficiaries of this patent box plan, and the influence of that on the western economies has at times been somewhat pernicious. The sobering truth is that the global technology and communications service providers' stratospheric growth over the past two decades has been aided by their ability to avoid taxation. Whether it is Google, Uber, Facebook or Apple, to name but four, they have been able to squirrel away their profits in the most tax advantageous manner, and I hope that the Treasury will consider that, as well as issues around the patent box, not just in the next six months but in the years to come to ensure that we have a more equitable situation that will be accepted by the public at large.

I accept also that as regards creative industries and global technology players it would be wise to reflect that perhaps elements of this advantageous tax treatment, not just by the UK Government but by other Governments in the western world, have been the price that taxpayers have had to pay to secure the essential co-operation in the sphere of internet surveillance that western Governments believe—rightly, in my view—to be so vital to national security.

I do believe, however, that it is time to recognise that corporation tax as we know it is probably past its sell-by date as an appropriate means of capturing value in a modern globalised economy. A levy on turnover, rather than profits, might in time be the best way forward—[HON. MEMBERS: “Hear, hear.”] I appreciate that the Floor of the House is perhaps not the place to be making policy, but I hope that the Treasury will at least give it some serious thought, particularly for these sort of industries. I always worry when “Hear, hear” comes from the wrong quarter, and I only wish there were a few colleagues on the Benches behind me to agree—but it came from the hon. Member for Wolverhampton South West (Rob Marris) and from elsewhere.

At the beginning of the year, Google made the headlines when it was revealed that despite employing some 2,400 people in the UK and harvesting a national estimated profit in excess of £1 billion—we obviously do not know exactly what that profit level was—it was able to pay corporation tax at a level of just 3%. Even before its recent travails, last year Apple declared foreign pre-tax profits of some \$47.5 billion, on which it paid only \$4.7 billion—some 9.9%—of tax, compared with group-wide income taxes of some \$17.7 billion. That suggests that taxes on profits will not be the right way forward, particularly in these global industries where there is a risk that money can be squirreled aside. That said, it is important to say that the patent box, while purportedly and in some ways giving preferential treatment in this area at which we should look closely, has none the less brought some significant benefits.

One of the biggest problems that faces many internet businesses as they grow is the ability to quantify the value of their intellectual property rights. In many ways, failure to do that means that they do not get the opportunity to collateralise their book value to be able to borrow for the future. The patent box has made some successes in this regard.

I apologise for jumping the gun, as I know that we are slightly more interested in hearing the justification from the Opposition for their new clause 10. I do not feel that it would be the right way forward at the moment, but there are some important debates we need to have not just on the workings of the patent box-type legislation but on ensuring that we have a level playing field and a system that—more importantly—is understood and supported by the general public. Nothing has been more damaging for many of the big internet and technology service providers than the slew of bad headlines over the past few years about their avoidance of tax. In these difficult economic times, in particular, that is something that we can ill afford in this country.

7.45 pm

Greg Mulholland (Leeds North West) (LD): I can worry the right hon. Member for Cities of London and Westminster (Mark Field) a little more by telling him that there was a “Hear, hear” from these Benches as well—[*Interruption.*] Members will be surprised at how loud we can be, and they will see that in the coming months and years.

It is absolutely time to have the debate about the best way to tax our businesses and to do what the Government claim they are doing—but are actually insufficiently doing through the changes to corporation tax—and support business in this country better through taxation that works but that also recognises and incentivises business.

Amendment 177 is a probing amendment that would sweep away corporation tax altogether and is intended to try to trigger that debate, which we should be having as a country. The reality is that the Government will continue to argue that a cut in corporation tax will somehow boost growth, but the evidence for a cut below 20% is simply not there. The Government are failing to ask whether corporation tax actually works. As the right hon. Member for Cities of London and Westminster has said, it is only a matter of time before we hear the next scandal of a company managing to

[Greg Mulholland]

avoid paying corporation tax. Last week, it was Apple's deal with Ireland, a few months before it was Google, before that it was Facebook and before that it was Amazon. Even the Labour party got into hot water for having managed to offset profits to reduce their corporation tax bill, so surely Government Members will recognise that there is an issue.

We have endless arguments about the morality of some of these large multinational corporations and how they operate. There is often outrage—sometimes faux outrage—in this place, but that is not good enough and it will not deal with the problem. We must also accept that while the Government are making unnecessary and damaging cuts to HMRC, it makes it harder to challenge these companies that are testing the limits of the law.

There is an underlying unwillingness to address corporation tax and its fitness for purpose regarding the reality of multinational corporations in the 21st century. As Martin Sorrell, the chief executive of WPP, said in 2013 during the Starbucks corporation tax scandal, for many multinational companies whether to pay corporation tax is simply a “question of judgment”, something to be decided according to PR perception and perhaps their own corporate social responsibility policies but not something decided by Her Majesty's Revenue and Customs as it surely should be.

As the right hon. Member for Cities of London and Westminster made clear, this is not and should not be seen in any way as a left or right issue. It is an issue of practicality. Last week in the *Telegraph*, Allister Heath published a piece entitled “The Apple fiasco shows why corporation tax is an outdated anachronism”. As the right hon. Gentleman has already said, Lord Lawson famously called for corporation tax to be a tax on revenue rather than profit. There are flaws with that but at least he was seeking to challenge the status quo, which is surely outdated. On the other side of the spectrum, *The Guardian*, Oxfam and the excellent Tax Justice Network have all rightly highlighted the ease with which multinationals can avoid corporation tax altogether.

There are ways in which we could better support business and could have a tax system that works. Businesses of all sizes are crying out for changes in the tax system. I know many businesses that say that the first thing they would like to see reformed is business rates and the second is VAT. There are industries that provide a huge amount to the British economy and pay a significant amount of tax that are not being listened to because they are not large corporations. For example, a change to VAT would have a much greater impact on the tourism and hospitality industries than tinkering with corporation tax in an attempt to grab headlines for being supposedly supporting business.

As the right hon. Gentleman has said, there is no obvious solution, but surely it is time to find a solution to properly, fairly and sensibly tax businesses in the 21st century. My hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) has already appointed Sir Vince Cable, the former distinguished Business Secretary, to lead a review of corporation tax and business rates for my party. That will make a contribution to the debate. Instead of claiming that the Government are standing

up for business, surely it is time to acknowledge that yet more cuts to corporation tax over the next year will not truly deliver that and will not deal with the reality, which is that we are not collecting tax efficiently from companies that are now run in a very different way.

Rebecca Long Bailey (Salford and Eccles) (Lab): I rise to speak to amendment 162 and new clauses 10 and 11, which stand in my name and those of my hon. Friends the Members for Hayes and Harlington (John McDonnell) and for Bootle (Peter Dowd). I also support new clause 5, which has been explained articulately by the hon. Member for Aberdeen North (Kirsty Blackman), and confirm the Opposition's support for amendment 177, which has just been spoken to articulately by the hon. Member for Leeds North West (Greg Mulholland).

Amendment 162 would remove clause 45 from the Bill, thereby halting the Government's cut to the rate of corporation tax to 17% by 2020. The Government claim that cutting the corporation tax rate would make Britain even more attractive to inward investors and more competitive, and that it would support growth and investment. I would be grateful if the Minister elaborated on the evidential basis for those claims.

We all know the theory that states that if we cut tax on profits there is more cash for companies to invest in expansion, research and development and labour, and, theoretically, we become more attractive to foreign businesses. The problem is that, somewhere in the development of that theory, the Chancellor forgot to check the reality, as the figures do not support that age-old Conservative mantra.

Figures provided by the House of Commons Library show that in 1998 business investment as a percentage of GDP was 10.8%, and that in 2000 it was 10.6%. The rate of corporation tax in those years was 31% and 30% respectively. In 2015, business investment as a percentage of GDP was 9.7% and the rate of corporation tax was considerably lower than that in 2000, at 20%. Why, therefore, were businesses not in a state of investment frenzy in 2015, if, indeed, slashing corporation tax is a golden ticket to investment? Of course, I appreciate that there are many factors that affect the level of business investment in the economy, but a comparison of the figures seems to suggest that a lower rate of corporation tax does not correlate with a higher level of business investment.

Let us look at a different variable, namely foreign direct investment. The level of FDI in the UK has been steadily falling since 2005; there have been a few anomalies along the way, but the trend is most definitely downwards. That has coincided with a steady reduction in the rate of corporation tax. In 2005 the level of FDI flows into the UK was £96.8 billion and corporation tax was 30%. In 2014 FDI was £27.8 billion and corporation tax was 21%. Again, there could be many factors at play, but the figures demonstrate that there is no strong correlation between low rates of corporation tax and higher rates of investment and FDI.

I appreciate that, to a degree, low corporation tax rates may attract some companies to locate here, because they will want to pay less tax, but attracting them to truly invest in the development of industry here, as well as encouraging our UK companies to flourish, is another matter entirely, and that requires much more than just a tax break.

According to the Government's own analysis, this cut is expected to cost the Exchequer almost £1 billion in 2020-21, in addition to the £2.5 billion cost in the same financial year of cutting corporation tax to 19% from 2017. The Institute for Fiscal Studies has also calculated that the Government's cuts to corporation tax have cost £10.8 billion a year. That gives rise to the question of whether the money could be better spent to incentivise much-needed investment in the UK. The Minister will not be surprised to hear that the Opposition most definitely think it could.

Many businesses already have cash. The House of Commons Library has provided figures showing that the total amount of currency and deposits, or cash reserves, held by non-financial companies in the private sector is currently at a 20-year high, at £581 billion. The problem, then, is not that businesses need more cash, but that other factors in our economy need improvement, including skills, infrastructure, innovation and productivity.

The £10.8 billion estimated by the IFS is a large sum that would be better invested in filling the gaps in our economy that are failing business. We should not be engaging in a race to the bottom to become the world's next big immoral tax haven, but providing the building blocks to make business actually succeed, and with that comes more revenue in taxes as businesses flourish and well-paid jobs are created.

The Minister would do well to take notes at this point, because Labour has committed to such investment, through a national investment bank and the bank of the north, to address specifically those areas left behind after decades of regional decline. Our national and regional development banks would help unlock £500 billion of investment and lending to small and medium-sized enterprises, including £250 billion of capital investment in the infrastructure that we urgently need and to help prevent economic slowdown. The regional focus of development banks would enable the Government to make sure that investment and lending is spread around the country, not just siphoned into the south, and that it benefits from local knowledge and expertise, thus ensuring that no area in Britain is left behind. Our bank of the north would also unlock the potential of the north of England, with a push to deliver the sort of infrastructure and investment that it has been deprived of for far too long.

We have also committed to ensuring that our workforce have the skills that business needs in a modern economy, through reinstating the education maintenance allowance and maintenance grants for poorer students, which would be funded by a corporation tax rate of 21%. That is the kind of intervention businesses are looking for—policies with a substantive impact on a company's ability to do and develop business, not simply cuts to the headline rate of corporation tax.

The cut to corporation tax brought about by clause 45 is not the best use of public money to support businesses in the UK. I urge hon. Members on both sides of the House to join us in the Lobby to vote in favour of amendment 162.

The right hon. Member for Cities of London and Westminster (Mark Field) made some fantastic comments earlier on new clause 10, which relates to the patent box. The new clause would require the Chancellor to publish an independent review of the efficacy and value for money of the patent box legislation. The report would

have to make an assessment of, first, the size and nature of the companies taking advantage of the patent box legislation; secondly, the impact of the patent box legislation on research and innovation in the UK, including supporting evidence; and, thirdly, the cost-effectiveness of the patent box legislation in incentivising research and development compared with other policy options. My hon. Friends and I are, of course, supportive of Government action to incentivise R and D, but we are not convinced that the patent box legislation has been efficient thus far in achieving that. We are not alone. Many commentators criticised the patent box, even before its introduction in 2012. The IFS has stated that the

“Patent Box is poorly targeted at research as the policy targets the income which results from patented technology, not the research itself...to the extent that a Patent Box reduces the tax rate for activity that would have occurred in the absence of government intervention, the policy includes a large deadweight cost.”

8 pm

Furthermore, respected economist Mariana Mazzucato, who strongly believes in Government intervention to support R and D, made the rather damning assessment that the patent box is a

“scam with no effect on innovation”.

Let me be very clear. The Labour party wants to incentivise research and development—indeed, my hon. Friend the shadow Chancellor has repeatedly called for more intervention in this area—but we are not convinced that the patent box is the most effective way of doing so. The patent box costs the Exchequer approximately £1 billion a year, and there has been no evidence from the Government that I am aware of to demonstrate its effectiveness. If the Minister were able to provide details of any such evidence, I would be most grateful.

Interestingly, a new study from King's College London and the Medical Research Council shows that for every £1 extra spent on public medical research, long-run private research increases by 99p. So an increase in public medical funding by £500 million—half the cost of the patent box—would boost private medical research by another £499 million. That compares quite staggeringly to the so called dead-weight loss of the patent box. That is interesting research; I am sure the Minister will agree.

I will not divide the House on new clause 10 today, but I hope that the Minister will agree that an independent assessment of the efficacy of the patent box with an examination of other policy options would clarify, for both the Government and the Opposition, the best way to achieve our shared goal.

I move on to new clause 11, which would require the Government to review the regulation of the taxation of securitisation companies in the UK. We do not oppose the Government's proposals in the Bill in relation to the power to make regulations about the taxation of securitisation companies. However, we do think it timely for the Government to conduct a review in relation to current regulation present in the industry, so that any loopholes and destructive practices can be eradicated.

I am sure hon. Members know that the non-existent regulation of securitisation structures magnified a medium-sized crisis in the US real estate market into a fully-fledged banking crisis by 2008. There is real worry, in all parts of the House, that it has been a case of back to business as usual for our banking sector, and that the lessons learned from the 2008 crash—if indeed any were learned at all—have long been forgotten.

We heard earlier this year of a surge in the credit default swaps market, where there has been large-scale repackaging and rebranding of the potentially toxic securitisation products that arguably caused the crisis—a crisis, I must add, that was not truly paid for by the banking sector and financial operators who caused it. No, it was shored up on the backs of the people of this country, and, worst of all, on the backs of the poor and vulnerable. Furthermore, it was used as an excuse by this Government to slash and burn our public services.

Securitisation structures operate by transferring assets—sub-prime mortgages, credit card receivables or similar cash flows—into off-balance-sheet special purpose vehicles. Usually, the profits or cash flows received from those assets pass through the special purpose vehicle to the investors who have acquired bonds in that special purpose vehicle. The residual amounts that are left in the special purpose vehicle are small compared with the sums that are paid through to the investors. However, as with all such artificial financial structures, it is possible to manipulate those amounts for tax purposes. Indeed, credit default swaps, which are the most famous of the securitisation family, are deliberately flexible so as to manipulate the tax outcome. If we do not regulate the sector carefully now, we will quite simply become the drain through which the world will launder its dirty transactions. Especially in view of our exit from the EU, we must ensure that our financial our regulations are gold-plated.

New clause 11 deals with a review of the regulation of taxation on securitisation companies specifically, because we are limited by the scope of the Finance Bill. However, we would like the Minister to go much further and provide for an assessment of all aspects of the regulation of securitisation companies, thereby showing unequivocally that the Government are committed to ensuring that the tax arrangements of securitisation structures are adequately regulated. We will not divide the House on new clause 11, but I hope that the Minister will make a commitment in relation to those points.

To conclude my remarks, Labour cannot support the cut to corporation tax that we have debated today and we will, therefore, divide the House on amendment 162.

Rob Marris: Thank you for your indulgence, Madam Deputy Speaker. I will seek to be brief. On new clause 10, I am in favour of evidence-based policy making. The right hon. Member for Cities of London and Westminster (Mark Field) says that the patent box legislation and tax break have been helpful. That may be true, but we do not know. What we do know is that the National Audit Office looked at something like 1,200 tax reliefs and found that the Treasury was only monitoring the efficaciousness of fewer than 300 of them. I do not think that the patent box was part of that, so I support new clause 10 because it might tease out the evidence.

Mark Field: I think there has been some misunderstanding about exactly what the patent box was designed to do. It was not designed solely to promote research and development, as many similar incentives that come through, year on year, in Budgets are designed to do. It was very much an attempt to incentivise companies at the second stage—in other words, companies that already had some intellectual property that was difficult to quantify—as opposed to directly at the research and development side. I think it is slightly

unfair to suggest that there is no evidence that that has worked, and I think that the patent box is being looked at in a different light to that which was intended by those who put it into play.

Rob Marris: I agree that it is designed to help some companies in their early stages, but with the effluxion of time, those companies should pass through the pipeline and we should see the fruit of their endeavours, helped indirectly by taxpayer support. The evidence should be coming through now. We could not have looked after one year to see whether it had been effective, but now that it has been around for a few years, we can.

I move on to amendment 177. I was amazed to hear the right hon. Gentleman say that he would be prepared to examine the question of having a turnover tax instead of corporation tax. The hon. Member for Leeds North West (Greg Mulholland) said the same thing. I absolutely agree, and I have long advocated looking at that, precisely because of tax avoidance. If it turns out to be the case that Apple has been avoiding tax in the United Kingdom, it would not have been able to do that so successfully if we had had a turnover tax rather than a corporation tax.

I have to say to the hon. Member for Leeds North West that I am a bit bemused. He said tonight that the leader of his party had set up a review of corporation tax, but the leader of his party has also tabled amendment 177—supported, as far as I can tell, by the hon. Gentleman—which would abolish corporation tax completely for the financial year 2017, without bringing in a turnover tax instead. It seems a very strange amendment to table.

Greg Mulholland: As I think I made clear, amendment 177 is a probing amendment, which is designed entirely to make that point. We share the view that the reduction of corporation tax is flawed, but through this amendment we are saying that it needs to be done in a better way. It is a probing amendment and we will not be voting on it, but it is time that we had that debate and put something better in place.

Rob Marris: It is a strange way to do a probing amendment. I am not saying that it is wrong; that is not for me to say. However, it is common for the Opposition to table new clauses or amendments—as with those that we are considering tonight, such as new clause 10—that are designed to produce evidence. Presumably, the hon. Gentleman's party will be looking at such evidence in its review. If the House could produce that evidence, it would speed up the process and help all of us towards evidence-based policy making.

On new clause 5, interestingly, I think that the Scottish National party reveals its hand; it is not much concerned about greenhouse gas emissions from oil production, let alone from burning oil. We saw the same thing last year in the debate on air passenger duty, when the SNP was all in favour of loads more people flying, despite what it does to the environment. The tenor of the remarks made by the hon. Member for Aberdeen North (Kirsty Blackman) was that she wants the taxation of oil and gas cut. Essentially, she is advocating indirectly, yet again, for another bung for Scotland from English taxpayers. The SNP Government have the power to put up taxes in Scotland and fail to do so, but they want English taxpayers to give them a bigger bung.

Kirsty Blackman: The hon. Gentleman may have heard my hon. Friend the Member for East Lothian (George Kerevan) say that 50% of the supply chain companies that would be affected are actually based south of the border. This would benefit companies across the UK. The Scottish Government have been incredibly good at reaching their climate change targets. They have worked very hard on renewable electricity. The only problem is that the Conservative Government are getting in our way.

Rob Marris: I did hear the hon. Gentleman say that, and I also heard the hon. Lady say, when she was moving new clause 5, that she did not even realise that that was the case. Paradoxically for them, I support the new clause and I hope it is agreed to. It looks attractive to me because such a review could lead to a situation in which taxation on oil and gas is increased appropriately. We will not know until we have the evidence, so let us have the review.

The Financial Secretary to the Treasury (Jane Ellison): I will start by responding to the Opposition's amendments and new clauses, before I turn briefly to those tabled by the Government.

Amendment 162 would require the Government to remove clause 45 from the Bill. That would stop the cut in corporation tax going ahead, because the clause will cut the rate of corporation tax to 17% with effect from 1 April 2020. Lower corporation tax rates enable businesses to increase investment. We cannot agree with the hon. Member for Salford and Eccles (Rebecca Long Bailey), who speaks for the Opposition on this matter. Lower rates enable businesses to take on new staff, increase wages or reduce prices. That is borne out by receipts data. The House may be interested to know that onshore corporation tax receipts have risen by more than 20% since 2010, despite the lowering of corporation tax rates. The Treasury and HMRC have modelled the economic impact of the corporation tax cuts delivered since 2010 and those announced at Budget 2016. The modelling suggests that the cuts could increase long-run GDP by more than 1%, or almost £24 billion in today's prices.

The hon. Lady asked whether business investment has grown. It has increased by 30% since 2010. She mentioned foreign direct investment. In fact, only last week, the Department for International Trade reported a record number of inward investment projects in 2015-16, with over 80,000 new jobs created by more than 2,000 FDI projects. Again, we cannot agree with her criticism.

George Kerevan: The Minister mentions that the Treasury has modelled the impact of tax cuts. Is this the same Treasury model that predicted the collapse of the UK economy in the hours after Brexit?

Jane Ellison: Given the SNP's track record on predicting the oil price, the hon. Gentleman should think carefully before digging—

Kirsty Blackman: Will the Minister give way?

Jane Ellison: No, I will continue because I want to move on to the points made by the hon. Member for Salford and Eccles.

On amendment 177, I note the comments made by the hon. Member for Wolverhampton South West (Rob Marris). He was quite correct in his analysis of what the amendment would do. I accept the point made by the hon. Member for Leeds North West (Greg Mulholland) that it is a probing amendment, but it would indeed cancel the charge for corporation tax in the 2017-18 financial year, depriving the Government of over £45 billion of corporation tax receipts in that year alone. I of course take the point that he wants support for small business and so on, but we are doing a great deal—for example, the business rates package, which will come into effect next spring. For fairly obvious reasons, we cannot support such a loss to the Exchequer.

New clause 5 was tabled by the hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin), but moved by the hon. Member for Aberdeen North (Kirsty Blackman). It calls on the Government to publish a review of corporation tax rates and investment allowances applicable to oil and gas-producing companies in the UK. The UK Government remain 100% behind the oil and gas sector and the thousands of workers and families it supports, but a further review into oil and gas taxes would not serve any useful purpose at this time because the Government have recently carried out such an exercise. In 2014, the Government published "Driving investment: a plan to reform the oil and gas fiscal regime". It set out the Government's long-term plan to ensure that the fiscal regime continues to support the objective of maximising the economic recovery of oil and gas, while ensuring a fair return on those resources for the nation. The Government have remained consistent in their approach.

8.15 pm

Callum McCaig (Aberdeen South) (SNP): One of the things to support the oil and gas industry that the Government have talked about is offering loan guarantees to companies experiencing financial stress. Will the Minister tell the House how that process is going and how many companies have received loan guarantees?

Jane Ellison: That issue was explored in some detail in Committee, so I will not respond on it now.

I want to make the important point that the changes introduced by the Finance Bill will provide the right conditions to maximise the economic recovery of the UK's oil and gas resources by lowering sector-specific tax rates, updating the current system of allowances and expanding the types of activity that can generate financial relief. Another important point often stated—indeed, it has been made by many people who work in the sector and by investors in it—is that stability and certainty in the tax regime are major factors in making investment decisions. For that reason, we do not think it is right to have another review. Such a review could create further uncertainty at a time when it is not right for the industry, and it could delay investment. I therefore urge Members to reject new clause 5.

Kirsty Blackman: Will the Minister give way?

Jane Ellison: No, I am sorry, but I want to move on to new clause 11, tabled by the hon. Member for Salford and Eccles. It proposes an independent review into the efficacy of the taxation of securitisation companies.

[Jane Ellison]

The Government do not consider that necessary. Regulations introduced under a Labour Government in 2006 applied specific corporation tax rules to the profits of securitisation companies. The regulations contain several anti-avoidance tests. As announced in the Budget, HMRC is reviewing these regulations to reflect recent changes to accounting standards and market developments. A consultative working group, made up of independent professional advisers specialising in securitisations, HM Treasury officials and HMRC technical specialists, has met four times since September 2015 and is looking carefully at a range of issues. Revised regulations developed with the group are expected to be published in draft for public consultation later this year or early next year. As this review is already under way, a further assessment is not required.

On Government amendments 152 and 153, clause 63 and schedule 9 make changes to ensure that the patent box operates in line with the newly agreed international framework resulting from the OECD's base erosion and profit shifting action plan. As currently drafted, the changes in the Bill could result in different definitions of the term "qualifying residual profit" applying to the same parts of the patent box legislation. The amendments address that problem by providing a coherent and consistent definition for that phrase.

I will comment briefly on Opposition new clause 10. The new clause would require the Chancellor of the Exchequer to publish within six months of the passing of the Bill an independent report giving an assessment of the value for money and efficacy of the patent box. The Government do not support the new clause. We only now have full data for the first year of the patent box, and as such the report required by the new clause would not take into account the revisions to the regime made by the Bill. The proposed one-off publication would also fall short of the plans the Government already have in place to publish annual official statistics on the patent box.

The hon. Lady mentioned that she wished to see more evidence of the impact of the patent box. It is worth noting that, for example, GSK recently attributed a £275 million investment to the UK's competitive tax regime and specifically mentioned the patent box as a reason to invest.

A number of Government amendments have been tabled to clause 65 and schedule 10, which legislate to counteract avoidance involving hybrid mismatches. The amendments make changes to the legislation to ensure that it works as intended and does not create unintended impacts in terms of its interaction with other areas of the UK tax system. The amendments are necessary to secure the forecast yield from the measures.

My right hon. Friend the Member for Cities of London and Westminster (Mark Field) made a typically thoughtful intervention. He mentioned turnover tax versus profits tax—I suspect that is a theme to which he might return. It is worth noting that a turnover tax can produce unfair outcomes, such as penalising businesses that make a loss and those in competitive markets. As I say, I am sure it is an issue to which he may well return.

The Government are committed to making our tax system fundamentally fair, ensuring that people and businesses pay what they owe and contribute to our

nation's success. I therefore once again urge the House to reject the amendments and new clauses tabled by the Opposition.

Kirsty Blackman: I will press new clause 5 to a vote.

Question put, That the clause be read a Second time.

The House divided: Ayes 249, Noes 304.

Division No. 53]

[8.21 pm

AYES

Abbott, Ms Diane	Docherty-Hughes, Martin
Abrahams, Debbie	Donaldson, Stuart Blair
Ahmed-Sheikh, Ms Tasmina	Doughty, Stephen
Alexander, Heidi	Dowd, Jim
Allin-Khan, Dr Rosena	Dowd, Peter
Anderson, Mr David	Dromey, Jack
Arkless, Richard	Durkan, Mark
Ashworth, Jonathan	Eagle, Ms Angela
Bailey, Mr Adrian	Eagle, Maria
Barron, rh Kevin	Edwards, Jonathan
Beckett, rh Margaret	Efford, Clive
Benn, rh Hilary	Elliott, Julie
Berger, Luciana	Ellman, Mrs Louise
Betts, Mr Clive	Elmore, Chris
Black, Mhairi	Esterson, Bill
Blackford, Ian	Evans, Chris
Blackman, Kirsty	Farrelly, Paul
Blackman-Woods, Dr Roberta	Ferrier, Margaret
Blenkinsop, Tom	Field, rh Frank
Blomfield, Paul	Fitzpatrick, Jim
Boswell, Philip	Fleelo, Robert
Bradshaw, rh Mr Ben	Fletcher, Colleen
Brake, rh Tom	Flint, rh Caroline
Brennan, Kevin	Flynn, Paul
Brock, Deidre	Fovargue, Yvonne
Brown, Alan	Foxcroft, Vicky
Brown, rh Mr Nicholas	Furniss, Gill
Bryant, Chris	Gapes, Mike
Buck, Ms Karen	Gardiner, Barry
Burden, Richard	Gethins, Stephen
Burgon, Richard	Gibson, Patricia
Burnham, rh Andy	Glass, Pat
Butler, Dawn	Glindon, Mary
Byrne, rh Liam	Godsiff, Mr Roger
Campbell, rh Mr Alan	Goodman, Helen
Campbell, Mr Ronnie	Grady, Patrick
Carmichael, rh Mr Alistair	Grant, Peter
Champion, Sarah	Green, Kate
Chapman, Douglas	Greenwood, Lilian
Chapman, Jenny	Greenwood, Margaret
Cherry, Joanna	Griffith, Nia
Ciwyd, rh Ann	Gwynne, Andrew
Coaker, Vernon	Haigh, Louise
Coffey, Ann	Hamilton, Fabian
Cooper, Julie	Hanson, rh Mr David
Cooper, rh Yvette	Harman, rh Ms Harriet
Coyle, Neil	Harris, Carolyn
Crawley, Angela	Hayes, Helen
Creagh, Mary	Hayman, Sue
Creasy, Stella	Healey, rh John
Cruddas, Jon	Hendry, Drew
Cryer, John	Hepburn, Mr Stephen
Cummins, Judith	Hillier, Meg
Cunningham, Alex	Hodge, rh Dame Margaret
Cunningham, Mr Jim	Hodgson, Mrs Sharon
Dakin, Nic	Hollern, Kate
David, Wayne	Hopkins, Kelvin
Davies, Geraint	Hosie, Stewart
Day, Martyn	Hunt, Tristram
De Piero, Gloria	Hussain, Imran
Debbonaire, Thangam	Johnson, Diana

Jones, Gerald
 Jones, Graham
 Jones, Helen
 Jones, Mr Kevan
 Jones, Susan Elan
 Keeley, Barbara
 Kendall, Liz
 Kerevan, George
 Kinnock, Stephen
 Kyle, Peter
 Lamb, rh Norman
 Lammy, rh Mr David
 Lavery, Ian
 Law, Chris
 Lewell-Buck, Mrs Emma
 Long Bailey, Rebecca
 Lucas, Caroline
 Lucas, Ian C.
 Lynch, Holly
 MacNeil, Mr Angus Brendan
 Mactaggart, rh Fiona
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marris, Rob
 Marsden, Mr Gordon
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCabe, Steve
 McCaig, Callum
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McDonnell, John
 McFadden, rh Mr Pat
 McGarry, Natalie
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McKinnell, Catherine
 McLaughlin, Anne
 McMahan, Jim
 Meale, Sir Alan
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 Morden, Jessica
 Mulholland, Greg
 Mullin, Roger
 Murray, Ian
 Nandy, Lisa
 Newlands, Gavin
 Nicolson, John
 O'Hara, Brendan
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Paterson, Steven
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby

Phillips, Jess
 Phillipson, Bridget
 Pound, Stephen
 Powell, Lucy
 Pugh, John
 Qureshi, Yasmin
 Rayner, Angela
 Reed, Mr Jamie
 Reed, Mr Steve
 Reeves, Rachel
 Reynolds, Emma
 Reynolds, Jonathan
 Rimmer, Marie
 Ritchie, Ms Margaret
 Rotheram, Steve
 Ryan, rh Joan
 Saville Roberts, Liz
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, rh Mr Andrew
 Smith, Angela
 Smith, Jeff
 Smith, Nick
 Smyth, Karin
 Spellar, rh Mr John
 Starmer, Keir
 Stephens, Chris
 Streeting, Wes
 Stringer, Graham
 Stuart, rh Ms Gisela
 Tami, Mark
 Thewliss, Alison
 Thomas-Symonds, Nick
 Thomson, Michelle
 Thornberry, Emily
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Umunna, Mr Chuka
 Vaz, Valerie
 Weir, Mike
 West, Catherine
 Whiteford, Dr Eilidh
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Williams, Hywel
 Williams, Mr Mark
 Wilson, Phil
 Winnick, Mr David
 Winterton, rh Dame Rosie
 Wishart, Pete
 Wright, Mr Iain
 Zeichner, Daniel

Tellers for the Ayes:
Marion Fellows and
Owen Thompson

NOES

Adams, Nigel
 Afriyie, Adam
 Aldous, Peter

Allan, Lucy
 Allen, Heidi
 Amess, Sir David

Andrew, Stuart
 Ansell, Caroline
 Argar, Edward
 Atkins, Victoria
 Pugh, John
 Baker, Mr Steve
 Barclay, Stephen
 Baron, Mr John
 Barwell, Gavin
 Bebb, Guto
 Beresford, Sir Paul
 Berry, James
 Bingham, Andrew
 Blackman, Bob
 Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Borwick, Victoria
 Bottomley, Sir Peter
 Bradley, rh Karen
 Brady, Mr Graham
 Brazier, Mr Julian
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burns, Conor
 Burns, rh Sir Simon
 Burrowes, Mr David
 Burt, rh Alistair
 Cairns, rh Alun
 Campbell, Mr Gregory
 Carmichael, Neil
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Mr Christopher
 Churchill, Jo
 Clarke, rh Mr Kenneth
 Cleverly, James
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Colville, Oliver
 Costa, Alberto
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Byron
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Dr James
 Davies, Mims
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Dodds, rh Mr Nigel
 Donelan, Michelle
 Dorries, Nadine
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, James
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip

Elliott, Tom
 Ellis, Michael
 Ellison, Jane
 Ellwood, Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evans, Graham
 Evans, Mr Nigel
 Evennett, rh Mr David
 Fabricant, Michael
 Farrant, rh Michael
 Fernandes, Suella
 Field, rh Mark
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freer, Mike
 Fysh, Marcus
 Garnier, Mark
 Gauke, rh Mr David
 Gibb, Mr Nick
 Gillan, rh Mrs Cheryl
 Glen, John
 Goldsmith, Zac
 Goodwill, Mr Robert
 Graham, Richard
 Grant, Mrs Helen
 Gray, Mr James
 Grayling, rh Chris
 Green, Chris
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gummer, rh Ben
 Gyimah, Mr Sam
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Hart, Simon
 Haselhurst, rh Sir Alan
 Hayes, rh Mr John
 Heald, Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Mr Adam
 Hopkins, Kris
 Howarth, Sir Gerald
 Howell, John
 Howlett, Ben
 Huddleston, Nigel
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 Jackson, Mr Stewart
 James, Margot
 Javid, rh Sajid
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert

Johnson, rh Boris
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Kennedy, Seema
 Kinahan, Danny
 Kirby, Simon
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lancaster, Mark
 Latham, Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Leigh, Sir Edward
 Leslie, Charlotte
 Letwin, rh Mr Oliver
 Lewis, Brandon
 Lewis, rh Dr Julian
 Liddington, rh Mr David
 Lilley, rh Mr Peter
 Lopresti, Jack
 Loughton, Tim
 Lumley, Karen
 Mackinlay, Craig
 Mackintosh, David
 Main, Mrs Anne
 Mak, Mr Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McLoughlin, rh Mr Patrick
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Milling, Amanda
 Mills, Nigel
 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
 Nokes, Caroline
 Nuttall, Mr David
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 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
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Solloway, Amanda
 Soubry, rh Anna
 Spelman, rh Mrs Caroline
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, Mel
 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
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Mrs Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, Mr Ben
 Warburton, David
 Warman, Matt
 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
 Wood, Mike

Wragg, William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Noes:
Mark Spencer and
Graham Stuart

Question accordingly negated.

Clause 45

RATE OF CORPORATION TAX FOR FINANCIAL YEAR
 2020

Amendment proposed: 162, page 87, line 8, leave out clause 45.—(*Rebecca Long Bailey.*)

The House divided: Ayes 252, Noes 309.

Division No. 54]

[8.36 pm

AYES

Abbott, Ms Diane
 Abrahams, Debbie
 Ahmed-Sheikh, Ms Tasmina
 Alexander, Heidi
 Allin-Khan, Dr Rosena
 Anderson, Mr David
 Arkless, Richard
 Ashworth, Jonathan
 Bailey, Mr Adrian
 Barron, rh Kevin
 Beckett, rh Margaret
 Benn, rh Hilary
 Berger, Luciana
 Betts, Mr Clive
 Black, Mhairi
 Blackford, Ian
 Blackman, Kirsty
 Blackman-Woods, Dr Roberta
 Blenkinsop, Tom
 Blomfield, Paul
 Boswell, Philip
 Bradshaw, rh Mr Ben
 Brake, rh Tom
 Brennan, Kevin
 Brock, Deidre
 Brown, Alan
 Brown, rh Mr Nicholas
 Bryant, Chris
 Buck, Ms Karen
 Burden, Richard
 Burgon, Richard
 Burnham, rh Andy
 Butler, Dawn
 Byrne, rh Liam
 Cadbury, Ruth
 Campbell, rh Mr Alan
 Campbell, Mr Ronnie
 Carmichael, rh Mr Alistair
 Champion, Sarah
 Chapman, Douglas
 Chapman, Jenny
 Cherry, Joanna
 Clwyd, rh Ann
 Coaker, Vernon
 Coffey, Ann
 Cooper, Julie
 Cooper, rh Yvette
 Coyle, Neil
 Crawley, Angela
 Creagh, Mary
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Cunningham, Mr Jim
 Dakin, Nic
 David, Wayne
 Davies, Geraint
 Day, Martyn
 De Piero, Gloria
 Debbonaire, Thangam
 Docherty-Hughes, Martin
 Donaldson, Stuart Blair
 Doughty, Stephen
 Dowd, Jim
 Dowd, Peter
 Dromey, Jack
 Durkan, Mark
 Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Ellman, Mrs Louise
 Elmore, Chris
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul
 Fellows, Marion
 Ferrier, Margaret
 Field, rh Frank
 Fitzpatrick, Jim
 Ffello, Robert
 Fletcher, Colleen
 Flint, rh Caroline
 Flynn, Paul
 Fovargue, Yvonne
 Foxcroft, Vicky
 Furniss, Gill
 Gapes, Mike
 Gardiner, Barry
 Gethins, Stephen
 Gibson, Patricia
 Glass, Pat
 Glendon, Mary
 Godsiff, Mr Roger
 Goodman, Helen

Grady, Patrick
 Grant, Peter
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia
 Gwynne, Andrew
 Haigh, Louise
 Hamilton, Fabian
 Hanson, rh Mr David
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Healey, rh John
 Hendry, Drew
 Hepburn, Mr Stephen
 Hillier, Meg
 Hodge, rh Dame Margaret
 Hodgson, Mrs Sharon
 Hoey, Kate
 Hollern, Kate
 Hopkins, Kelvin
 Hosie, Stewart
 Hunt, Tristram
 Hussain, Imran
 Johnson, rh Alan
 Johnson, Diana
 Jones, Gerald
 Jones, Graham
 Jones, Helen
 Jones, Mr Kevan
 Jones, Susan Elan
 Keeley, Barbara
 Kendall, Liz
 Kerevan, George
 Kinnock, Stephen
 Kyle, Peter
 Lamb, rh Norman
 Lammy, rh Mr David
 Lavery, Ian
 Law, Chris
 Leslie, Chris
 Lewell-Buck, Mrs Emma
 Long Bailey, Rebecca
 Lucas, Caroline
 Lucas, Ian C.
 Lynch, Holly
 MacNeil, Mr Angus Brendan
 Mactaggart, rh Fiona
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marris, Rob
 Marsden, Mr Gordon
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCabe, Steve
 McCaig, Callum
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McDonnell, John
 McFadden, rh Mr Pat
 McGarry, Natalie
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz

McKinnell, Catherine
 McLaughlin, Anne
 McMahon, Jim
 Meale, Sir Alan
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 Morden, Jessica
 Mulholland, Greg
 Mullin, Roger
 Murray, Ian
 Nandy, Lisa
 Newlands, Gavin
 Nicolson, John
 O'Hara, Brendan
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Paterson, Steven
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Pound, Stephen
 Powell, Lucy
 Pugh, John
 Qureshi, Yasmin
 Rayner, Angela
 Reed, Mr Steve
 Reeves, Rachel
 Reynolds, Emma
 Reynolds, Jonathan
 Rimmer, Marie
 Ritchie, Ms Margaret
 Rotheram, Steve
 Ryan, rh Joan
 Saville Roberts, Liz
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, rh Mr Andrew
 Smith, Angela
 Smith, Nick
 Smyth, Karin
 Spellar, rh Mr John
 Starmer, Keir
 Stephens, Chris
 Streeting, Wes
 Stringer, Graham
 Stuart, rh Ms Gisela
 Tami, Mark
 Thewliss, Alison
 Thomas-Symonds, Nick
 Thompson, Owen
 Thomson, Michelle
 Thornberry, Emily
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Umunna, Mr Chuka
 Vaz, Valerie
 Weir, Mike
 West, Catherine
 Whiteford, Dr Eilidh

Whitehead, Dr Alan
 Whitford, Dr Philippa
 Williams, Hywel
 Williams, Mr Mark
 Wilson, Phil
 Winnick, Mr David
 Winterton, rh Dame Rosie

Wishart, Pete
 Wright, Mr Iain
 Zeichner, Daniel

Tellers for the Ayes:
Sue Hayman and
Jeff Smith

NOES

Adams, Nigel
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Amess, Sir David
 Andrew, Stuart
 Ansell, Caroline
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, Stephen
 Baron, Mr John
 Barwell, Gavin
 Bebb, Guto
 Beresford, Sir Paul
 Berry, James
 Bingham, Andrew
 Blackman, Bob
 Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Borwick, Victoria
 Bottomley, Sir Peter
 Bradley, rh Karen
 Brady, Mr Graham
 Brazier, Mr Julian
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burns, Conor
 Burns, rh Sir Simon
 Burrowes, Mr David
 Burt, rh Alistair
 Cairns, rh Alun
 Campbell, Mr Gregory
 Carmichael, Neil
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Mr Christopher
 Churchill, Jo
 Clarke, rh Mr Kenneth
 Cleverly, James
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Colville, Oliver
 Costa, Alberto
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Byron
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn

Davies, Dr James
 Davies, Mims
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Dodds, rh Mr Nigel
 Donelan, Michelle
 Dorries, Nadine
 Double, Steve
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, James
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Elliott, Tom
 Ellis, Michael
 Ellison, Jane
 Ellwood, Mr Tobias
 Elphicke, Charlie
 Eustice, George
 Evans, Graham
 Evans, Mr Nigel
 Evennett, rh Mr David
 Fabricant, Michael
 Fallon, rh Michael
 Fernandes, Suella
 Field, rh Mark
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freer, Mike
 Fuller, Richard
 Fysh, Marcus
 Garnier, rh Sir Edward
 Garnier, Mark
 Gauke, rh Mr David
 Gibb, Mr Nick
 Gillan, rh Mrs Cheryl
 Glen, John
 Goldsmith, Zac
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Gray, Mr James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gummer, rh Ben
 Gyimah, Mr Sam
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg

Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Hart, Simon
 Haselhurst, rh Sir Alan
 Hayes, rh Mr John
 Heald, Sir Oliver
 Heappey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Mr Adam
 Hopkins, Kris
 Howarth, Sir Gerald
 Howell, John
 Howlett, Ben
 Huddleston, Nigel
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 Jackson, Mr Stewart
 James, Margot
 Javid, rh Sajid
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Gareth
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Kennedy, Seema
 Kinahan, Danny
 Kirby, Simon
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lancaster, Mark
 Latham, Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Leigh, Sir Edward
 Leslie, Charlotte
 Letwin, rh Mr Oliver
 Lewis, Brandon
 Lewis, rh Dr Julian
 Lidington, rh Mr David
 Lilley, rh Mr Peter
 Lopresti, Jack
 Loughton, Tim
 Lumley, Karen
 Mackinlay, Craig
 Mackintosh, David
 Main, Mrs Anne
 Mak, Mr Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McLoughlin, rh Mr Patrick
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw

Metcalfe, Stephen
 Milling, Amanda
 Mills, Nigel
 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
 Nokes, Caroline
 Nuttall, Mr David
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 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
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Chloe
 Smith, Henry
 Smith, Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Solloway, Amanda
 Soubry, rh Anna
 Spelman, rh Mrs Caroline
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, Mel

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
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Mrs Theresa
 Walker, Mr Charles

Walker, Mr Robin
 Wallace, Mr Ben
 Warburton, David
 Warman, Matt
 Wharton, James
 Whately, Helen
 Wheeler, Heather
 White, Chris
 Whittaker, Craig
 Whittingdale, rh Mr John
 Wiggins, Bill
 Williams, Craig
 Williamson, rh Gavin
 Wilson, Mr Rob
 Wollaston, Dr Sarah
 Wood, Mike
 Wragg, William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Noes:
Mark Spencer and
Graham Stuart

Question accordingly negatived.

Schedule 9

PROFITS FROM THE EXPLOITATION OF PATENTS ETC:
 CONSEQUENTIAL

Amendments made: 152, page 391, leave out lines 20 to 22 and insert—

23 (1) Section 357GE (other interpretation) is amended as follows.

(2) In subsection (1)—

(a) at the appropriate place insert—

““payment” includes payment in money’s worth.”, and
 (b) omit the definition of “qualifying residual profit”.

(3) After subsection (1) insert—

(1A) In Chapters 3 and 4 of this Part “qualifying residual profit” of a trade, in relation to any accounting period, is the amount obtained by the application of Steps 1 to 4 in section 357C or (as the case may be) section 357DA in relation to the trade for the accounting period.”

Amendment 153, page 391, line 27, after “357A(11)”, insert—

() in the entry for “qualifying residual profit of a trade (in Part 8A)”, in the left hand column, after “in” insert “Chapters 3 and 4 of”,.—(*Jane Ellison.*)

Schedule 10

HYBRID AND OTHER MISMATCHES

Amendments made: 1, page 393, line 26, leave out “permanent establishment of a multinational company” and insert “multinational company’s permanent establishment in the United Kingdom”.

Amendment 2, page 402, line 24, at end insert—

() Section 259CBA contains definitions of certain terms used in section 259CB.”

Amendment 3, page 404, line 12, at end insert—

(2A) So far as the excess arises by reason of a relevant debt relief provision, it is to be taken not to arise by reason of the terms, or any other feature, of the financial instrument (whether or not it would have arisen by reason of the terms, or any other feature, of the financial instrument regardless of the relevant debt relief provision).”

Amendment 4, page 404, line 13, leave out “For” and insert

“Subject to that and subsection (6A), for”.

Amendment 5, page 404, line 15, after “well” insert “as the terms, or any other feature, of the financial instrument”.

Amendment 6, page 404, line 22, leave out “subsection (4)” insert “subsections (4) and (4A)”.

Amendment 7, page 404, line 48, at end insert—

“(4A) Where the relevant assumption in subsection (4)(c) applies in relation to a payee the following provisions are to be disregarded in relation to that payee for the purposes of subsection (3)(b)—

- (a) section 441 of CTA 2009 (loan relationships for unallowable purposes);
- (b) section 690 of that Act (derivative contracts for unallowable purposes);
- (c) Part 4 (transfer pricing);
- (d) this Part;
- (e) Part 7 (tax treatment of financing costs and income).”

Amendment 8, page 405, line 5, leave out “For” and insert

“Subject to subsection (6A), for”.

Amendment 9, page 405, line 6, at end insert

“as the terms, or any other feature, of the financial instrument”.

Amendment 10, page 405, line 9, at end insert—

“(6A) For the purposes of this section disregard—

- (a) any excess or part of an excess mentioned in subsection (2), and
- (b) any under-taxed amount,

that arises as a result of a payee being a relevant investment fund (see section 259NZA).”

Amendment 11, page 405, leave out lines 10 to 35.

Amendment 12, page 406, line 7, at end insert—

“() See section 259CBA for the meaning of “permitted taxable period”, “relevant debt relief provision” and “under taxed”.

Amendment 13, page 406, line 7, at end insert—

“259CBA Interpretation of section 259CB

(1) This section has effect for the purposes of section 259CB.

(2) A taxable period of a payee is “permitted” in relation to an amount of ordinary income that arises as a result of the payment or quasi-payment if—

- (a) the period begins before the end of 12 months after the end of the payment period, or
- (b) where the period begins after that—
 - (i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
 - (ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.

(3) Each of these is a “relevant debt relief provision”—

- (a) section 322 of CTA 2009 (release of debts: cases where credits not required to be brought into account),
- (b) section 357 of that Act (insolvent creditors),
- (c) section 358 of that Act (exclusion of credits on release of connected companies’ debts: general),
- (d) section 359 of that Act (exclusion of credits on release of connected companies’ debts during creditor’s insolvency),
- (e) section 361C of that Act (the equity-for-debt exception),
- (f) section 361D of that Act (corporate rescue: debt released shortly after acquisition), and
- (g) section 362A of that Act (corporate rescue: debt released shortly after connection arises).

(4) An amount of ordinary income of a payee, for a permitted taxable period, is “under taxed” if the highest rate at which tax is charged on the taxable profits of the payee in which the amount is included, taking into account on a just and reasonable basis the effect of any credit for underlying tax, is less than the payee’s full marginal rate for that period.

(5) The payee’s “full marginal rate” means the highest rate at which the tax that is chargeable on the taxable profits mentioned in subsection (4) could be charged on taxable profits, of the payee for the permitted taxable period, which include ordinary income that arises from, or in connection with, a financial instrument.

(6) A “credit for underlying tax” means a credit or relief given to reflect tax charged on profits that are wholly or partly used to fund (directly or indirectly) the payment or quasi-payment.”

Amendment 14, page 407, line 42, at end insert—

“() Section 259DCA contains definitions of certain terms used in section 259DC.”

Amendment 15, page 410, line 31, leave out “For” and insert

“Subject to subsection (8), for”.

Amendment 16, page 410, line 40, leave out “subsection (4)” and insert “subsections (4) and (4A)”.

Amendment 17, page 411, line 16, at end insert—

“(4A) Where the relevant assumption in subsection (4)(c) applies in relation to a payee the following provisions are to be disregarded in relation to that payee for the purposes of subsection (3)(b)—

- (a) section 441 of CTA 2009 (loan relationships for unallowable purposes);
- (b) Part 4 (transfer pricing);
- (c) this Part;
- (d) Part 7 (tax treatment of financing costs and income).”

Amendment 18, page 411, line 22, leave out “For” and insert

“Subject to subsection (8), for”.

Amendment 19, page 411, line 32, after “any” insert “excess or”

Amendment 20, page 411, line 35, at end insert

“or that arises as a result of a payee being a relevant investment fund (see section 259NZA).”

Amendment 21, page 411, line 36, leave out from beginning to end of line 12 on page 412.

Amendment 22, page 412, line 31, at end insert—

“() See section 259DCA for the meaning of “permitted taxable period” and “under taxed”.

Amendment 23, page 412, line 31, at end insert—

“259DCA Interpretation of section 259DC

(1) This section has effect for the purposes of section 259DC.

(2) A taxable period of a payee is “permitted” in relation to an amount of ordinary income that arises as a result of the payment or quasi-payment if—

- (a) the period begins before the end of 12 months after the end of the payment period, or
- (b) where the period begins after that—
 - (i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
 - (ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.

(3) An amount of ordinary income of a payee, for a permitted taxable period, is “under taxed” if the highest rate at which tax is charged on the taxable profits of the payee in which the amount is included, taking into account on a just and reasonable basis the effect of any credit for underlying tax, is less than the payee’s full marginal rate for that period.

(4) The payee's "full marginal rate" means the highest rate at which the tax that is chargeable on the taxable profits mentioned in subsection (3) could be charged on taxable profits, of the payee for the permitted taxable period, which include ordinary income that arises from, or in connection with, a financial instrument.

(5) A "credit for underlying tax" means a credit or relief given to reflect tax charged on profits that are wholly or partly used to fund (directly or indirectly) the payment or quasi-payment."

Amendment 24, page 412, line 43, leave out "not so treated for the purposes of tax charged on" and insert "brought into account by".

Amendment 25, page 412, line 44, leave out "because that person brings the substitute payment into account".

Amendment 26, page 417, leave out lines 21 to 32

Amendment 27, page 418, line 15, after "income" insert

"of the payer for an accounting period".

Amendment 28, page 418, line 18, after "payer" insert "for that period".

Amendment 29, page 418, line 20, after "payer" insert

"for a permitted taxable period".

Amendment 154, page 418, line 21, at end insert—

'() A taxable period of an investor is "permitted" for the purposes of paragraph (b) of subsection (4) if—

- (a) the period begins before the end of 12 months after the end of the accounting period mentioned in paragraph (a) of that subsection, or
- (b) where the period begins after that—
 - (i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
 - (ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period."

Amendment 31, page 419, line 45, after "payer" insert

"for a permitted taxable period".

Amendment 155, page 419, line 47, at end insert—

'() A taxable period of an investor is "permitted" for the purposes of subsection (9) if—

- (a) the period begins before the end of 12 months after the end of the payment period, or
- (b) where the period begins after that—
 - (i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
 - (ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.'

Amendment 33, page 420, line 8, leave out

"permanent establishment of a multinational company" and insert

"multinational company's permanent establishment in the United Kingdom".

Amendment 34, page 420, line 10, leave out from "counteracts" to "by" in line 11 and insert "such deductions".

Amendment 35, page 420, line 15, leave out "the parent jurisdiction" and "the PE jurisdiction" and insert "and "the parent jurisdiction".

Amendment 36, page 420, line 19, leave out from "deduction" to end of line 23.

Amendment 37, page 420, line 28, leave out "D" and insert "C".

Amendment 38, page 420, line 32, after "territory" insert "outside the United Kingdom".

Amendment 39, page 420, leave out lines 34 to 37 and insert—

"(b) it is within the charge to corporation tax because it carries on a business in the United Kingdom through a permanent establishment in the United Kingdom."

Amendment 40, page 420, line 39, leave out "under the law of the PE jurisdiction,"

Amendment 41, page 421, line 3, leave out "a taxable period" and insert "an accounting period".

Amendment 42, page 421, line 3, after "period)" insert "for corporation tax purposes".

Amendment 43, page 421, line 5, leave out "PE jurisdiction" and insert "United Kingdom".

Amendment 44, page 421, line 8, after "for" insert "corporation".

Amendment 45, page 421, leave out lines 14 to 22.

Amendment 46, page 421, line 23, leave out "D" and insert "C".

Amendment 47, page 421, leave out lines 25 to 33 and insert—

"(a) the circumstances giving rise to the PE deduction will not result in—

- (i) an increase in the taxable profits of the company for any permitted taxable period, or
- (ii) a reduction of a loss made by the company for any permitted taxable period, for the purposes of a tax charged under the law of the parent jurisdiction, or

(b) those circumstances will result in such an increase or reduction for one or more permitted taxable periods, but the PE deduction exceeds the aggregate effect on taxable profits.

'(7A) "The aggregate effect on taxable profits" is the sum of—

- (a) any increases, resulting from the circumstances giving rise to the PE deduction, in the taxable profits of the company, for a permitted taxable period, for the purposes of a tax charged under the law of the parent jurisdiction, and
- (b) any amounts by which a loss made by the company, for a permitted taxable period, for the purposes of a tax charged under the law of the parent jurisdiction, is reduced as a result of the circumstances giving rise to the PE deduction."

Amendment 48, page 421, leave out line 39 and insert "the aggregate effect on taxable profits."

Amendment 49, page 421, line 40, leave out "subsection (7)" and insert "subsections (7) and (7A)".

Amendment 50, page 421, line 46, leave out from beginning to end of line 3 on page 422 and insert—

- (i) a claim has been made for the period to be a permitted period for the purposes of subsections (7) and (7A), and
- (ii) it is just and reasonable for the circumstances giving rise to the PE deduction to affect the profits or loss made for that period rather than an earlier period."

Amendment 51, page 422, leave out lines 4 to 7 and insert—

'(10) Section 259FB contains provision for counteracting the excessive PE deduction."

Amendment 52, page 422, line 9, leave out from
“where the United Kingdom is the PE jurisdiction”

and insert

“of the excessive PE deduction”.

Amendment 53, page 422, leave out lines 10 and 11.

Amendment 54, page 422, line 24, after “income”
insert

“of the company for an accounting period”.

Amendment 55, page 422, line 26, after “company”
insert “for that period”

Amendment 56, page 422, line 28, after “company”
insert

“for a permitted taxable period”.

Amendment 57, page 422, line 29, at end insert—

“() A taxable period of the company is “permitted” for the purposes of paragraph (b) of subsection (4) if—

- (a) the period begins before the end of 12 months after the end of the accounting period mentioned in paragraph (a) of that subsection, or
- (b) where the period begins after that—
 - (i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
 - (ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”

Amendment 58, page 422, line 30, leave out from beginning to end of line 31 on page 423.

Amendment 59, page 425, line 42, leave out from beginning to end of line 30 on page 426.

Amendment 156, page 426, line 30, at end insert—

“(4A) A relevant amount of the excess is to be taken (so far as would not otherwise be the case) to arise as mentioned in subsection (1)(b) where—

- (a) a payee is a hybrid entity,
- (b) there is no territory—
 - (i) where that payee is resident for the purposes of a tax charged under the law of that territory, or
 - (ii) under the law of which ordinary income arises to that payee, by reason of the payment or quasi-payment, for the purposes of a tax that is charged on that payee by virtue of that payee having a permanent establishment in that territory, and
- (c) no income arising to that payee, by reason of the payment or quasi-payment, is brought into account in calculating chargeable profits for the purposes of the CFC charge or a foreign CFC charge.

(4B) For the purposes of subsection (4A), the “relevant amount” of the excess is the lesser of—

- (a) the amount of the excess, and
- (b) an amount equal to the amount of ordinary income that it is reasonable to suppose would, by reason of the payment or quasi-payment, arise to the payee for corporation tax purposes, if—
 - (i) the payee were a company, and
 - (ii) the payment or quasi-payment were made in connection with a trade carried on by the payee in the United Kingdom through a permanent establishment in the United Kingdom.

(4C) In subsection (4A)(c) “chargeable profits”—

- (a) in relation to the CFC charge, has the same meaning as in Part 9A (see section 371VA), and
- (b) in relation to a foreign CFC charge, means the concept (by whatever name known) corresponding to chargeable profits within the meaning of that Part.”

Amendment 61, page 430, line 7, after “quasi-payments” insert

“, where the payer is within the charge to corporation tax.”.

Amendment 62, page 430, line 10, leave out “or a payee”.

Amendment 63, page 430, leave out lines 19 to 25.

Amendment 64, page 431, line 7, leave out from “period” to end of line 10.

Amendment 65, page 431, leave out lines 38 to 43 and insert—

“(11) Section 259HC contains provision for the counteraction of the multinational payee deduction/non-inclusion mismatch.”

Amendment 66, page 432, line 10, after “subsection (1)(b)” insert “—

- (a) where the law of a PE jurisdiction in relation to a payee that is a multinational company makes no provision for charging tax on any companies, so much of the excess as arises as a result is to be taken not to arise by reason of that payee being a multinational company, but
- (b) subject to that,”

Amendment 67, page 432, line 11, after “well” insert “as one or more payees being multinational companies”.

Amendment 68, page 432, line 27, leave out from “Counteraction” to end of line 28 and insert

“of the multinational payee deduction/non-inclusion mismatch”.

Amendment 69, page 432, leave out lines 29 and 30.

Amendment 70, page 432, line 35, leave out from beginning to end of line 48 on page 433.

Amendment 71, page 436, line 27, after “is” insert “(in substance)”.

Amendment 72, page 436, line 30, after “income” insert

“of the investor for an accounting period”.

Amendment 73, page 436, line 38, after “income” insert

“of the investor for an accounting period”.

Amendment 74, page 436, line 40, leave out “in the hybrid entity” and insert “for that period”.

Amendment 75, page 436, line 42, after “entity” insert

“for a permitted taxable period”.

Amendment 76, page 436, line 43, at end insert—

“() A taxable period of the hybrid entity is “permitted” for the purposes of paragraph (b) of subsection (8) if—

- (a) the period begins before the end of 12 months after the end of the accounting period of the investor mentioned in paragraph (a) of that subsection, or
- (b) where the period begins after that—
 - (i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
 - (ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”

Amendment 77, page 437, line 7, after “income” insert

“of the hybrid entity for the hybrid entity deduction period”.

Amendment 78, page 437, line 25, after “income” insert

“of the hybrid entity for the hybrid entity deduction period”.

Amendment 79, page 438, line 10, after “is” insert “(in substance)”

Amendment 80, page 438, line 13, after “income” insert

“of the hybrid entity for an accounting period”.

Amendment 81, page 438, line 21, after “income” insert

“of the hybrid entity for an accounting period”,

Amendment 82, page 438, line 23, after “entity” insert “for that period”.

Amendment 83, page 438, line 25, after “entity” insert

“for a permitted taxable period”.

Amendment 84, page 438, line 27, at end insert—

“() A taxable period of an investor is “permitted” for the purposes of paragraph (b) of subsection (10) if—

- (a) the period begins before the end of 12 months after the end of the accounting period mentioned in paragraph (a) of that subsection, or
- (b) where the period begins after that—
 - (i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
 - (ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”

Amendment 85, page 439, line 5, leave out from second “company” to end of line 7.

Amendment 86, page 439, line 7, at end insert—

“() Section 259JBA contains provision that counteracts the mismatch where the company is a multinational company and the United Kingdom is the parent jurisdiction.”

Amendment 87, page 439, line 10, leave out “fully”.

Amendment 88, page 439, line 12, leave out “section 259JB” and insert “section 259JBA”.

Amendment 89, page 440, leave out lines 10 to 15 and insert—

“(6) The following provisions provide for the counteraction of the dual territory double deduction amount—

- (a) section 259JB (cases where a company is dual resident),
- (b) section 259JBA (cases where a company is a relevant multinational and the United Kingdom is the parent jurisdiction), and
- (c) section 259JC (cases where a company is a relevant multinational, the United Kingdom is the PE jurisdiction and the amount is not counteracted in the parent jurisdiction).”

Amendment 90, page 440, line 18, leave out “or the UK is the parent jurisdiction”.

Amendment 91, page 440, line 20, leave out “as a result” and insert “by reason”.

Amendment 92, page 440, line 21, leave out from second “company” to end of line 24.

Amendment 93, page 440, line 39, leave out “or relevant multinational company”.

Amendment 94, page 440, line 45, leave out “or relevant multinational company”.

Amendment 95, page 441, line 2, leave out “or relevant multinational company”.

Amendment 96, page 441, line 8, after “is” insert “(in substance)”.

Amendment 97, page 441, line 11, after “company” insert “for an accounting period”.

Amendment 98, page 441, line 19, after “income” insert

“of the company for an accounting period”.

Amendment 99, page 441, line 2, after “company” insert “for that period”.

Amendment 100, page 441, line 23, after “company” insert—

“for a permitted taxable period”.

Amendment 101, page 441, line 25, at end insert—

“() A taxable period of the company is “permitted” for the purposes of paragraph (b) of subsection (8) if—

- (a) the period begins before the end of 12 months after the end of the accounting period mentioned in paragraph (a) of that subsection, or
- (b) where the period begins after that—
 - (i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
 - (ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”

Amendment 102, page 441, line 25, at end insert—

“259JBA Counteraction where mismatch arises because of a relevant multinational and the UK is the parent jurisdiction

(1) This section applies where—

- (a) the dual territory double deduction amount arises by reason of the company being a relevant multinational company, and
- (b) the United Kingdom is the parent jurisdiction.

(2) If some or all of the dual territory double deduction amount is (in substance) deducted (“the impermissible overseas deduction”), for the purposes of a tax under the law of a territory outside the United Kingdom, from the income of any person, for any taxable period, that is not dual inclusion income of the company—

- (a) the dual territory double deduction amount that may be deducted, for corporation tax purposes, from the company’s income for the deduction period is reduced by the amount of the impermissible overseas deduction, and
- (b) such just and reasonable adjustments (if any) as are required to give effect to that reduction, for corporation tax purposes, are to be made.

(3) Any adjustment required to be made under subsection (2) may be made (whether or not by an officer of Revenue and Customs)—

- (a) by way of an assessment, the modification of an assessment, amendment or disallowance of a claim, or otherwise, and
- (b) despite any time limit imposed by or under any enactment.

(4) In this section “dual inclusion income” of the company means an amount that is both—

- (a) ordinary income of the company for an accounting period for corporation tax purposes, and
- (b) ordinary income of the company for a permitted taxable period for the purposes of a tax charged under the law of a territory outside the United Kingdom.

(5) A taxable period is “permitted” for the purposes of paragraph (b) of subsection (4) if—

- (a) the period begins before the end of 12 months after the end of the accounting period of the company mentioned in paragraph (a) of that subsection, or
- (b) where the period begins after that—

- (i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
- (ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”

Amendment 103, page 441, line 26, leave out from “of” to end of line 27 and insert—

“a relevant multinational and is not counteracted in the parent jurisdiction”.

Amendment 104, page 441, leave out lines 32 to 48 and insert—

“(c) it is reasonable to suppose that no provision of the law of the parent jurisdiction that is equivalent to section 259JBA applies.”

Amendment 105, page 442, line 1, leave out “restricted deduction” and insert—

“dual territory double deduction amount”.

Amendment 106, page 442, line 5, leave out “restricted deduction” and insert—

“dual territory double deduction amount”.

Amendment 107, page 442, line 15, leave out “restricted deduction” and insert—

“dual territory double deduction amount”.

Amendment 108, page 442, line 31, after “is” insert “(in substance)”.

Amendment 109, page 442, line 34, at end insert—
“of the company for an accounting period”.

Amendment 110, page 442, line 42, after “income” insert—

“of the company for an accounting period”.

Amendment 111, page 442, line 44, after “company” insert “for that period”.

Amendment 112, page 442, line 46, after “company” insert—

“for a permitted taxable period”.

Amendment 113, page 442, line 48, at end insert—

“() A taxable period of the company is “permitted” for the purposes of paragraph (b) of subsection (9) if—

- (a) the period begins before the end of 12 months after the end of the accounting period mentioned in paragraph (a) of that subsection, or
- (b) where the period begins after that—
 - (i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
 - (ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”

Amendment 157, page 443, line 11, at end insert—

“() Section 259KAA defines “dual territory double deduction”, “excessive PE deduction” and “PE jurisdiction”.

Amendment 115, page 444, line 7, leave out “subsection (7)” and insert “section 259KAA”.

Amendment 116, page 444, line 11, leave out “section 259FA(8)” and insert “section 259KAA”.

Amendment 117, page 444, leave out lines 14 to 19.

Amendment 158, page 444, leave out lines 20 to 42 and insert—

“(8) Condition E is that it is reasonable to suppose—

- (a) where subsection (6)(a) applies, that no provision of any of Chapters 3 to 5 or 7 to 10 nor any equivalent provision under the law of a territory outside the

United Kingdom applies, or will apply, in relation to the tax treatment of any person in respect of the mismatch payment, or

- (b) where subsection (6)(b) applies, that no provision of Chapter 6 nor any equivalent provision under the law of a territory outside the United Kingdom applies, or will apply, in relation to the tax treatment of the company in relation to which the excessive PE deduction arises.

(9) Condition F is that—

- (a) subsection (6)(a) applies and it is reasonable to suppose that a provision of any of Chapters 3 to 5 or 7 to 10, or an equivalent provision under the law of a territory outside the United Kingdom, would apply in relation to the tax treatment of P if—

- (i) P were the payer in relation to the mismatch payment,
- (ii) P were a payee in relation to the mismatch payment, or
- (iii) where the relevant mismatch is a hybrid payee deduction/non-inclusion mismatch or a hybrid entity double deduction amount, P were an investor in the hybrid entity concerned, or

- (b) the relevant mismatch is an excessive PE deduction.”

Amendment 159, page 445, line 20, at end insert—

“259KAA Meaning of “dual territory double deduction”, “excessive PE deduction” and “PE jurisdiction”

(1) This section has effect for the purposes of this Chapter.

(2) A “dual territory double deduction” means an amount that can be deducted by a company both—

- (a) from income for the purposes of a tax charged under the law of one territory, and
- (b) from income for the purposes of a tax charged under the law of another territory.

(3) A “PE deduction” is an amount that—

- (a) may (in substance) be deducted from a company’s income for the purposes of calculating the company’s taxable profits, for a taxable period, for the purposes of a tax that is charged on the company, under the law of a territory (“the PE jurisdiction”), by virtue of the company having a permanent establishment in that territory, and
- (b) is in respect of a transfer of money or money’s worth, from the company in the PE jurisdiction to the company in another territory (“the parent jurisdiction”) in which it is resident for the purposes of a tax, that—
 - (i) is actually made, or
 - (ii) is (in substance) treated as being made for tax purposes.

(4) A PE deduction is “excessive” so far as it exceeds the sum of—

- (a) any increases, resulting from the circumstances giving rise to the PE deduction, in the taxable profits of the company, for a permitted taxable period, for the purposes of a tax charged under the law of the parent jurisdiction, and
- (b) any amounts by which a loss made by the company, for a permitted taxable period, for the purposes of a tax charged under the law of the parent jurisdiction, is reduced as a result of the circumstances giving rise to the PE deduction.

(5) A taxable period of the company is “permitted” for the purposes of subsection (4) if—

- (a) the period begins before the end of 12 months after the end of the taxable period mentioned in subsection (3)(a), or
- (b) where the period begins after that—

- (i) a claim has been made for the period to be a permitted period for the purposes of subsection (4), and
- (ii) it is just and reasonable for the circumstances giving rise to the PE deduction to affect the profits or loss made for that period rather than an earlier period.”

Amendment 119, page 445, line 45, leave out “section 259FA(4)(b)” and insert “section 259KAA(3)(b)”.

Amendment 120, page 446, line 4, leave out “section 259FA(4)(b)” and insert “section 259KAA(3)(b)”.

Amendment 121, page 446, line 28, , leave out “section 259FA(4)(b)” and insert “section 259KAA(3)(b)”.

Amendment 122, page 446, line 32, leave out “section 259FA(4)(b)” and insert “section 259KAA(3)(b)”.

Amendment 123, page 450, line 19, at end insert—
 “Relevant investment funds
 259NZA Meaning of “relevant investment fund”.

- ‘(1) “Relevant investment fund” means—
- (a) an open-ended investment company within the meaning of section 613 of CTA 2010,
 - (b) an authorised unit trust within the meaning of section 616 of that Act, or
 - (c) an offshore fund within the meaning of section 354 of this Act (see section 355),

which meets the genuine diversity of ownership condition (whether or not a clearance has been given to that effect).

- (2) “The genuine diversity of ownership condition” means—
- (a) in the case of an offshore fund, the genuine diversity of ownership condition in regulation 75 of the Offshore Funds (Tax) Regulations 2009 (S.I. 2009/3001), and
 - (b) in the case of an open-ended investment company or an authorised unit trust, the genuine diversity of ownership condition in regulation 9A of the Authorised Investment Funds (Tax) Regulations 2006 (S.I. 2006/964).”

Amendment 124, page 452, leave out lines 19 to 22 and insert—

- “(b) for the purposes of influencing the conduct of U’s affairs—
- (i) P is able to secure that T acts in accordance with P’s wishes,
 - (ii) T can reasonably be expected to act, or typically acts, in accordance with P’s wishes,
 - (iii) T is able to secure that P acts in accordance with T’s wishes, or
 - (iv) P can reasonably be expected to act, or typically acts, in accordance with T’s wishes.”.

Amendment 125, page 454, line 16, at end insert—
 ““relevant investment fund” has the meaning given by section 259NZA;”

Amendment 126, page 456, line 14, at end insert—

“dual territory double deduction (in Chapter 11 of Part 6A)	section 259KAA.”
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Amendment 127, page 456, line 16, at end insert—

“excessive PE deduction (in Chapter 11 of Part 6A)	section 59KAA.”
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Amendment 128, page 458, leave out lines 3 and 4.

Amendment 160, page 458, line 8, at end insert—

“PE jurisdiction (in Chapter 11 of Part 6A)	section 259KAA(3)(a)”
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Amendment 129, page 458, line 13, at end insert—

“relevant investment fund (in Part 6A)	section 259NZA”
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Amendment 130, page 459, leave out lines 31 to 42.

Amendment 131, page 459, line 43, after “paragraphs” insert “19,”.

New Clause 7

REVIEW OF TAX TREATMENT OF SCOTTISH LIMITED PARTNERSHIPS

‘(1) The Chancellor of the Exchequer must undertake a review of the impact of the tax regime which applies to Scottish Limited Partnerships on levels of tax avoidance and evasion by such partnerships, and lay the report of the review before both Houses of Parliament within six months of the passing of this Act.

(2) The review must take into account the views of the Scottish Government, HMRC and interested charities.”—(Roger Mullin.)
Brought up, and read the First time.

Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP): I beg to move, That the clause be read a Second time.

Madam Deputy Speaker (Mrs Eleanor Laing): With this it will be convenient to discuss the following:

New clause 12—*Report on the impact of the criminal offences relating to offshore income, assets and activities*—

‘(1) The Chancellor of the Exchequer shall, within one year of the coming into force of the provisions in TMA 1970 relating to criminal offences relating to offshore income, assets and activities introduced by section 165 of this Act publish a report on the impact of the introduction of these offences.

(2) The report must include, but need not be limited to, information about—

- (a) the number of persons who have been charged with offences under each of sections 106B, 106C and 106D of TMA 1970;
- (b) the number of persons who have been convicted of any such offence;
- (c) the average fine imposed; and
- (d) the number of people upon whom a custodial sentence has been imposed for any such offence.

New clause 13—*Report into the UK Tax Gap*—

‘(1) The Chancellor of the Exchequer shall, within one year of the passing of this Act, prepare and publish a report, in consultation with stakeholders, on the UK Tax Gap.

(2) The report must include the following—

- (a) details of the UK Tax Gap (including individual breakdowns for figures relating to tax avoidance and tax evasion) for the financial years—
 - (i) 2015-16;
 - (ii) 2014-15;
 - (iii) 2013-14;
 - (iv) 2012-13; and
 - (v) 2011-12;
- (b) a detailed summary of the model used by HMRC for estimating the UK Tax Gap;
- (c) an assessment of the efficacy of HMRC’s performance in relation dealing with the UK Tax Gap, including—
 - (i) a breakdown of specific HMRC departments or units dealing with investigation and enforcement matters in relation to the UK Tax Gap;
 - (ii) details of the numbers of staff in each of the years listed in paragraph (a) who are located within departments or units dealing with investigation and enforcement matters in relation to the UK Tax Gap;

- (iii) details of the budgets allocated to departments or units dealing with investigation above; and
- (iv) details of the numbers of prosecutions or the amount of tax recovered in each financial year listed in paragraph (a) as a result of the work of HMRC departments or units dealing with investigation and enforcement matters in relation to the UK Tax Gap in those financial years.
- (d) a review of the impact on tax revenues of requiring non-public organisations involved in public procurement processes to—
 - (i) be registered in the UK for tax purposes;
 - (ii) have paid UK tax for a period of at least five years prior to the date the relevant contract is awarded;
 - (iii) publish full details of beneficial ownership for the period of five years prior to the date the relevant contract is awarded; and
 - (iv) provide company accounts (including those of any beneficial owners) for the period of five years prior to the date the relevant contract is awarded.
- (e) a comprehensive assessment of the efficacy of the General Anti Abuse Rule in discouraging tax avoidance;
- (f) an assessment of the impact on tax revenues of introducing a set of minimum standards in relation to tax transparency for all British crown dependencies and overseas territories including (but not limited to)—
 - (i) placing a statutory duty on British crown dependencies and overseas territories to observe a system of good governance and practice in relation to tax enforcement; and
 - (ii) requiring British crown dependencies and overseas territories to maintain a public register of owners, directors, major shareholders and beneficial owners;
- (g) an assessment of the impact on tax revenues of establishing a public register of all trusts located within the UK, British Crown Dependencies and overseas territories, including but not limited to—
 - (i) details of the names of beneficiaries to such trusts;
 - (ii) details of the addresses of beneficiaries to such trusts;
 - (iii) details of assets held by such trusts;
 - (iv) details of any trustees registered within the UK who have transferred that main residence to non-UK jurisdictions;
 - (v) details of tax avoidance schemes involving trusts which are currently disclosed to the HMRC.

(3) For the purposes of this section, the “UK Tax Gap” means the difference in any financial year between the amount of tax HMRC should be entitled to collect and the tax actually collected in that financial year which derives from tax avoidance and tax evasion.

Government amendments 136 and 137.

Amendment 167, in clause 163, page 293, line 25, leave out “may” and insert “must”.

Amendment 168, in page 293, line 41, leave out “may” and insert “must”.

Amendment 171, in clause 165, page 295, line 9, at end insert

“and that the person had an honest belief that all of the information included was true and accurate”.

Amendment 172, in page 295, line 26, at end insert

“and that the person had an honest belief that all of the information included was true and accurate”.

Amendment 173, in page 295, line 40, at end insert

“and that the person had an honest belief that all of the information included was true and accurate”.

Amendment 145, in schedule 19, page 589, line 29, at end insert—

“(6) The Treasury may by regulations require the group tax strategy to include a country-by-country report.

(7) In this paragraph “country-by-country report” has the meaning given by the Taxes (Base Erosion and Profit Shifting) (Country-by-Country Reporting) Regulations 2016.”

Amendment 163, in schedule 20, page 609, line 34, at end insert

“or 100% of any fee paid by Q to P in respect of enabling Q to carry out offshore tax evasion or non-compliance”.

Amendment 164, in page 609, line 40, at end insert

“or 100% of any fee paid by Q to P in respect of enabling Q to carry out offshore tax evasion or non-compliance”.

Amendment 165, in schedule 21, page 618, leave out lines 27 to 34 and insert—

70%	50%	35%
87.5%	58.75%	40%
100%	60%	40%
105%	62.5%	40%
125%	77.5%	55%
140%	85%	55%
150%	90%	60%
200%	115%	75%

Amendment 166, in page 621, leave out lines 8 to 15 and insert—

70%	50%	35%
87.5%	58.75%	40%
100%	60%	40%
105%	62.5%	40%
125%	77.5%	55%
140%	85%	55%
150%	90%	60%
200%	115%	75%

Amendment 170, in schedule 22, page 627, line 5, leave out “10%” and insert “15%”

Roger Mullin: To those with little knowledge of Scottish limited partnerships, it may seem strange that I rise in this House to move new clause 7 in my name and those of my colleagues, but, despite what the name suggests, Scottish limited partnerships have limited connection to Scotland, and none to the Scottish Parliament. They were introduced in 1907 by the Chancellor of day, Herbert Asquith; despite rumours to the contrary, I was not present at the debates at the time, but the regulation, operation and dissolution of SLPs remain the exclusive preserve of Westminster, hence our moving this new clause.

Scottish limited partnerships have their own distinct legal personality. As a result, SLPs can, for example, hold assets, borrow money and enter into contracts. However, Asquith could never have foreseen that they would become a financial vehicle abused by international criminals and tax dodgers.

Great credit must go to the journalists of *The Herald* newspaper, particularly David Leask, for doggedly uncovering the truth about SLPs—and isn't it good that for once we can praise journalism of the highest order delving into important matters, rather than merely dealing in tittle-tattle? Although some users of SLPs no doubt

[Roger Mullin]

operate appropriately and responsibly, it is claimed that up to 95% of SLPs are mere tax evasion vehicles, including for criminal assets.

While SLPs may be registered in Scotland, they are often owned by partners based in the Caribbean or other jurisdictions that ensure ownership secrecy and low, or no, tax regimes. People operating outside the UK are exploiting opaque ownership structures to hide their true ownership. As Oxfam, too, has recently pointed out, brokers in countries such as Ukraine and Belarus are specifically marketing SLPs as “Scottish zero per cent. tax firms.”

The number of SLPs is growing apace. Data from Companies House revealed by *The Herald* show 25,000 were in place by the autumn of 2015 and new registrations have been increasing by 40% year-on-year since 2008.

To give an example of what can happen, in 2014 allegations emerged that SLPs had been used to funnel \$1 billion out of banks in the former Soviet Republic of Moldova. The use of an SLP and a bank account in an EU country allows dodgy groups, for example from the ex-Soviet Union, to move their ill-gotten gains to tax havens under the cloak of respectability.

I am aware that the Scottish Government’s Finance Secretary, Derek Mackay, has recently written to the UK Government about SLPs. He sensibly pointed out in his letter that

“it is critical that due diligence checks are able to be made when SLPs are initially registered and when there are changes in partners, and that penalties are imposed on partners where the SLP does not comply with the relevant legislation”.

He went on to point out:

“The threat of serious organised crime does not respect borders and with the significant increase in cyber crime, it is essential that we take every step open to us to reduce this threat as much as possible”.

To that end, our new clause seeks an urgent review of SLPs that would, importantly, include taking evidence from the Scottish Government, from HMRC and from interested charities. We have crafted the new clause in the hope it will attract cross-party support, and I see no reason why anyone, other than those interested in encouraging criminality and tax evasion, would wish to oppose a review of this nature. I therefore urge the Minister to accept our new clause.

Rob Marris: I hope that the hon. Gentleman will forgive me if I missed him saying this, but I do not think I did. Subsection (2) of his new clause states:

“The review must take into account the views of the Scottish Government, HMRC and interested charities.”

Is it because of the nature of SLPs that the new clause does not make reference to the Government of Wales and the Government of Northern Ireland?

Roger Mullin: I thank the hon. Gentleman for his intervention. Technically, the SLPs are registered in Scotland, but they have ownership in tax havens all over the world and will therefore operate differently, given the way in which they were set up in 1907. As far as I am aware, the arrangements have not been reviewed in any significant detail since then.

John Redwood (Wokingham) (Con): The hon. Gentleman is making the powerful case that some SLPs are being used for criminal or money-laundering purposes. Those are serious crimes and they should be reported. Has he reported them? Is not this an enforcement issue?

Roger Mullin: It is certainly a very important issue, but I think it would be better if we could get the Government to carry out the kind of detailed scrutiny that would enable them to enact the necessary legislation. Their voice would be far more powerful than mine in this regard.

I should also like to pass comment on amendment 145, tabled in the name of the right hon. Member for Don Valley (Caroline Flint), which we will certainly be supporting. I am sure that she will have much more to say about it in a moment. It is a modest amendment to encourage much-needed country-by-country reporting for corporations, and I look forward to hearing her remarks. She can be assured that her actions have the full support of Members on these Benches. Similarly, we hope that the Opposition will press new clause 13 to a vote. We also intend to support that proposal.

This whole section dealing with tax evasion is very important, and it is vital that the UK as a whole lives up to its responsibility to ensure that we do not get a name for encouraging tax dodgers. I want to mention the remarkable and brave journalist Roberto Saviano, who has been admired for exposing the murderous criminal underworld of the Italian mafia. In a recent article in *The Daily Telegraph*, he warned that the UK financial world was effectively allowing what he called “criminal capitalism” to thrive. Surely we must take steps today to ensure that that is not the case.

Caroline Flint (Don Valley) (Lab): In speaking to amendment 145 today, I am grateful for the chance once again to put the case that large multinationals should co-operate with public country-by-country reporting in the UK so that we can all gain greater insight into the trading activities that determine the amount of corporation tax being paid.

As a new member of the Public Accounts Committee in February, I heard first hand Google and Her Majesty’s Revenue and Customs try to explain how £130 million represented a good deal after a decade’s-worth of unpaid taxes and reasons to justify non-payment. This cross-party Committee of the House felt that the way in which global multinationals play the system denies a fair take for HMRC, having an impact on our public services, and is unfair to British taxpayers and businesses, for whom such a complicated organisation of tax affairs is not an option.

9 pm

Stephen Phillips (Sleaford and North Hykeham) (Con): Does the issue not go further than that? Our constituents’ money generates the revenues and therefore the profits of such companies. It is not just unfair to them because they pay their taxes; their money funds the profits that generates the taxation that ought to be paid to the Revenue.

Caroline Flint: I congratulate the hon. and learned Gentleman, who is a former colleague on the PAC, on his promotion.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): He's still on it.

Caroline Flint: The Chair of the PAC has corrected me. The hon. and learned Gentleman is absolutely right; it is almost a double whammy. Customers of such companies pay for their services in good faith and expect, as both taxpayers and consumers, big companies to play fair by them and by the country in which they operate.

The PAC is not alone in worrying about how such companies organise themselves. Around the world, people and their Governments are questioning the loopholes and convoluted legal arrangements that create inaccurate descriptions of multinationals' trading activities in individual countries. The problem is not confined to tech firms such as Google, but their massive global presence has exposed the fault lines of an old-fashioned tax structure that has not kept up with today's online business world. Many of today's high-tech household names were not always so big or so profitable. The investigation into Google began under the previous Labour Government, and the coalition Government continued the work to get on top of these relatively new business models, both nationally and internationally. Tax policy is not easy. Once one tax loophole is closed, another one opens up.

Wes Streeting (Ilford North) (Lab): I commend my right hon. Friend's work on this issue over a long period of time. Does she share my concern that even when the Government have tried to take the initiative, such as through the diverted profits tax—the so-called Google tax—that has not delivered the expected revenues? Indeed, Google does not pay a great deal through that tax. A measure such as that proposed by my right hon. Friend would clearly help to make companies do the right thing.

Caroline Flint: I hope so, because transparency is an important ingredient in ensuring that the rules we apply have some bite. It sometimes seems as though we are trying to catch jelly.

The whole debate has brought into question the legal and moral difference between tax evasion and tax avoidance. Companies often rightly defend themselves on grounds of working within the rules, but politicians and civil servants are often caught out by clever manipulation of those rules. That is not illegal but cannot be said to be in the spirit of what was expected.

I have no illusions about having a perfect tax system. Keeping one step ahead is a never-ending task for modern tax authorities. I welcome the Government's introduction at HMRC of country-by-country tax reporting, which is now up and running, and I agree with the Minister's summer announcement that those who advise individuals and companies on their tax affairs will be subject to greater accountability for their actions when wrongdoing is exposed.

However, public transparency can make a real difference in ensuring fair taxation and fair play. That is why, with the support of PAC colleagues and cross-party support from across the House, I introduced my ten-minute rule Bill in March to legislate for public country-by-country reporting. The backing I received spurred me on to try to amend the Finance Bill in June, gaining the support of eight parliamentary parties: Labour—I thank Front-Bench spokespeople past and present, including my

hon. Friend the Member for Wolverhampton South West (Rob Marris), for their support—the SNP, the Liberal Democrats, Plaid Cymru, the Social Democratic and Labour party, the Ulster Unionist party, the United Kingdom Independence party, the Green party, the independent hon. Member for North Down (Lady Hermon), and a number of Conservative MPs, too. Oxfam, Christian Aid, Save the Children, ActionAid, the ONE campaign and the Catholic Agency for Overseas Development joined our efforts, adding an important and necessary dimension to the argument for public country-by-country reporting.

Meg Hillier: I, too, congratulate my right hon. Friend on her sterling work in raising this issue up the agenda. Does she agree that if the Government were to adopt this amendment, they would be setting a tone for other parts of the world? We have had a lot of interest from around Europe and elsewhere about the work being done in Parliament and by our Government, and adopting this would really set the example.

Caroline Flint: I agree with my hon. Friend on that. I commend her work as the Chair of our Committee and the work she has done with other public accounts committees in other countries, because there is an appetite for doing more in this area and we are leading the way. We can do that from our House of Commons Committees, but we hope today that we can give some added muscle to the Government to lead the way in this important area, too.

I talked about the charities and organisations working in the development sphere, because I am seeking tax justice not only here, but for those developing countries that lose out too. I have said it before but it is worth saying again: if developing countries got their fair share of tax, it would vastly outstrip what is currently available through aid. The lack of tax transparency is one of the major stumbling blocks to their self-sufficiency. My thanks also go to the Tax Justice Network, Global Witness and the business-led Fair Tax Mark, as well as to tax experts Richard Murphy and Jolyon Maugham, QC, who have helped me to make the case and to get the wording right to amend legislation. This proposal demonstrates the widespread view that bolder measures to hold multinationals to account are necessary.

John Redwood: Is not the bigger issue: where should the profit be fairly struck? Where was the value added? Where did the work take place? Where is the intellectual property residing? Getting transparency is one thing, but we could still get transparency for an answer that we do not like.

Caroline Flint: There is a debate about where best to recoup the money from those who trade and the profits they make. Different options are available, but perhaps that is a wider debate for another day. The BEPS—Base Erosion and Profit Shifting—debate was partly about addressing that, but transparency has to be at the heart of all this, whatever system we set up to identify what is a fair contribution for business. I hope that my amendment will be supported and will be one small step forward.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): My right hon. Friend knows that I support this amendment and the wonderful work she does. Does she remember

[Mr Barry Sheerman]

all the difficulties we had with the banking sector and the people who were supposed to be the auditors—these great companies that are specialising in obscurity, hiding ownership and moving ownership? Surely this must go in tandem with taking on those big people who did not audit the banks properly. They are the same people who allow these big companies to evade taxation.

Caroline Flint: My hon. friend is right about that. As the Parliament that represents the people of this country, we have a duty not to allow markets to be unfettered, but to provide a framework in which they should operate, work, be successful and do the right thing. I must say that there are companies doing the right thing. Increasingly, companies are volunteering to do the right thing by publishing the sort of information that I am asking to be made more public today.

Rob Marris: Will my right hon. Friend give way?

Caroline Flint: I will give way once more, but I am conscious that other people wish to speak.

Rob Marris: Can my right hon. Friend confirm my understanding, or correct me if I am wrong, that what she is seeking in this amendment would not cause any burden to business because the information is already being gathered and reported but is not then being published? Her amendment seeks merely to get that which is already gathered and reported to be published.

Caroline Flint: That is correct.

I was hopeful for my June amendment, because since the 2015 general election, the Government had, on a number of occasions indicated their support for public country-by-country reporting, and I welcome that. I am grateful to the former Financial Secretary, now Chief Secretary to the Treasury, as his approach was always constructive as we sought the best way to proceed.

At the debate in June, four days after the EU referendum, the Minister and others were concerned that introducing my amendment at that time might put UK multinationals at a competitive disadvantage for reputational reasons. I have no doubt that a number of the businesses to which my amendment would apply have already suffered reputational damage and more transparency could actually enhance their standing. To the Government's credit, the UK was the first to introduce public registers of beneficial ownership, and others followed. Backing public country-by-country reporting is an opportunity to show leadership again. Indeed, it is a pro-business measure. This kind of reporting already exists within the extractive sector and in financial services. Some companies are ahead of the curve and have started to publish this information. I am talking about companies such as SSE, the energy supplier, and the cosmetics retailer Lush, which operates in 49 different countries. The Government also said that, although they supported the principle, they would prefer to move ahead with others rather than alone.

As the Government make plans to leave the European Union, which may not be all smooth sailing, I do appreciate Ministers' caution. I am grateful to the new Financial Secretary, the hon. Member for Battersea (Jane Ellison), for the constructive dialogue that we

have had over the past two months. I am grateful, too, to my colleagues from the Public Accounts Committee—my hon. Friend the Member for Hackney South and Shoreditch (Meg Hillier), and the hon. Members for Berwick-upon-Tweed (Mrs Trevelyan), and for Amber Valley (Nigel Mills)—for their advice and support during the recess, and I thank all those who have signed amendment 145.

I hope that the Government will regard this amendment as a friendly proposal. If it is passed today, the Commons will enshrine in law support for the principle of public country-by-country reporting with the power for the Government to introduce when the time is most appropriate. That sends a very powerful message, confirming the UK's leading role in addressing tax evasion and avoidance and providing the Government with the tools to move quickly, when the time is right, without the need for primary legislation.

Last week, the European Commission served a €13 billion tax bill on tech giant Apple. Although the rate of corporation tax in Ireland is low at 12.5%, the Commission concluded that Apple had, in effect, paid 1% corporation tax from 2003 and a tiny 0.005% in corporation tax since 2014. I am afraid that that implies that even low corporation tax rates are no guarantee that a country will collect its rightful share. In this case, €13 billion is equivalent to paying £50 of tax on every £1 million of profits. Apple is entitled to defend its position, but the case highlights the need for more transparency in multinational business affairs.

Finally, having listened to the Government's concerns and shared with them my arguments for today's amendment, I hope that the House can come together and make UK public country-by-country reporting a matter not of if, but when.

Charlie Elphicke (Dover) (Con): I do not intend to detain the House for an unduly lengthy period of time, because I know that everyone wants to get to bed before midnight. I want to set out why country-by-country reporting is so very important, and why the whole culture of tax avoidance by big business and multinationals is something that we cannot condone or tolerate.

People ask what is wrong with an organisation such as Apple organising its tax affairs to its best possible advantage. After all, is that not the principle of taxation—that there is no equity in taxation and that only the literal taxation rules should apply? However, my concern is that the conduct of Apple is unacceptable for three key reasons. If a big business organises its tax affairs so that it basically pays no tax whatsoever, then it is inevitably warping the free market, because it is getting an unfair tax advantage, or a tax advantage that gives it a competitive advantage over other enterprises that are paying tax on their profit. For me, that is a really serious issue.

The other issue with Apple in Ireland is that to have a special deal for one business that does not apply to everyone else is counter to the fundamental principle of the rule of law, which is that everyone should be treated the same—be they a cleaner at Apple or Apple itself. What is offensive is if a cleaner in the office is paying more in tax than the massive, profitable enterprise whose offices they are cleaning.

Let me continue with the case of Apple. My right hon. Friend the Member for Wokingham (John Redwood) made a powerful point. If it has created all this intellectual

property, he asked what was wrong with its not being caught in the UK tax net. My answer is that that intellectual property was in fact created in Silicon Valley, but is the organisation paying tax in Silicon Valley? Is it paying tax in America? No, it is not. It has set up a clever structure. Early in its evolution as a business—some 10 or 20 years ago—it sold its outside American intellectual property rights for \$1, or some other small sum, to a Bermuda company, which would then have a conduit through Ireland to invest across the rest of Europe.

The company then checks the box for US tax purposes in respect of everything below Bermuda so that, from the Internal Revenue Service's point of view, it looks as though the Bermuda company is the trading company, and because it is a trading company and the only enterprise that there is for US tax purposes, it is not caught by subpart F of the controlled foreign companies regulations, meaning that no tax can be deemed to have to be repatriated to the United States. As a result, the Bermuda enterprise becomes a cash box for reinvestment across the European theatre. Therein lies the unfair competitive advantage.

John Redwood: I remind my hon. Friend that I did not mention the word "Apple" and I expressed no view on Apple's tax affairs, one way or the other. I asked a question about how we as legislators globally can produce a system that is fair and sensible so that people know what companies should be paying. I have not studied Apple's tax affairs in details so I would not presume to lecture either for or against what that company does.

Charlie Elphicke: I stand corrected by my right hon. Friend. It is not a question of Apple; it is a question of general US outbound tax planning. That is why country-by-country reporting matters.

Stephen Timms (East Ham) (Lab): I agree with the points that the hon. Gentleman makes, but can he confirm my understanding that if the amendment tabled by my right hon. Friend the Member for Don Valley (Caroline Flint) had applied in Ireland in the case of Apple, we would have known that very, very large profits were being made by the company, which seems to have existed only on paper, and we would also have known that it was paying a tiny amount of tax? Would not that have been a valuable step forward in understanding what was going on?

Charlie Elphicke: The key issue is that we did know. As I recall, Apple had to report the situation in some investigation by the Senate in the United States. The Senate was wondering why very little tax had been paid by Apple in the United States. If my recollection is not correct, I am sure a fellow Member of this House will correct me. The issue is one of transparency. These things come to light because the US Senate holds an investigation, or some other enterprise or organisation, such as the Public Accounts Committee, carries out an investigation and starts asking questions.

In the previous Parliament, I myself went through the accounts of Google, Amazon and Starbucks and looked at what they were paying as a proportion of profits. That is why I think country-by-country reporting ought to be considered, and on an international basis.

It is important that countries act together to make sure that the international tax system is suitably robust for the internet age.

The reason that that matters is that when large enterprises, big businesses and the elites do not pay tax, it affects small businesses. It is the small business rooted in our soil which employs our neighbours and pays its dues that suffers when the competitive advantage, the level playing field and the rule of law are warped in that way. That is my prime concern. Small businesses in my constituency in Dover and Deal are the lifeblood of my local economy and I want them to have a fair crack. I want the towns and regions of this great nation, England, that I represent, and Wales and Scotland to have a fair crack and to be able to come to the fore. Particularly in Brexit Britain, it is important that they are able to come to the fore, to be galvanised and to be part of the leadership of this nation. That is why we need a Britain that works for the 90%, which is the towns and regions of our nations, rather than for big business and the elite 10%. That is important and it is why we need a tax system that works for everyone.

I have been deeply concerned recently when looking at accounts in the car rental industry. Colleagues may recall that Avis was accused of imposing a Brexit tax on people renting its cars. I looked at its accounts and saw that Avis had paid no tax itself. It taxed its British customers but did not seem to pay any British corporation tax on its profits.

Ian Murray (Edinburgh South) (Lab): The hon. Gentleman is making an incredibly powerful speech about the reasons for tax transparency, but in the case of companies such as Avis, which he mentions, should we not have transparency for one simple reason only—so that consumers can vote with their feet? If they believe that they are purchasing products from companies that are not paying tax in this country or in other countries, they can go and buy those products from other companies that are paying tax.

Charlie Elphicke: That is a very powerful point. This is why transparency matters. If people know that they are being taken for a ride, they do not have to use an organisation that uses a Luxembourg structure, which is a common kind of intermediate structure for pan-European tax planning to organise things so that no tax need be paid.

This is not just about Avis. I had a look at the accounts of Hertz, another large US car rental company that also does not seem to have paid any tax in the past few years. It is hard to tell how it is doing that, and I had to look at the accounts in very great detail. It has some let-out whereby the company does not have to report related-party transactions. One would think that it may well be renting its car fleets through the Luxembourg company or the Netherlands BV that it uses. Hertz uses a Netherlands BV and Avis uses a Luxembourg company to get money out of the UK tax net so that it is not subject to tax on any profit. However, I cannot tell, because we do not have that level of reporting. That is why country-by-country reporting is important, not just as a tax concept but as an accounting concept, so that one can see where the money has gone. Similarly, inter-company loans and borrowings are often at the much higher rate. That is certainly the case with Avis,

[*Charlie Elphicke*]

which was paying more in its inter-company loans than in its borrowings to the bank. That, too, caused me a level of concern. There seemed perhaps to be some trademark royalties in there, or some royalties to do with its internal IT and computer systems, but it was hard to tell because we do not have that granularity in the accounts.

We ought to have a greater level of knowledge, a greater level of reporting, and a greater level of understanding of how money is being paid, the taxes that are due, and the nature of the planning that is being undertaken so that our laws are more robust and we can make sure that everyone in this nation pays a fair share of tax, be they the cleaner or the largest enterprise that is trading. It matters for the rule of law, for a fair and open market, and for a level competitive playing field that all businesses and enterprises are treated the same.

Mike Wood (Dudley South) (Con): As a Conservative, I believe that taxes, whether direct or indirect, need to be kept as low as possible, consistent with the need to raise finances for our vital public services and for our national security. Unnecessarily high taxation not only strangles growth and development but means Government taking from those who have earned money, whether through labour, innovation, or capital.

However, the flipside of keeping tax levels low is that everybody must pay their fair share. Aggressive tax avoidance, bending the rules of the tax system to gain an advantage that Parliament never intended, means that a heavier burden falls on others, who are able to keep less of the money that they have earned. This Government are rightly committed to supporting businesses through low taxes—that is why corporation tax is being cut again to 17%—but those taxes do have to be paid.

This Bill therefore addresses many of the ways that companies use to avoid paying their fair level of tax. That includes the amendments that we are debating, tabled by the Government, to reform hybrid mismatches. The amendments will reduce aggressive tax planning, typically involving a multinational group. The introduction of these rules will, in essence, remove the tax advantage arising from the use of hybrid entities and instruments, and ought to encourage more businesses to adopt less complicated, more transparent cross-border investment structures. I look forward to similar rules being introduced by other jurisdictions. However, in line with OECD regulations, the Bill contains provisions for counteraction in the UK where the other country does not counteract the mismatch within its own hybrid mismatch rules. The Bill introduces the new penalty of 60% of tax due that was announced in the Budget, to be charged in all cases successfully tackled by the general anti-avoidance rule.

Government amendments 136 and 137 help to ensure that the changes announced in the Budget work as intended, cracking down further on unscrupulous and aggressive tax avoidance. I agree with the comments made by my hon. Friend the Member for Dover (*Charlie Elphicke*) on country-by-country reporting, as well as those raised so regularly by the right hon. Member for Don Valley (*Caroline Flint*). There is widespread and growing agreement that there is a need to move to country-by-country reporting so that the information is

out there and available both to national tax authorities and to the wider public. That brings us back to the question of whether the best way to achieve that is for individual countries to act unilaterally or for the UK to move in partnership with our international allies and through a range of international organisations both within and beyond Europe.

Rob Marris: Of course, the Opposition want international action, we want international co-operation and we want our international friends to copy the amendment tabled by my right hon. Friend the Member for Don Valley (*Caroline Flint*), which we hope will be successful tonight. However, we also need to bear it in mind that half the tax havens in the world are British overseas territories. We have a particular responsibility in this regard worldwide. It is not about some sort of moral responsibility—to use the old-fashioned phrase, the white man's burden—or any of that nonsense. It is to do with the fact that British overseas territories are responsible for half of these shenanigans.

Mike Wood: The hon. Gentleman makes a valid point, but we should also recognise, as I am sure he will, the progress that has been made in recent years to insist on those overseas territories moving into the 21st century so that their tax arrangements comply with what we would expect for international standards. In a globalised world, we must be clear that concerted international effort is needed to stop continued cross-border tax avoidance, evasion or plain old-fashioned aggressive but unscrupulous planning.

The UK Government have done more than any previous Government and more than most of our international allies and competitors to eradicate these practices, and they continue to do so, but of course more must be done and I welcome the reassurances we have heard from the Government that this remains a priority. I am pleased that the Government are now pursuing country-by-country reporting and that it will be discussed at the forthcoming G20 Finance Ministers meeting. This measure will by itself help to increase transparency across multinationals, supporting not only our tax authorities but, perhaps more importantly, those of the developing countries of which we have heard, which are almost literally being robbed of vital sources of income.

In conclusion, the Finance Bill and the amendments tabled to it include both pioneering and bold measures. It will ensure that taxes are paid and that everybody pays their fair share, and I look forward to supporting it this evening.

John Redwood: I remind the House that I have declared in the register of interests that I am a registered investment adviser, but obviously I am not speaking on their behalf in this debate.

It seems to me that there is common ground among all parties in this House that we need to collect a decent amount of tax revenue and that we want to ensure that those who are rich, particularly companies that seem to generate a lot of turnover and possibly profit, pay their fair share. We recognise, I think, that we have to operate in a global market. We are talking about what are usually large corporations that genuinely make different levels of profit and generate different amounts of turnover in different jurisdictions, and that have genuinely

complicated arrangements when they switch components, technology, ideas and work between different centres. Even in a service business that does that through electronic communication and digital activity, there may be different people in different centres around the world who contribute to servicing the client and to dealing with the particular product. There are, therefore, genuine issues for the honest company in trying to define and measure precisely where work is done, where added value is greatest and what is a fair attribution.

We as legislators have to understand that complexity and try to come up with a good judgment, collectively and globally between the main jurisdictions, on what is a fair way to instruct those global companies to report in our different jurisdictions so that sensible amounts of tax are captured.

9.30 pm

We also need to remember that we as legislators often help create the very problem that offends quite a lot of MPs, because we speak with forked tongue when it comes to tax matters. When discussing tax, this House often wants to offer tax breaks. The House will say, “We would like companies to do more R and D or invest more in plant and equipment,” or, “We would like individuals to save for their retirement, save generally or be entrepreneurial, set up a business and then sell it in few years at a good profit.” We collectively decide that we should encourage more of that conduct by letting people off income tax, capital gains tax, corporation tax or a combination of general taxes as an incentive for them to behave in the way we would like. We must, therefore, take some responsibility for tax avoidance—obviously not for law-breaking—by those who use the tax breaks we provide.

We are now trying to define something that is not strictly law-breaking, which we all condemn and is an enforcement matter, or a friendly tax incentive, which we probably still agree on. I suspect that every MP in this House thinks that something should be encouraged by tax incentive, but we are trying to define something in the middle, which has come to be called aggressive avoidance, where there are elements of doubt. That is where legislators need to do a better job, because we need to be able to say to people and companies, “This is illegal conduct and you will be prosecuted for it, and everything else is legal conduct and meets your obligations.” If we find that we are not collecting enough tax, perhaps the problem lies with us and perhaps we have to review the whole range of incentives and tax breaks that we offer, because that may be the origin of the problem of our not collecting as much tax as we need or would like to meet the requirements of our public services and other needs.

I will keep my remarks suitably brief. We need a certain amount of humility as legislators. It is very easy to get on a high horse about rich individuals and rich companies. Some of them do break the law—a minority, I trust—and they need to be pursued and prosecuted. Many others are honestly trying to report their tax affairs, complicated as they are, in multiple jurisdictions. This evening we are debating a 644-page addition to our tax code. Given that we are just one medium-sized country and that a multinational company may have to report to 30, 40 or 50 different countries, all of which are generating tax codes on that monumental scale, we

should pause a little and ask ourselves whether we are getting in the way of levying fair tax by the very complexity of the rules we are establishing.

Rebecca Long Bailey: I will speak to a number of amendments in my name and those of my hon. Friends. New clause 12 would require the Government to report within one year on the impact of the criminal offences relating to offshore income assets and activities created by clause 165. Amendments 167 and 168 would make it compulsory, rather than just possible, for HMRC to publish the names of those who hide behind entities such as companies and trusts when committing offshore tax evasion. Amendments 171 to 173 would expand the definition of “reasonable” referred to in clause 165 to include

“an honest belief that all of the information included was true and accurate”,

because the Opposition are concerned that the category of reasonableness is, on its own, far too subjective. Amendments 163 and 164 would strengthen the penalty for enablers of offshore tax evasion to include 100% of the fees received by the enabler of the service—for the lawyers in the Chamber, the principle of just enrichment, as it were. The aim of that is to neutralise somewhat the commercial aspect of the tax avoidance industry.

Amendments 165 and 166 would increase the minimum penalties for inaccuracy, failure to notify a charge to tax or failure to deliver a return, in relation to offshore matters and transfers, by 15% rather than the Government’s suggested 10%. In their consultation “Strengthening civil deterrents for offshore evaders” the Government considered increasing the minimum penalties by 15% rather than 10%. These are probing amendments to find out why the Government opted for a smaller increase than the one that they initially considered.

Up next we have amendment 170, which would increase from 10% to 15% the asset-based penalty introduced by schedule 22. The Government’s consultation on this penalty cited different rates for such asset-based penalties across the world, including in Italy where the penalty is up to 15%. As I will expand on in a moment, the Opposition think that we must be world leaders on stamping out tax avoidance, so I think our penalty should be, at the very least, on a par with precedents across the world. Those penalties are a start, but I would add that in the light of the latest Government consultation on tackling offshore tax evasion, which would introduce a separate offence not covered by the Bill, there appears to be a clear move by stakeholders to suggest that even higher penalties are required. I urge the Government to consider those suggestions carefully.

I confirm Labour’s support of cross-party amendment 145 on public country-by-country reporting, which was tabled by my right hon. Friend the Member for Don Valley (Caroline Flint). I place on record my thanks to her for the hard work that she has put into pursuing this important issue. It is testimony to that hard work that many Members across the House—including members of the Public Accounts Committee and more than 60 MPs from eight political parties, as my right hon. Friend illustrated—and organisations outside this House have supported this amendment. I will not go over the ground that she has covered, because she has put her case articulately. The enabling power contained in the amendment would give the UK

[Rebecca Long Bailey]

scope to strengthen its influence on international tax transparency negotiations, and it would build greater consensus.

Finally, new clause 13 would require a comprehensive report into the UK tax gap, which is defined as the difference in any financial year between the amount of tax HMRC should be entitled to collect and the tax that it collects. Such difference derives from tax avoidance and evasion. The contents of the report would be as set out in the new clause, and it would have to be carried out in consultation with stakeholders. It would examine a number of areas relating to tax avoidance in the hope that the Government might review their policy and tailor it to deal adequately with such issues.

Chris Stephens (Glasgow South West) (SNP): Does not new clause 13 expose the idiocy of closing HMRC offices, as the Government are planning to do to 90% of them? Would it not also allow Members to look at the number of staff in HMRC dealing with tax avoidance and set that against the 3,765 staff in the Department for Work and Pensions who deal with £1.2 billion of so-called social security fraud?

Rebecca Long Bailey: The hon. Gentleman makes a very good point. The report is intended to highlight any deficiencies that might be found in HMRC's resources or structures that affect its ability to tackle tax avoidance.

As Members who read new clause 13 will see, the part relating to HMRC goes into a lot of detail. Briefly, however, the report would be required to cover figures for the UK tax gap for the past five financial years; details of the model used by HMRC for estimating the UK tax gap; an assessment of HMRC's efficacy in dealing with the UK tax gap; details of the tax revenue benefits for companies engaged in public procurement that are registered in the UK only for tax purposes; an assessment of the efficacy of the general anti-abuse rule in discouraging tax avoidance; consideration of the benefits for tax revenue of introducing a set of minimum standards in tax transparency for all British Crown dependencies and overseas territories; and, finally, an assessment of the impact on tax revenues of establishing a public register of all trusts located within the UK, British Crown dependencies and overseas territories.

The new clauses and amendments we have tabled are necessary now more than ever. I appreciate that we have limited time today, so we will push to a vote only new clause 13. As I have said, we will support my right hon. Friend the Member for Don Valley should she wish to press her amendment 145. We also support new clause 7, which has been articulately outlined by the hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin).

On the other amendments, I hope that the Minister will listen very carefully to the comments throughout my speech. The Government have ample opportunity outside the scope of the Bill—if, indeed, there is the will—to implement many of my requests. I will explain the rationale behind our various amendment.

The law on tax avoidance has been greatly influenced by the words of Lord Tomlin in the case of the *Inland Revenue Commissioners v. the Duke of Westminster* in 1935. Lord Tomlin decided that it was the right of every Englishman to organise his affairs so as to minimise his

liability for tax. Sadly, that idea fuels the tax avoidance industry even today. In this age of so-called austerity, with pressure on the NHS, the armed forces, our teachers and our young people—the list goes on—quite frankly it is not acceptable for people to seek to avoid their taxes.

Hon. Members on both sides of the House have come to agree that tax avoidance should be fought. The trouble is that this Government have failed to tackle the problem head-on, but simply tinkered here and there with piecemeal bits of legislation, and this Finance Bill is no different. We need a real commitment from this Government to an overarching strategy that provides genuine legal teeth to tackle the millionaire tax dodgers and the advisers surrounding them.

To take hon. Members on a little historical, magical mystery tour, in the 1980s, judges, not Parliament, developed a principle that put a dent in the tax avoidance industry—the Ramsay doctrine. The principle provided that artificial tax avoidance schemes should be analysed as a whole, not analysed by each piece separately. That meant that clever tax schemes could be dismantled by taking out all the artificial elements, with what was left being taxed as though the artificial elements had never existed. The effect on tackling tax avoidance schemes was huge.

Unfortunately, case law has moved on over the years, and we have now returned to a world in which tax law is considered to be entirely a matter of statutory interpretation. There are no general principles at work that can be used when interpreting legislation to combat tax avoidance in practice. In addition, our tax statutes are extraordinarily long and very detailed. That is meat and drink to tax specialists. Any Member of the House my age or above may remember the “Peanuts” cartoons. In one episode, Linus says, “Now I know the rules, I know how to get round them.” Linus could have been a tax lawyer.

Tax lawyers love playing with the rules, and we should not underestimate the expertise and determination of the tax avoidance community. In fact, one tax law specialist recently told me something really harrowing about a firm of accountants in the 1990s. A specific piece of legislation had been drafted to tax any trust that shifted offshore. An exception to that rule arose if one of the trustees died and the trust shifted offshore as a consequence. Those accountants canvassed a cancer ward to see whether the relatives of people dying of cancer would be prepared to have their dying family member signed up to act as a trustee of their clients' trusts. They sought reassurances that the patient would die soon and promised to pay a small fee. That is an extreme case, but is an example of the depths to which people will sink to avoid paying their taxes and of how loopholes can be found in the depths of legislation.

9.45 pm

A complete reorganisation of our tax avoidance laws is therefore needed. We need a general anti-avoidance principle that is broadly drawn, so that it empowers courts to interpret all tax laws purposefully. That is something that many of us on the Opposition Benches have been calling for, as has the TUC, but Government attempts thus far have been piecemeal at best.

To continue my history tour of a general anti-avoidance principle, we first had the narrow rule, in the Finance Act 2013, that focused only on abusive arrangements.

Those arrangements had to be considered to be unreasonable by a panel of industry tax experts before HMRC could act. That is an obvious example of poachers, in the form of a panel of industry tax experts, being established to advise on how to catch poachers, essentially; alternatively, we might think of them as turkeys being asked to advise about the menu for Christmas lunch.

Secondly in the Government's timid tax avoidance legislation, there was a slight broadening out of the rule to impose penalties on avoiders. Thirdly, we gained the power to name evaders. Fourthly, we had provisions to catch those who enable tax evaders. Now there is a consultation on whether those who enable tax avoiders should be treated similarly. It is all far too slow, and far too little. As the Minister will be able to note from the number of amendments we have tabled today and on previous occasions in this House, the legislation does not have the strength or clarity it deserves. We can continue to tinker about in successive Finance Bills, trying to stick plasters over our deficient tax legislation, or we can develop a comprehensive tax avoidance strategy with heavyweight legislation to match.

As I mentioned earlier, the Labour party has tabled new clause 13 to encourage the Government to carry out a wide-ranging report on the UK tax gap. It is hoped that that report will help the Government to assess carefully the pressure points and areas of weakness in their current tax avoidance policy. We are limited by the scope of the Bill to calling for a report specifically; but Labour is committed to a full public inquiry on the matter, and I would welcome the Minister's support for that.

This whole sorry mess—from the exposure of offshore tax havens with the Panama papers through to the largest corporations in the world paying next to nothing in tax, investment banks using financial instruments to avoid tax and clever tax advisers designing off-the-peg avoidance schemes—needs to be exposed to the disinfectant properties of daylight. It needs disinfectant because quite frankly it stinks. We need transparency in our tax system, and a full inquiry to help us design a system that will really challenge the tax avoidance industry. We need to change fundamentally the way in which we organise our tax laws so that they are based on broad principles that make it difficult to avoid them. We must then fund and equip HMRC so that it can actually take the fight to the tax dodgers, by arming it with better tax statutes and staffing it with more highly qualified staff. We must provide it with real support in combating tax avoidance.

The Panama papers are a symptom of another well known disease. Many of the world's most appalling tax havens are British overseas territories or protectorates. We have to recognise that we have allowed that to happen. Essentially, new clause 13 asks the Government to explore the creation of a set of minimum standards on tax transparency for all British Crown dependencies and overseas territories. Further to that, it is imperative for the Foreign and Commonwealth Office to work seriously with Crown dependencies and the British overseas territories to establish genuine information sharing, so that they are transparent about the ownership of trusts and companies in their territories, and stop enabling the tax avoidance industry to flourish on their shores.

By allowing the super-wealthy tax dodgers of the world to moor their superyachts and their money in such places, we ensure that billions of pounds, dollars

and euros are lost to the public finances of the world. As a result, hospitals are not built, schools are not refurbished and jobs are lost. Misery and deprivation in our communities here in the UK is caused by tax avoidance, so it is time to stop taking piecemeal action in fighting it. It is time the Government dealt with the problem head-on. If the Government wanted to do anything about the tax avoidance industry, they would lift their heads up from fiddling about with the detail of successive Finance Bills and agree to the proposals the Opposition have tabled.

The Labour party is calling for the new Britain, which will soon be making its way out of the EU, to take a central role in the OECD initiative to fight corporate tax avoidance such as the base expansion scheme to fight transfer pricing and other corporation tax dodges. We are calling for support for the EU's recent initiative to confront the fact that billions of dollars in tax are being avoided by the world's largest corporations.

We must stop the game that the tax dodgers and their well paid advisers play with HMRC. We must stop the warped and dysfunctional dance between them, in which sweetheart deals are done with companies such as Vodafone, Google and Goldman Sachs. We must invest in HMRC, simplify our tax codes and build our laws on the simple principle that being a part of our society means paying a fair share towards its upkeep.

If Members of the House agree with those basic principles, I urge them to support the Opposition proposals as a small step towards that goal. Ultimately, however, I hope the Minister has listened carefully, because we deserve much more than the few tax avoidance provisions in the Bill. I should like to press new clause 13 to a Division.

Jane Ellison: It has been a wide-ranging and at times passionate debate. I shall address the Government amendments before addressing the amendments and new clauses tabled by the Opposition.

Clause 155 makes an administrative change to strengthen the procedural efficiency of the GAAR. Amendments 136 and 137 make small technical changes to the clause, which incorporate the new terms introduced by clause 156. The new terms provide a new way of counteracting under the GAAR procedure to enable the same advisory panel opinion to apply to multiple users of marketed tax avoidance schemes. We believe that the changes will streamline the procedure without altering the fundamental test to which taxpayers are subject under the GAAR. They will ensure that a provisional GAAR counteraction will apply equally to all counteraction procedures, and enable tax to be protected for the cases that we intend to address.

Amendment 145, to which the right hon. Member for Don Valley (Caroline Flint) spoke, would give the Treasury the power to require groups to publish a country-by-country report showing their profits, taxes paid and other financial information for the countries in which they operate. As she and others acknowledged in the debate, the UK has led international efforts, although the hon. Member for Salford and Eccles (Rebecca Long Bailey), who spoke for the Opposition, was, to say the least, miserable about the leadership that the UK has shown. I did not recognise the description she applied, but others were more generous, noting the fact that the UK has rightly led those international efforts to tackle tax avoidance by

[Jane Ellison]

multinational enterprises, for all the reasons so brilliantly articulated by colleagues such as my hon. Friend the Member for Dover (Charlie Elphicke). We all support what he said. The Government have been a firm supporter of greater tax transparency and greater public disclosure of the tax affairs of large businesses. For those reasons, we fully support the intentions of amendment 145 and will support its inclusion in the Bill.

The Government have consistently pushed for a multilateral solution for country-by-country reporting. For example, the Chancellor made the case for looking at this at the G20 in July. Amendment 145 is very much in keeping with that aim and provides the Government with the power to implement when appropriate. It is none the less important that the power is used to deliver a comprehensive and effective model—as was acknowledged by the right hon. Lady—of public country-by-country reporting that is agreed on a multilateral basis. I am sure we will return to this issue and the basis on which we can go forward. It means a model that requires all groups, both UK headquartered and non-UK headquartered, to report accessible information for the full range of countries in which they operate. It is vital for ensuring that the policy intention of greater transparency is delivered. It is also important for ensuring that UK headquartered groups are not put at a competitive disadvantage. Again, I pay tribute to the right hon. Lady for recognising that concern, as expressed earlier in the year in a previous stage of the Bill, and that disclosure requirements cannot be avoided through group restructuring—another issue that we want to ensure we are on top of.

The Government remain focused on getting international agreement for such a model, as part of their continued efforts to ensure that taxes are paid and paid in jurisdictions where economic activities take place. The right hon. Lady and the House have my assurance that the Government will continue to take every opportunity to champion this agenda at an international level. It is increasingly clear that we move forward with a welcome degree of agreement across this House.

Caroline Flint: I thank the Minister for the Treasury's decision to support my amendment. I hope we can work together to consider how we can make the journey to introducing this in this country, with others, a real possibility in the future.

Jane Ellison: Indeed. We have seen, in other areas where we have shown leadership, how much can happen in a very short space of time, so we are optimistic that we can make progress with a welcome degree of consensus across the House.

Amendments 163 to 168, 170 to 173 and new clause 12 all concern penalties for offshore tax avoidance and evasion. Clause 161 and schedule 20 create new civil penalties for those who have deliberately assisted taxpayers to evade UK inheritance tax, capital gains tax or income tax via offshore means. They would introduce a penalty of up to 100% of the tax evaded and public naming for the most serious cases. Amendments 163 and 164 would include within the penalty provisions the option of charging a penalty of up to 100% of any fee paid by a taxpayer to the enabler for the enabling service received.

Fees charged by organisations can take a vast array of different structures and formats. Without a clear definition of what constitutes fees, or how the fee relates to the services provided, we believe it would be disproportionately burdensome for HMRC to apply and use such a penalty. A penalty based on tax lost is a much clearer and more easily defined concept, which better meets the objective of sending a strong and clear deterrent.

Amendments 165 and 166 would increase the minimum penalties chargeable for deliberate offshore tax evasion. Again, the Government have significantly increased sanctions that can be applied for offshore tax evasion. However, we have to balance that against the need to maintain the proportionality of our penalties and retain the incentive for taxpayers to comply voluntarily and co-operate with HMRC, an area in which we have seen considerable activity. We therefore believe that the ranges we have set out provide a good balance. However, as with all of our penalties, we keep the rates under review.

Amendments 167 and 168 would make it compulsory for HMRC to publish details of those tax defaulters who meet the relevant criteria. Obviously, public naming incentivises evaders to come forward voluntarily and co-operate, but it allows the naming of those who refuse to co-operate with HMRC. In the vast majority of cases, we would expect HMRC to name those who meet the criteria. However, mandatory publication would be inappropriate in some particular exceptional circumstances, or perhaps when there are wider consequences, such as economic market impacts from the information becoming public.

Clause 164 and schedule 22 introduce a new asset-based penalty for the most serious cases of deliberate onshore tax evasion, where the tax loss exceeds £25,000, and would levy a penalty of up to 10% of the value of the asset connected to the evasion in addition to any other tax-gear penalties and interest due.

10 pm

Amendment 170 would apply a higher penalty of up to 15% of the underlying asset rather than the 10% set out in the Bill. This level of penalty was carefully considered when it was set, accounting for international comparisons. The Opposition referred to that and to the fact that this is a new approach to penalties for UK tax matters. The Government have also consulted and engaged with stakeholders, balancing the arguments that have been set out. We feel that the legislation as it stands allows for a substantial penalty for deliberate tax evasion and will provide a significant deterrent. It is not clear to us, however, that an arbitrary 5% increase in the maximum would significantly increase the impact of the penalty.

Clause 165 introduces a new criminal offence of persistent offshore tax evasion. Crucially, though, the offence does not require the prosecutors to prove that the taxpayer intended to evade their UK tax responsibilities offshore, increasing our ability to prosecute. A successful conviction on this offence could result in a fine or a prison sentence of up to six months.

New clause 12 introduces a requirement to publish a report on the impact of the new criminal offence within a year of the Act being passed. The new criminal offence is expected to come into effect from the 2017-18

tax year at the earliest, which is beyond the one-year deadline set out in the new clause. We feel that this therefore makes the provision redundant.

Amendments 171 to 173 will introduce a further defence to this criminal offence where a person believed that the information supplied to HMRC was “true and accurate”. These amendments will not work in practice. The part of the clause to which they relate is the offence of failure to notify HMRC of chargeability and failure to make a return. In both those cases, no information would have been supplied to HMRC, so this defence could not be applied. While amendment 173 relates to inaccuracies in documents supplied to HMRC, we feel that the amendment is unnecessary because the offence already has a defence of having taken “reasonable care” to get one’s affairs right, which would imply that the taxpayer believed that they were “true and accurate”.

New clause 7, tabled by the hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin), would legislate for a review of the impact of the tax regime for Scottish limited partnerships on the levels of tax avoidance and evasion. A Scottish limited partnership is treated for tax purposes as a tax transparent vehicle in the same way as a limited partnership established in England and/or Wales. As he set out in moving the new clause, a limited partnership established in Scotland has a separate legal personality, which means that the partnership itself can own assets and enter into contracts. The Government are committed effectively to tackling tax avoidance, evasion and aggressive tax planning, including where partnerships are involved. Indeed, this has secured an additional £130 billion in compliance yield since 2010.

Last month, the Government launched a consultation to look at partnership taxation, including proposals to clarify the tax treatments of varied types of partnership. We will obviously welcome the SNP’s engagement in that exercise, and I would like to offer some reassurance regarding the recent allegations in the media about the use of SLPs by criminal organisations. The Government take extremely seriously the points raised and are working collaboratively across Departments and law enforcement agencies to tackle crime and fraud robustly.

Kirsty Blackman: It is not entirely clear. Will the Minister let us know whether she will support the inclusion of new clause 7 on the basis that, as she has just made clear, it would be a good idea and important to do so? If she is not willing to support it, will she justify why the Government are willing to leave the loophole undiscussed and in place?

Jane Ellison: As I have just laid out, consultation is under way, which provides an opportunity to look at those precise issues. As I said, I invite the SNP to engage with that consultation.

Turning to deal with the lengthy speech and case made for Labour’s new clause 13, which provides for a report on the UK tax gap, the tax gap is an official statistic published each October and it is produced in accordance with a code of practice for official statistics, which assures objectivity and integrity. The methodology is judged by independent third parties to be robust, and it has been intensively reviewed and given a clean bill of health by both the International Monetary Fund and the National Audit Office. There is therefore no need for a report on the tax gap. Furthermore, HMRC

publishes a methodological annexe alongside the tax gap publication, which provides details of the data and methodology used to produce estimates of the gap.

I think it fair to say that, in speaking about new clause 13, the hon. Member for Salford and Eccles painted a picture which, on the Government of the House and, I suspect in other parts as well, could be regarded as at the very least ungenerous and in many ways inaccurate, unfair and, indeed, unrecognisable, given the way in which she downplayed the efforts made by the Government. To call that tinkering at the edges is simply nonsense.

Since 2010, the Government have given HMRC £1.8 billion to tackle evasion, avoidance and non-compliance, and, as I said earlier, over that period HMRC has secured £130 billion in additional tax revenues. We have shown considerable ambition, and, as other Opposition Members have been generous enough to acknowledge, international leadership. I therefore do not accept the criticisms that were voiced from the Opposition Front Bench. It is also worth noting that in the summer Budget of 2015, the Government invested a further £800 million to fund additional work to tackle tax evasion and non-compliance.

No Government, particularly the last Labour Government, have come close to being as ambitious as we have been since 2010 in respect of this important agenda. The fact that there was considerable agreement across the House in the earlier part of the debate, and the fact that the Government have accepted the amendment tabled by the right hon. Member for Don Valley, gives some weight to our claim that we are beginning to strike a UK consensus about the need to tackle this problem, and we have a chance to continue to make progress. I know that there is an appetite to return to these issues. There is a real desire to see the Government continue to lead internationally on avoidance and evasion, and the House can be reassured that that is exactly what we intend to do.

Mr Speaker: Does the hon. Member for Kirkcaldy and Cowdenbeath (Roger Mullin) wish to respond, which he is permitted, but not required, to do?

Roger Mullin: A few words, Mr Speaker. I merely wish to say that I am incredibly disappointed that the Government have chosen to drag their feet on the issue of Scottish limited partnerships, and that, on the basis of their own arguments, we will press new clause 7 to a vote.

Mr Speaker: That was a commendably pithy speech from the hon. Gentleman, for which I think the House is almost audibly grateful, if I may put it that way.

Question put, That the clause be read a Second time.

The House divided: Ayes 248, Noes 304.

Division No. 55]

[10.7 pm

AYES

Abbott, Ms Diane	Ashworth, Jonathan
Abrahams, Debbie	Bailey, Mr Adrian
Ahmed-Sheikh, Ms Tasmina	Barron, rh Kevin
Alexander, Heidi	Beckett, rh Margaret
Allin-Khan, Dr Rosena	Benn, rh Hilary
Anderson, Mr David	Betts, Mr Clive
Arkless, Richard	Black, Mhairi

Blackford, Ian
 Blackman, Kirsty
 Blenkinsop, Tom
 Blomfield, Paul
 Boswell, Philip
 Bradshaw, rh Mr Ben
 Brake, rh Tom
 Brennan, Kevin
 Brock, Deidre
 Brown, Alan
 Brown, rh Mr Nicholas
 Bryant, Chris
 Buck, Ms Karen
 Burden, Richard
 Burgon, Richard
 Burnham, rh Andy
 Butler, Dawn
 Byrne, rh Liam
 Cadbury, Ruth
 Campbell, rh Mr Alan
 Campbell, Mr Ronnie
 Carmichael, rh Mr Alistair
 Champion, Sarah
 Chapman, Douglas
 Chapman, Jenny
 Cherry, Joanna
 Coaker, Vernon
 Coffey, Ann
 Cooper, Julie
 Cooper, rh Yvette
 Cowan, Ronnie
 Coyle, Neil
 Crawley, Angela
 Creasy, Stella
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Alex
 Cunningham, Mr Jim
 Dakin, Nic
 Danczuk, Simon
 David, Wayne
 Day, Martyn
 De Piero, Gloria
 Debonnaire, Thangam
 Docherty-Hughes, Martin
 Donaldson, Stuart Blair
 Doughty, Stephen
 Dowd, Peter
 Dromey, Jack
 Durkan, Mark
 Eagle, Ms Angela
 Eagle, Maria
 Edwards, Jonathan
 Efford, Clive
 Elliott, Julie
 Elliott, Tom
 Ellman, Mrs Louise
 Elmore, Chris
 Esterson, Bill
 Evans, Chris
 Farrelly, Paul
 Ferrier, Margaret
 Fitzpatrick, Jim
 Ffello, Robert
 Fletcher, Colleen
 Flint, rh Caroline
 Flynn, Paul
 Fovargue, Yvonne
 Foxcroft, Vicky
 Furniss, Gill
 Gapes, Mike

Gardiner, Barry
 Gethins, Stephen
 Gibson, Patricia
 Glass, Pat
 Glindon, Mary
 Godsiff, Mr Roger
 Goodman, Helen
 Grady, Patrick
 Grant, Peter
 Green, Kate
 Greenwood, Lilian
 Greenwood, Margaret
 Griffith, Nia
 Haigh, Louise
 Hamilton, Fabian
 Hanson, rh Mr David
 Harman, rh Ms Harriet
 Harris, Carolyn
 Hayes, Helen
 Hayman, Sue
 Healey, rh John
 Hendry, Drew
 Hepburn, Mr Stephen
 Hermon, Lady
 Hillier, Meg
 Hodge, rh Dame Margaret
 Hodgson, Mrs Sharon
 Hollern, Kate
 Hosie, Stewart
 Hunt, Tristram
 Hussain, Imran
 Johnson, rh Alan
 Johnson, Diana
 Jones, Gerald
 Jones, Graham
 Jones, Helen
 Jones, Mr Kevan
 Jones, Susan Elan
 Kendall, Liz
 Kerevan, George
 Kinahan, Danny
 Kinnock, Stephen
 Kyle, Peter
 Lamb, rh Norman
 Lammy, rh Mr David
 Lavery, Ian
 Law, Chris
 Leslie, Chris
 Lewell-Buck, Mrs Emma
 Long Bailey, Rebecca
 Lucas, Caroline
 Lucas, Ian C.
 Lynch, Holly
 MacNeil, Mr Angus Brendan
 Mactaggart, rh Fiona
 Madders, Justin
 Mahmood, Mr Khalid
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marsden, Mr Gordon
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCabe, Steve
 McCaig, Callum
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McDonnell, Dr Alasdair

McDonnell, John
 McFadden, rh Mr Pat
 McGarry, Natalie
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McKinnell, Catherine
 McLaughlin, Anne
 McMahan, Jim
 Meale, Sir Alan
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 Morden, Jessica
 Mulholland, Greg
 Mullin, Roger
 Murray, Ian
 Nandy, Lisa
 Newlands, Gavin
 Nicolson, John
 O'Hara, Brendan
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Paterson, Steven
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Pound, Stephen
 Powell, Lucy
 Pugh, John
 Qureshi, Yasmin
 Rayner, Angela
 Reed, Mr Jamie
 Reed, Mr Steve
 Reeves, Rachel
 Reynolds, Emma
 Reynolds, Jonathan
 Rimmer, Marie
 Ritchie, Ms Margaret
 Robertson, rh Angus
 Rotheram, Steve
 Ryan, rh Joan
 Saville Roberts, Liz
 Sheerman, Mr Barry

Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, rh Mr Andrew
 Smith, Angela
 Smith, Jeff
 Smith, Nick
 Smyth, Karin
 Spellar, rh Mr John
 Starmer, Keir
 Stephens, Chris
 Streeting, Wes
 Stringer, Graham
 Stuart, rh Ms Gisela
 Tami, Mark
 Thewliss, Alison
 Thomas-Symonds, Nick
 Thomson, Michelle
 Thornberry, Emily
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Umunna, Mr Chuka
 Vaz, Valerie
 Weir, Mike
 West, Catherine
 Whiteford, Dr Eilidh
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Williams, Hywel
 Williams, Mr Mark
 Wilson, Phil
 Winnick, Mr David
 Winterton, rh Dame Rosie
 Wishart, Pete
 Wright, Mr Iain
 Zeichner, Daniel

Tellers for the Ayes:
Marion Fellows and
Owen Thompson

NOES

Adams, Nigel
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Amess, Sir David
 Andrew, Stuart
 Ansell, Caroline
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, Stephen
 Baron, Mr John
 Barwell, Gavin
 Bebb, Guto
 Bellingham, Sir Henry
 Beresford, Sir Paul
 Berry, James
 Bingham, Andrew
 Blackman, Bob

Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Borwick, Victoria
 Bottomley, Sir Peter
 Bradley, rh Karen
 Brady, Mr Graham
 Brazier, Mr Julian
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burns, Conor
 Burns, rh Sir Simon
 Burrows, Mr David
 Burt, rh Alistair
 Cairns, rh Alun
 Campbell, Mr Gregory
 Carmichael, Neil
 Cartledge, James
 Cash, Sir William

Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Mr Christopher
 Churchill, Jo
 Cleverly, James
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Colvile, Oliver
 Costa, Alberto
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Byron
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Dr James
 Davies, Mims
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Dodds, rh Mr Nigel
 Donelan, Michelle
 Dorries, Nadine
 Double, Steve
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, James
 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
 Fabricant, Michael
 Fallon, rh Michael
 Fernandes, Suella
 Field, rh Mark
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freer, Mike
 Fuller, Richard
 Fysh, Marcus
 Garnier, rh Sir Edward
 Garnier, Mark
 Gauke, rh Mr David
 Gibb, Mr Nick
 Gillan, rh Mrs Cheryl
 Glen, John
 Goldsmith, Zac
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Gray, Mr James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gummer, rh Ben
 Gyimah, Mr Sam
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Hart, Simon
 Haselhurst, rh Sir Alan
 Hayes, rh Mr John
 Heald, Sir Oliver
 Heappey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Mr Adam
 Hopkins, Kris
 Howarth, Sir Gerald
 Howell, John
 Howlett, Ben
 Huddleston, Nigel
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 James, Margot
 Javid, rh Sajid
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Kennedy, Seema
 Kirby, Simon
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lancaster, Mark
 Latham, Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Leigh, Sir Edward
 Letwin, rh Mr Oliver
 Lewis, Brandon
 Lewis, rh Dr Julian
 Lidington, rh Mr David
 Lilley, rh Mr Peter
 Lopresti, Jack
 Loughton, Tim
 Lumley, Karen
 Mackinlay, Craig
 Mackintosh, David
 Main, Mrs Anne
 Mak, Mr Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McLoughlin, rh Mr Patrick
 Menzies, Mark

Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Mordaunt, Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mowat, David
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, Caroline
 Nuttall, Mr David
 Offord, Dr Matthew
 Opperman, Guy
 Osborne, rh Mr George
 Paisley, Ian
 Parish, Neil
 Patel, rh Priti
 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
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Henry
 Smith, Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Solloway, Amanda
 Soubry, rh Anna
 Spelman, rh Mrs Caroline
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, Mel
 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
 Treddinick, David
 Trevelyan, Mrs Anne-Marie
 Truss, rh Elizabeth
 Tugendhat, Tom
 Turner, Mr Andrew
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Mrs Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, Mr Ben
 Warburton, David
 Warman, Matt
 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
 Wood, Mike
 Wragg, William
 Wright, rh Jeremy
 Zahawi, Nadhim
Tellers for the Noes:
Graham Stuart and
Mark Spencer

Question accordingly negated.

New Clause 13

REPORT INTO THE UK TAX GAP

(1) The Chancellor of the Exchequer shall, within one year of the passing of this Act, prepare and publish a report, in consultation with stakeholders, on the UK Tax Gap.

(2) The report must include the following—

- (a) details of the UK Tax Gap (including individual breakdowns for figures relating to tax avoidance and tax evasion) for the financial years—
- (i) 2015-16;
 - (ii) 2014-15;
 - (iii) 2013-14;
 - (iv) 2012-13; and
 - (v) 2011-12;
- (b) a detailed summary of the model used by HMRC for estimating the UK Tax Gap;
- (c) an assessment of the efficacy of HMRC's performance in relation dealing with the UK Tax Gap, including—
- (i) a breakdown of specific HMRC departments or units dealing with investigation and enforcement matters in relation to the UK Tax Gap;
 - (ii) details of the numbers of staff in each of the years listed in paragraph (a) who are located within departments or units dealing with investigation and enforcement matters in relation to the UK Tax Gap;
 - (iii) details of the budgets allocated to departments or units dealing with investigation above; and
 - (iv) details of the numbers of prosecutions or the amount of tax recovered in each financial year listed in paragraph (a) as a result of the work of HMRC departments or units dealing with investigation and enforcement matters in relation to the UK Tax Gap in those financial years.
- (d) a review of the impact on tax revenues of requiring non-public organisations involved in public procurement processes to—
- (i) be registered in the UK for tax purposes;
 - (ii) have paid UK tax for a period of at least five years prior to the date the relevant contract is awarded;
 - (iii) publish full details of beneficial ownership for the period of five years prior to the date the relevant contract is awarded; and
 - (iv) provide company accounts (including those of any beneficial owners) for the period of five years prior to the date the relevant contract is awarded.
- (e) a comprehensive assessment of the efficacy of the General Anti Abuse Rule in discouraging tax avoidance;
- (f) an assessment of the impact on tax revenues of introducing a set of minimum standards in relation to tax transparency for all British crown dependencies and overseas territories including (but not limited to)—
- (i) placing a statutory duty on British crown dependencies and overseas territories to observe a system of good governance and practice in relation to tax enforcement; and
 - (ii) requiring British crown dependencies and overseas territories to maintain a public register of owners, directors, major shareholders and beneficial owners;
- (g) an assessment of the impact on tax revenues of establishing a public register of all trusts located within the UK, British Crown Dependencies and overseas territories, including but not limited to—
- (i) details of the names of beneficiaries to such trusts;
 - (ii) details of the addresses of beneficiaries to such trusts;
 - (iii) details of assets held by such trusts;
 - (iv) details of any trustees registered within the UK who have transferred that main residence to non-UK jurisdictions;
 - (v) details of tax avoidance schemes involving trusts which are currently disclosed to the HMRC.

(3) For the purposes of this section, the "UK Tax Gap" means the difference in any financial year between the amount of tax HMRC should be entitled to collect and the tax actually collected in that financial year which derives from tax avoidance and tax evasion.—(*Rebecca Long Bailey.*)

Brought up, and read the First time.

Question put, That the clause be read a Second time.

The House divided: Ayes 245, Noes 304.

Division No. 56]

[10.22 pm

AYES

Abbott, Ms Diane	Edwards, Jonathan
Abrahams, Debbie	Efford, Clive
Ahmed-Sheikh, Ms Tasmina	Elliott, Julie
Alexander, Heidi	Elliott, Tom
Allin-Khan, Dr Rosena	Ellman, Mrs Louise
Anderson, Mr David	Elmore, Chris
Arkless, Richard	Esterson, Bill
Ashworth, Jonathan	Evans, Chris
Bailey, Mr Adrian	Farrelly, Paul
Barron, rh Kevin	Fellows, Marion
Beckett, rh Margaret	Ferrier, Margaret
Benn, rh Hilary	Fitzpatrick, Jim
Berger, Luciana	Flelo, Robert
Betts, Mr Clive	Fletcher, Colleen
Black, Mhairi	Flint, rh Caroline
Blackford, Ian	Fovargue, Yvonne
Blackman, Kirsty	Foxcroft, Vicky
Blenkinsop, Tom	Furniss, Gill
Blomfield, Paul	Gapes, Mike
Boswell, Philip	Gardiner, Barry
Bradshaw, rh Mr Ben	Gethins, Stephen
Brake, rh Tom	Gibson, Patricia
Brennan, Kevin	Glass, Pat
Brock, Deidre	Glindon, Mary
Brown, Alan	Godsiff, Mr Roger
Brown, rh Mr Nicholas	Goodman, Helen
Bryant, Chris	Grady, Patrick
Buck, Ms Karen	Grant, Peter
Burden, Richard	Green, Kate
Burgon, Richard	Greenwood, Lilian
Burnham, rh Andy	Greenwood, Margaret
Butler, Dawn	Griffith, Nia
Byrne, rh Liam	Haigh, Louise
Cadbury, Ruth	Hamilton, Fabian
Campbell, rh Mr Alan	Hanson, rh Mr David
Campbell, Mr Ronnie	Harman, rh Ms Harriet
Carmichael, rh Mr Alistair	Harris, Carolyn
Champion, Sarah	Hayes, Helen
Chapman, Douglas	Healey, rh John
Chapman, Jenny	Hendry, Drew
Cherry, Joanna	Hepburn, Mr Stephen
Coaker, Vernon	Hermon, Lady
Coffey, Ann	Hillier, Meg
Cooper, Julie	Hodge, rh Dame Margaret
Cooper, rh Yvette	Hodgson, Mrs Sharon
Cowan, Ronnie	Hollern, Kate
Coyle, Neil	Hosie, Stewart
Crawley, Angela	Hunt, Tristram
Creasy, Stella	Hussain, Imran
Cruddas, Jon	Johnson, rh Alan
Cryer, John	Jones, Gerald
Cummins, Judith	Jones, Graham
Cunningham, Alex	Jones, Mr Kevan
Cunningham, Mr Jim	Jones, Susan Elan
Dakin, Nic	Kendall, Liz
Danczuk, Simon	Kerevan, George
David, Wayne	Kinahan, Danny
Day, Martyn	Kinnock, Stephen
De Piero, Gloria	Kyle, Peter
Debonnaire, Thangam	Lamb, rh Norman
Docherty-Hughes, Martin	Lammy, rh Mr David
Donaldson, Stuart Blair	Lavery, Ian
Doughty, Stephen	Law, Chris
Dowd, Peter	Leslie, Chris
Dromey, Jack	Lewell-Buck, Mrs Emma
Durkan, Mark	Long Bailey, Rebecca
Eagle, Ms Angela	Lucas, Caroline
Eagle, Maria	Lucas, Ian C.

Lynch, Holly
 MacNeil, Mr Angus Brendan
 Mactaggart, rh Fiona
 Madders, Justin
 Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marris, Rob
 Marsden, Mr Gordon
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCabe, Steve
 McCaig, Callum
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stewart Malcolm
 McDonald, Stuart C.
 McDonnell, Dr Alasdair
 McDonnell, John
 McFadden, rh Mr Pat
 McGarry, Natalie
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McKinnell, Catherine
 McLaughlin, Anne
 McMahan, Jim
 Meale, Sir Alan
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 Morden, Jessica
 Mulholland, Greg
 Mullin, Roger
 Murray, Ian
 Nandy, Lisa
 Newlands, Gavin
 Nicolson, John
 O'Hara, Brendan
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Paterson, Steven
 Pearce, Teresa
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Pound, Stephen
 Powell, Lucy
 Pugh, John
 Qureshi, Yasmin
 Rayner, Angela
 Reed, Mr Steve
 Reeves, Rachel

Reynolds, Emma
 Reynolds, Jonathan
 Rimmer, Marie
 Ritchie, Ms Margaret
 Robertson, rh Angus
 Rotheram, Steve
 Ryan, rh Joan
 Saville Roberts, Liz
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, rh Mr Andrew
 Smith, Angela
 Smith, Nick
 Smyth, Karin
 Spellar, rh Mr John
 Starmer, Keir
 Stephens, Chris
 Streeting, Wes
 Stringer, Graham
 Stuart, rh Ms Gisela
 Tami, Mark
 Thewliss, Alison
 Thomas-Symonds, Nick
 Thompson, Owen
 Thomson, Michelle
 Thornberry, Emily
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Umunna, Mr Chuka
 Vaz, Valerie
 Weir, Mike
 West, Catherine
 Whiteford, Dr Eilidh
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Williams, Hywel
 Williams, Mr Mark
 Wilson, Phil
 Winnick, Mr David
 Winterton, rh Dame Rosie
 Wishart, Pete
 Wright, Mr Iain
 Zeichner, Daniel

Tellers for the Ayes:
Sue Hayman and
Jeff Smith

NOES

Adams, Nigel
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Amess, Sir David
 Andrew, Stuart
 Ansell, Caroline
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Baker, Mr Steve

Baldwin, Harriett
 Barclay, Stephen
 Baron, Mr John
 Barwell, Gavin
 Bebb, Guto
 Bellingham, Sir Henry
 Beresford, Sir Paul
 Berry, James
 Bingham, Andrew
 Blackman, Bob
 Blunt, Crispin
 Boles, Nick

Bone, Mr Peter
 Borwick, Victoria
 Bottomley, Sir Peter
 Bradley, rh Karen
 Brady, Mr Graham
 Brazier, Mr Julian
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burns, Conor
 Burns, rh Sir Simon
 Burrowes, Mr David
 Burt, rh Alistair
 Cairns, rh Alun
 Campbell, Mr Gregory
 Carmichael, Neil
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Chope, Mr Christopher
 Churchill, Jo
 Cleverly, James
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Colvile, Oliver
 Costa, Alberto
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Byron
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Dr James
 Davies, Mims
 Davis, rh Mr David
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Dodds, rh Mr Nigel
 Donelan, Michelle
 Dorries, Nadine
 Double, Steve
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, James
 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
 Fabricant, Michael
 Fallon, rh Michael
 Fernandes, Suella
 Field, rh Mark
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freer, Mike
 Fuller, Richard

Fysh, Marcus
 Garnier, rh Sir Edward
 Garnier, Mark
 Gauke, rh Mr David
 Gibb, Mr Nick
 Gillan, rh Mrs Cheryl
 Glen, John
 Goldsmith, Zac
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Gray, Mr James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justine
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gummer, rh Ben
 Gyimah, Mr Sam
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Hart, Simon
 Haselhurst, rh Sir Alan
 Hayes, rh Mr John
 Heald, Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Mr Adam
 Hopkins, Kris
 Howarth, Sir Gerald
 Howell, John
 Howlett, Ben
 Huddleston, Nigel
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 James, Margot
 Javid, rh Sajid
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Kennedy, Seema
 Kirby, Simon
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lancaster, Mark
 Latham, Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Leigh, Sir Edward

Letwin, rh Mr Oliver
 Lewis, Brandon
 Lewis, rh Dr Julian
 Lidington, rh Mr David
 Lilley, rh Mr Peter
 Lopresti, Jack
 Loughton, Tim
 Lumley, Karen
 Mackinlay, Craig
 Mackintosh, David
 Main, Mrs Anne
 Mak, Mr Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 Maynard, Paul
 McCartney, Jason
 McCartney, Karl
 McLoughlin, rh Mr Patrick
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Mordaunt, Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mowat, David
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, Caroline
 Nuttall, Mr David
 Offord, Dr Matthew
 Opperman, Guy
 Osborne, rh Mr George
 Paisley, Ian
 Parish, Neil
 Patel, rh Priti
 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
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Gavin
 Robinson, Mary
 Rosindell, Andrew

Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Henry
 Smith, Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Solloway, Amanda
 Soubry, rh Anna
 Spelman, rh Mrs Caroline
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, Mel
 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
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Mrs Theresa
 Walker, Mr Charles
 Walker, Mr Robin
 Wallace, Mr Ben
 Warburton, David
 Warman, Matt
 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
 Wood, Mike
 Wragg, William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Noes:

Graham Stuart and
 Mark Spencer

Clause 155

GENERAL ANTI-ABUSE RULE: PROVISIONAL COUNTERACTIONS

Amendments made: 136, page 241, leave out lines 10 to 18 and insert—

“(d) a designated HMRC officer giving the taxpayer a pooling notice or a notice of binding under Schedule 43A which—

(i) specifies the arrangements and the tax advantage which are specified in the provisional counteraction notice, and

(ii) specifies the notified adjustments (or lesser adjustments) as the counteraction that the officer considers ought to be taken;”.

Amendment 137, page 241, line 29, after “the” insert “pooling notice or”.—(*Jane Ellison.*)

Schedule 19

LARGE BUSINESSES: TAX STRATEGIES AND SANCTIONS

Amendment made: 145, page 589, line 29, at end insert—

“(6) The Treasury may by regulations require the group tax strategy to include a country-by-country report.

(7) In this paragraph “country-by-country report” has the meaning given by the Taxes (Base Erosion and Profit Shifting) (Country-by-Country Reporting) Regulations 2016.”—(*Caroline Flint.*)

New Clause 4

ASSESSMENT OF REVENUE FROM VAT ON WOMEN’S SANITARY PRODUCTS

“(1) The Chancellor of the Exchequer must carry out an assessment of the revenue raised from VAT on women’s sanitary products since 1 January 2001, and lay before Parliament a report of that assessment within 12 months of this Act coming into force.

(2) The report must include an estimate of the total revenue raised since January 2001 and provide information about government policy relating to this revenue.”—(*Paula Sherriff.*)

Brought up, and read the First time.

Paula Sherriff (Dewsbury) (Lab): I beg to move, That the clause be read a Second time.

Mr Speaker: With this it will be convenient to discuss the following:

Amendment 140, in clause 125, page 205, line 32, leave out from “after” to end of subsection and insert “1 January 2017”.

Amendment 142, page 205, line 32, leave out “such” and insert

“1 April 2017, or on any prior”.

Amendment 144, page 205, line 32, leave out “such” and insert

“1 April 2018, or on any prior”.

Government amendment 161.

Paula Sherriff: It is a pleasure to open this debate by speaking to new clause 4 and amendments 140 and 144. I thank both Front-Bench teams for ensuring that we have time to debate the issue today. It is, perhaps,

Question accordingly negated.

appropriate that a female Financial Secretary now sits on the Government Front Bench and has the chance to settle the matter.

It has taken us quite some time to get here. It was in January 2001 that the lower rate of VAT on women's sanitary products was applied. For that we owe thanks to many women MPs of that era, as well as to the then Minister, Dawn Primarolo, who now sits in the other place. During the passage of the Finance Bill last year, I was proud to lead a cross-party group of today's women MPs, including many on the Labour Benches, and others such as the hon. Members for Glasgow Central (Alison Thewliss) and for Berwick-upon-Tweed (Mrs Trevelyan), in demanding that we finish the job, which led the Government finally to address the issue at European level. We should pay particular tribute to the many people outside this place who campaigned so hard on this very important issue, not least Laura Coryton, whose petition attracted hundreds of thousands of signatures.

Following that pressure, the Government accepted another cross-party amendment, this time in the Budget resolutions, for what I understand was the first time in history, and the then Prime Minister persuaded the European Council to issue a communiqué on the matter. The European Commission VAT action plan has now been issued and the Commission intends to table a proposal by the end of this year, though of course the UK has since voted to leave the European Union—off the back of a promise by Vote Leave that such a result would allow us to abolish the tampon tax outside the EU. I gently suggest to Government Members, especially those who campaigned for Brexit, that voting for the amendment would honour that promise, and their constituents might reasonably question why they would oppose it.

Whether we are in or out of the EU, there should be no barrier to ending the tax. There are promises both from this Government and from the winning referendum campaign to do so. The explanatory notes for clause 125, written before the referendum vote, state:

“This clause reduces the VAT rate on the supply of women's sanitary products from 5% to zero”.

but I hope the Minister will acknowledge that that is not really the case as the Bill stands. The clause does not zero-rate women's sanitary products; it just provides enabling powers for the Treasury to do so, if it chooses, and at a time of its choosing. That is why I originally tabled what is now amendment 142 in Committee, when my hon. Friend the Member for Salford and Eccles (Rebecca Long Bailey) spoke to it. The then Financial Secretary—now the Chief Secretary—responded that he was

“confident that by 1 April there should be no reason why the measure is not in place.”—[*Official Report, Finance Public Bill Committee*, 7 July 2016; c. 146.]

He said that the Government would therefore consider accepting the amendment. Since then, the hon. Member for Christchurch (Mr Chope) has tabled his own amendment, which would implement a zero rate from 1 January next year. It is fair to say that there is a cross-party desire to see the promise honoured as quickly as possible.

I acknowledge, however, that the complications of negotiating our exit may make the next tax year, let alone calendar year, a tight deadline for the Government,

despite the previous Minister's confidence. For that reason, I have also tabled amendment 144, which provides for a later deadline of 1 April 2018—in other words, in time for the tax year 2018-19. I believe that this is a very reasonable deadline. By that point, our exit negotiations will be well under way, and the European Commission aims to have reformed its own laws to allow a zero rate by 2018. I reiterate the point made by the Minister in Committee when he said he was confident that by 1 April there should be no reason why this measure is not in place. Amendment 144 gives the Government a full additional year beyond a date that they were confident they could meet. However, should there be any delay, the timescale also allows the Government nearly two years to amend their legislation accordingly with the new dates. The Vote Leave alternative Queen's Speech included an entire Bill specifically to abolish the tampon tax, but a whole Bill is not necessary given the amendments that we have today, which would allow the Chancellor simply to propose a later deadline in next year's Finance Bill. The important point, however, is that Ministers should have to explain to this House why any delay was necessary, and we would need to vote to allow that.

The Government have tabled an alternative amendment of their own—amendment 161. While that seems to set 1 April 2017 as a default deadline, it makes it subject to “the earliest date that may be appointed consistently with the United Kingdom's EU obligations.”

In short, 1 April next year is not really the deadline at all, and instead we are subject to the Government's own interpretations of our EU obligations. I must also question the exact wording of the amendment. It does not refer to our obligations as a member of the EU, but just to our “EU obligations”. That seems to leave open the possibility that we might agree to keep a minimum rate of VAT as part of our exit negotiations. When I challenged the Secretary of State for Exiting the European Union on that earlier today, he certainly did not rule it out. Instead, he reflected that ability to set a zero rate was just one reason why people may have voted to leave, but did not actually pledge to deliver it. I am therefore not convinced that this amendment takes us much beyond the existing clause. Unless the Minister has some very strong arguments to address these points, I will press amendment 144, at least, to a vote.

That brings me to new clause 4, which touches on another issue that it would be helpful if the Minister addressed—the women's charities that have received funding from the tampon tax fund. This was quite understandably criticised by a lot of feminists, as it used a tax on women to pay for support that they often needed as a result of male violence. None the less, it was still better than nothing. Now it is set to be abolished. Can the Minister give us guarantees of stable future funding for these vital services? As she will have gathered from the wording of the new clause, I am making the point that the Treasury will have raised a considerable amount from women historically from the point in 2001 when the Government first made the decision in principle to apply the lowest rate available.

I would like to press Ministers again on one last issue—that the benefit of zero rates is not always passed on in full by the companies that set the prices. When the Labour Government cut the rate to 5%, they committed to monitoring prices to ensure that the cut benefited women rather than just boosting the bottom lines of

[Paula Sherriff]

the businesses involved. I want to know whether this Government will take similar action. As the Minister may be aware, I have negotiated a deal with the leading retailers whereby they will pass on the cut in full. I hope that she will join me in urging these businesses to do that and to sign up to the agreement. Similarly, she will have heard the appalling reports of women turning up at food banks seeking sanitary protection products because they cannot afford them due to welfare cuts or poverty pay. I have reached an agreement with a major retailer that it will provide some free sanitary protection to food banks within my constituency. Can the Government offer any further such support to other constituencies?

I hope that today we can meet the promises made by European leaders, this Government, and indeed the winning referendum campaign. Anything less is simply not good enough for women. I hope that the Minister will accept at least one of my amendments and make it clear that the days of the tampon tax are nearly over for good.

10.45 pm

Mr Christopher Chope (Christchurch) (Con): I thank the hon. Member for Dewsbury (Paula Sherriff) for tabling her amendments, for speaking to this issue today and for having campaigned on it so effectively for so many months, if not years.

My amendment 140 would require the removal of VAT on women's sanitary products to take effect by 1 January 2017. The background is that the former Prime Minister assured the House in March that he had succeeded in persuading the other 27 Heads of Government at the EU Council meeting on 17 and 18 March to allow the United Kingdom Government to respond to popular demand and extend the zero rate for VAT to women's sanitary products. The former Prime Minister told the House:

"This is an important breakthrough. Britain will be able to have a zero rate for sanitary products".—[*Official Report*, 21 March 2016; Vol. 607, c. 1246.]

On 24 March this Bill, then the Finance (No. 2) Bill, was published, and clause 125, as it now is—it was originally clause 115—was designed to implement the pledge on the abolition of VAT on women's sanitary products and the introduction of a zero rate, but when the EU VAT action plan was published on 7 April it did not deliver on what the Prime Minister must have thought he had been promised at EU Council meeting in the previous month.

I tabled a couple of parliamentary questions on the subject. The first was:

"To ask Mr Chancellor of the Exchequer, what information his Department holds on the reasons why the EU Action Plan on VAT consultation document issued...on 7 April 2016 omits any reference to the decision of EU Heads of Government that the UK can remove VAT from women's sanitary products".

The answer I received was typically helpful from my right hon. Friend the Chief Secretary, then the Financial Secretary, and said:

"The content of the EU VAT Action Plan is a matter for the European Commission. European Council Conclusions welcomed 'the intention of the Commission to include proposals for increased flexibility for Member States with respect to reduced rates of VAT, which would provide the option to Member States of VAT zero rating for sanitary products'."

I then asked my right hon. Friend the Chief Secretary on what date he expected the removal of VAT from women's sanitary products to take effect, and he replied on 18 April:

"The zero rate of VAT for sanitary products will take effect as soon as possible after Royal Assent."

There was no mention of any constraint in EU law that would prevent the early implementation of the pledge that the Prime Minister was able to deliver following that European Council meeting.

Alison Thewliss (Glasgow Central) (SNP): I thank the hon. Gentleman for the support he has given to the campaign and for his research, in addition to the work done by my honourable colleagues on the SNP Benches. Does he agree that it does not feel like progress or much like a victory if I still have to pay tax on the tampons I am using today?

Mr Chope: I fully accept what the hon. Lady says. This whole saga illustrates the frustration that many of us have felt in this House for a long time that the European Union works extremely slowly and very deviously. That was what the referendum was all about: it was about taking back control of these decisions to this House and being able to implement decisions quickly, effectively and in accordance with the wishes of the British people. Unfortunately, we have not got an instant departure from the European Union. We have to negotiate our departure and serve article 50 and so on, but in the meantime there is a lot of frustration, I accept. That has been exacerbated by the way the previous Government played down—let us be generous to them—the EU impact in this regard before the referendum. They did not want people to think that there was another reason to vote to leave, so that we could remove VAT from women's sanitary products.

On Second Reading of the Finance (No. 2) Bill, my right hon. Friend the then Financial Secretary, who is now the Chief Secretary, said:

"The Government are committed to making that change...I am proud that in the Finance Bill we are legislating to enable zero VAT rates for women's sanitary products."

I then intervened and said:

"I congratulate my hon. Friend on the progress he has made. Why does clause 115 say that the measure will not come into effect when the Bill receives Royal Assent, but is subject to the Treasury introducing a provision at some later stage? Why can we not legislate on this in the Bill without any qualification?"

My right hon. Friend replied:

"It is customary, with changes in VAT rates, to give retailers notice. It is not usual for VAT changes to be put in place on the date of Royal Assent, as notice is usually provided. I reassure my hon. Friend that the intention is to provide a short period of time, following Royal Assent, in which retailers will have an opportunity to adjust prices. This is no desire by the Treasury to kick this into the long grass—we want to make progress on the matter."—[*Official Report*, 11 April 2016; Vol. 608, c. 102.]

I think that that was a very disingenuous remark, because there was no reference to any EU constraint. The impression given was that it was all being sorted out with the European Union and that it would be delivered through clause 115, as it then was, very quickly. Somebody in the Treasury must have known or suspected that it would not be delivered in the time envisaged or, perhaps, at all, but nobody wanted to disclose that to the British people in the run-up to the referendum.

I have heard that an agreement was made between remainers in the then Government and in the Opposition to try to prevent the issue from being raised on the Floor of the House, in the Finance Bill, close to the time of the vote.

Is it not fantastic that we now have the freedom to do these things ourselves, in our own sovereign Parliament, in accordance with the wishes of the people? I hope that the new Treasury team will be much more open and transparent in the way they deal with such issues. If there is an EU constraint, let us say so.

I welcome Government amendment 161, because it says that the measure will take effect after the later of 1 April 2017 or

“the earliest date that may be appointed consistently with the United Kingdom’s EU obligations”,

whatever that might mean. Why, however, was that not included in the Bill to start with? It was never going to be possible for the measure to be implemented at an earlier date than was consistent with our EU obligations. People were led up the garden path: they were led to believe that there was going to be an instant delivery, but we now know that that is not going to happen. I hope that when we come to look at the wider issues of VAT, we will get on with, for example, removing the 5% VAT on domestic fuel, which we in the leave campaign made an issue during the referendum.

It was a long time ago, but it was on 1 April 1973 that VAT was introduced in our country as a requirement of our decision to join the European Union. At that time, the rate was 10% and the yield was £1.5 billion a year. The standard rate was increased in January 2011 and it has been 20% since then, and that raises £100 billion a year. After leaving the European Union, we will be free to set our rates of VAT at whatever level we wish.

John Redwood: Did my hon. Friend note that in the consultation document that the EU issued, not only did it not honour the pledge to our Prime Minister, but it made it very clear that it deeply dislikes discounted rates and zero bands, and so it wanted to take it in the other direction because it thought that countries presuming to give tax relief on products that they considered essential was an obstacle to a genuine single market?

Mr Chope: My right hon. Friend is absolutely right. It sounds wonderful, does it not, Mr Speaker: an EU VAT action plan? We were led to believe that the action would provide more flexibility, but when one looked at the small print in the action plan, one could see that the whole thing was steered towards more rigidity, harmonisation and uniformity, exactly as my right hon. Friend has pointed out. Again, is it not fantastic that we will now be able to take responsibility for these things ourselves? I hope that my hon. Friend the Financial Secretary, who will be responding to the debate, will take the opportunity to state that from now on the Treasury will be a lot more open in the way it does its business, both with this House and with the people, and that it will not use disingenuous statements to create an impression that is inconsistent with reality.

It does not seem to me that we will be able to make this change lawfully unless and until we have negotiated our exit. I wish that we could, but as somebody who believes in the rule of law, I think that that is the position

we are in. But how different it is from the position that we were led to believe we were in prior to the referendum. I wonder why that is!

Kirsty Blackman: I promise that I will speak only briefly, because I know that everybody is keen to get away.

I thank the Government for their movement on this issue already. In my short time as an MP, there has been a major change in VAT on sanitary products, and I appreciate the Government taking that on. We owe huge thanks to the women who have campaigned about this, not only those in the House—such as my hon. Friend the Member for Glasgow Central (Alison Thewliss), the hon. Member for Dewsbury (Paula Sherriff) and other Members from across the House—but all the other women who have put their time and effort into campaigning.

I would like to highlight briefly some of the anomalies that continue in relation to sanitary products and VAT. VAT is still levied on incontinence products. Unless someone fits a very narrow definition of “disabled” under the law, they pay VAT on incontinence products. In the UK, between 3 million and 6 million people suffer from incontinence, and the UK Government receive the VAT from the sale of those products. I do not think that that is right; I think that those individuals should be able to get incontinence products VAT-free, because they are a necessity for those 3 million to 6 million people.

The other anomaly in the system concerns breast pads. If someone who is breastfeeding has an excess supply of milk and is therefore leaking milk, they require breast pads. There are no two ways about it. They absolutely require those pads, or they will be covered in milk. Having done that a number of times myself, I am well aware of the pitfalls.

Alison Thewliss: Having breastfed my children, I well know that circumstance and how it can arise. This points to the need for a wider review of VAT—perhaps at the point of Brexit, or even starting now—on items that have emerged into the market. Breast pumps, for example, are still liable for VAT, whereas formula is not. That has a disproportionate effect on people who choose breastfeeding over formula feeding.

Kirsty Blackman: I absolutely agree with my colleague. If we are to encourage breastfeeding and to make it as accessible as possible for people, we need to ensure that the products they require to breastfeed well, and without making too much mess, are appropriately VAT-rated. The interesting thing is that the zero-rating guidance was written a long time ago, and it is not appropriate for today’s society. If the Government were, as my hon. Friend suggests, to commit to undertake a proper review and making sure that people are not unfairly penalised for buying essential, necessary products, I would very much appreciate it.

11 pm

Rebecca Long Bailey: I rise to support amendments 142 and 144 and new clause 4, in the name of my hon. Friend the Member for Dewsbury (Paula Sherriff). I stress that no deals have been struck with the Government on this issue, although we are open to being flexible and

[Rebecca Long Bailey]

to discussing the matter at length with Ministers. I specifically congratulate my hon. Friend and all hon. Members who have campaigned so fervently on the issue. I will keep my comments brief, as my hon. Friend has already made her case very well. I confirm that she has the full support of the Opposition.

The amendments are designed to ensure that the Government's pledge to abolish the so-called tampon tax has a clear deadline for implementation. My hon. Friend proposes 1 April 2017 or 1 April 2018. I must stress that Government amendment 161 does not address, and in fact suggests a degree of ambiguity, on this specific issue and the scope of our negotiations about VAT within the ambit of our EU membership. The job is not yet done, as the Minister knows. I know that she supports the idea generally and I welcome the comments she is likely to make, but more pressure is most certainly needed.

The explanatory notes to clause 125 state:

"This clause reduces the VAT rate on the supply of women's sanitary products from 5 % to zero %."

The Minister will be well aware that that is not the case. The clause does not zero-rate women's sanitary products; it just provides the Treasury with enabling powers to do so at a time of its choosing and leaves wide open the question of when it will do so. My hon. Friend's amendments would rectify that by imposing deadlines by which the tampon tax must be a thing of the past—1 April 2017 in amendment 142, or 1 April 2018 in amendment 144. I hope the Minister will accept one of those amendments. I see no real reason why the Government need to delay this further, especially in the light of the decision to leave the EU.

John Redwood *rose*—

Rebecca Long Bailey: I am conscious that we are trying to make progress, so I am afraid that I will not take any interventions.

As was said earlier, the Chief Secretary to the Treasury stated during the debate in the Public Bill Committee:

"I am optimistic that we will have the measure in place by 1 April 2017; I am happy to put that on the record."

He also stated that

"the Government have an open mind as to whether we would accept the amendment on Report, when we hope to have greater clarity. We are confident that by 1 April there should be no reason why the measure is not in place. It is possible that the Government will come forward with our own amendment, but we may well simply accept amendment 5."—[*Official Report, Finance Public Bill Committee*, 7 July 2016; c. 146.]

As has been noted, my hon. Friend has indeed tabled such an amendment again, and a second amendment that would allow the Government even more flexibility by providing an extra year. The hon. Member for Christchurch (Mr Chope) made some very important points, and tabled another amendment setting a deadline of the start of the next calendar year. The Minister therefore has a vast array of options—more than the Government did in Committee—so I hope she will not disappoint my hon. Friend and, for that matter, the rest of the House.

A related issue has been raised a number of times with the Minister, but I am not convinced it has been fully addressed, so I would be grateful if she provided

further clarification. There is concern that the full benefits of the zero-rating of sanitary products will not be passed on to women, and that some retailers will simply seek larger profit margins. When the rate of VAT was reduced to 5%, the Government said they would monitor whether the benefits were passed on to consumers. I asked the Minister in the Public Bill Committee to provide more information about whether this assessment ever occurred, and if so, what the data showed. Will she provide an answer? My hon. Friend has of course taken the initiative in negotiating directly with some retailers, who have committed to passing on the cut in full, but some smaller retailers may not do the same. What steps will the Government take to ensure that women will benefit from this change, not the pockets of retailers?

Finally, my hon. Friend has also tabled new clause 4, which would require the Chancellor to carry out an assessment of the revenue raised from VAT on women's sanitary products since 1 January 2001, when the then Labour Government introduced the lower rate of VAT, and to lay before Parliament a report of that assessment within 12 months of the Act coming in to force. It must include an estimate of the total revenue raised since January 2001, and provide information about government policy relating to this revenue. As my hon. Friend has explained, that would address future funding for women's organisations that benefited from the tampon tax fund set up by the previous Chancellor when pressure was originally brought to bear over the issue. We hope that the Minister can give us some reassurances that those services will receive the secure long-term funding they deserve. Should my hon. Friend divide the House, we will support the new clause.

I urge the Minister to accept at least one of my hon. Friend's amendments and to bring to a conclusion the campaign against the tampon tax, an outcome that will owe much to the hard and determined work of my hon. Friend, along with the women who have fought for it outside this place. Finally, I place on the record my support for the comments made by SNP Members on maternity products, another area that I urge the Minister to look into.

Jane Ellison: I rise in 2016 to resume a debate that I first started with some college friends in 1986; I did not think then that this subject would end up being debated across the Chamber of the House of Commons, but I am glad that we are doing so.

The issue of VAT on women's sanitary products—the tampon tax—has inspired a great deal of interest, as the speeches in this debate and the interest from our constituents have demonstrated. I will try to explain the Government's approach and the amendment that we have tabled, and to give the Opposition some comfort on some of the questions they have asked, because there really is not very much between us on this issue and we want to try to make progress.

The Bill as it stands includes provisions to apply a zero rate of VAT to women's sanitary products, with the intention being to do so as soon as possible. The Government strongly support doing so. We agree with the argument put forward by many hon. Members, including the hon. Member for Dewsbury (Paula Sherriff), that VAT should not be applied at the current 5% reduced rate. We have a shared objective of achieving that goal as quickly as we can, in a manner that is legal and

proper—I will come back to that—and that, in our new changed circumstances after the referendum vote, will not have a negative impact on our negotiations over the UK's exit from the European Union.

Achieving that shared goal in a legal manner before we leave the EU requires a change in EU legislation. That must follow a proposal from the Commission and the unanimous agreement of all member states. We have been actively pursuing that, and have made progress, which some Members have alluded to. The former Prime Minister secured the unanimous agreement of all EU Heads of State and Government that the rules must change at the Council in March. Prior to the referendum we received assurances from the Commission that it would publish a legislative proposal for us at the earliest opportunity and definitely before the end of this year. When the Government introduced the Finance Bill, they expected to be able to apply the zero rate soon after Royal Assent.

The referendum result changes the circumstances—my right hon. Friend the Chief Secretary to the Treasury explained in Committee that the result affected the prospects for rapid implementation. However, I reassure those Members who have tabled amendments and all other hon. Members that we will not rest on the issue. The Government will continue to push for the proposal to be brought forward and agreed to as soon as possible. However, until we leave the EU we need the legislative change to introduce zero-rating; until we have it, fixing a date risks contravening EU law at a time when we are entering critical negotiations with the EU about our future.

Turning to those negotiations, the Prime Minister has been very clear that our rights and obligations remain in place until we leave the European Union. That is important: at this time it would be against the UK's interests and the interests of all our constituents and of the businesses and universities in our constituencies to go into conflict with our legal obligations. We would risk jeopardising our negotiating position by pre-empting EU legislation on sanitary products. We would also risk the UK's rights in other areas where we expect other EU member states and the Commission to respect their obligations to us. As the Secretary of State for Exiting the EU said in his statement earlier, we must act in good faith towards our European partners. That is why the Government have proposed an alternative amendment that delivers on the intentions of the hon. Member for Dewsbury but ensures consistency with EU law. I hope that that reassures the House that we will give effect to the provisions in the Bill and commence zero-rating. We are pledging to continue to seek the powers to do so, but to put zero-rating into effect at the first moment when it is consistent with our legal duties.

The shadow Financial Secretary is concerned about the vagueness of that phrase. The Interpretation Act 1978 and schedule 1 to the European Communities Act 1972—I am sure it is everyone's bedside reading—give exact meaning to the phrase “EU obligation”, which is our obligations under EU law. We are clear about that and we want that commitment in the Bill. That is a major step forward for the hon. Member for Dewsbury and everyone who has campaigned for zero-rating. The amendment commits the Government to commence by 1 April 2017 unless it is unlawful to do so. If on that date it is unlawful, there is a duty on the Government to

commence at the first point when we can do so legally. That is the strongest commitment we can give, and one that I am happy to give today. I urge all hon. Members to support it.

On the amendments tabled by the hon. Member for Dewsbury and my hon. Friend the Member for Christchurch (Mr Chope), I have tried to offer them and other hon. Members reassurance that the Government and I want the tampon tax removed as soon as possible. We will keep up our engagement in Europe to secure that, but, equally, hon. Members will understand that the Government must act in accordance with the law. Until we leave the EU, that includes our obligations, as I have said. Those obligations prevent us from removing the tax at the moment. We are trying to change it, but we cannot be certain of the timetable, because such legislation has to be agreed by all 28 member states.

For that reason, we must oppose the amendments—they would set in UK law a fixed latest date for zero-rating—but I stress again that there is no great difference between our intention and that of Opposition Members. We all want the tax ended as soon as possible. I hope that will happen by 1 April 2017 and I am even more hopeful that it will happen by 1 April 2018, but it cannot be guaranteed. The Government's amendment will ensure that zero-rating starts domestically at the first opportunity consistent with our legal obligations.

I ask Members to look at what we are saying and to realise how close together we are. I also urge them not to be irresponsible in supporting something that will bring us into breach of our obligations. The duty in the amendments proposed by the hon. Member for Dewsbury would impose a requirement on the Government to act illegally. We would be in breach of articles 1 and 110 of the principal VAT directive. Whatever Members' views are of what the directive requires—we are making progress towards changing it—I would be surprised if members of Her Majesty's official Opposition, or indeed any Member of the House, thought we could disregard it at such a crucial juncture, when the disregarding of the Commission's and other nations' obligations towards us could be significantly against the UK's national interest. I again quote my right hon. Friend the Secretary of State for Exiting the European Union from earlier today, when he said:

“Until we leave the European Union, we must respect the laws and the obligations”

of membership. I agree with him.

I have every sympathy with the hon. Member for Dewsbury—[*Interruption.*] I should say that I have every sympathy with the amendments. I think she hinted that, if we do not have the legal change we need by 2018, the Government might have to introduce other measures. Our amendment solves the problem of having to revisit a law we have passed that we know might be illegal by April 2018. I suggest that that is not the most sensible way to legislate. The Government's amendment achieves the same thing but keeps us within our legal obligations.

The other amendment tabled by the hon. Member for Dewsbury calls for a report on the revenue accrued from VAT on women's sanitary products since 2001 and the tampon tax fund. I am very happy to reaffirm the Government's commitment to the fund. As I have said, we are taking all actions available to stop charging this

[Jane Ellison]

VAT as soon as possible, but until that can be achieved the revenue it raises will be put into the tampon tax fund and directed to women's health and support charities. So far, the £15 million a year fund has supported 25 charities, including many that are well known to us in this House: The Eve Appeal, SafeLives, Women's Aid and the Haven. I am sure many of us will be "wearing it pink" next week. We will think then of the wonderful charities—I am very familiar with them from my previous role as Public Health Minister—that are benefiting. Funding has also been allocated to Comic Relief and Rosa—again, a charity I know very well—to disburse over the coming year to a range of grassroots women's organisations, many of which have been championed so ably by Members across the House, in particular by some Labour Members.

11.15 pm

We are committed to the fund and respect greatly the work of those who have campaigned on this issue. I come back to the point, however, that at this moment we have to make it a priority of the House to focus on getting the necessary proposal from the Commission agreed in the shortest time possible. In the meantime, we will make use of the revenue to commit to the tampon tax fund to support women's organisations in a way that will make a great difference. For that reason, I cannot support the amendment.

The Government will introduce a zero rate of VAT for women's sanitary products as soon as possible, but we cannot set a specific date because we are obliged by EU law. The hon. Member for Dewsbury can chalk up getting a commitment on the face of the Bill to do this at the first opportunity after April 2017, when we are legally able to do so, as a very significant victory. I therefore call on the whole House to support the Government's amendment and to celebrate the great work being done through the money raised by the tampon tax fund and the wonderful organisations it supports.

Paula Sherriff: I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

Clause 125

VAT: WOMEN'S SANITARY PRODUCTS

Amendment proposed: 144, page 205, line 32, leave out "such" and insert

"1 April 2018, or on any prior".—(*Paula Sherriff.*)

The House divided: Ayes 235, Noes 291.

Division No. 57]

[11.17 pm

AYES

Abbott, Ms Diane	Bailey, Mr Adrian
Abrahams, Debbie	Beckett, rh Margaret
Ahmed-Sheikh, Ms Tasmina	Benn, rh Hilary
Alexander, Heidi	Berger, Luciana
Allin-Khan, Dr Rosena	Betts, Mr Clive
Anderson, Mr David	Black, Mhairi
Arkless, Richard	Blackford, Ian
Ashworth, Jonathan	Blackman, Kirsty

Blenkinsop, Tom	Goodman, Helen
Blomfield, Paul	Grady, Patrick
Boswell, Philip	Grant, Peter
Bradshaw, rh Mr Ben	Green, Kate
Brake, rh Tom	Greenwood, Lilian
Brennan, Kevin	Greenwood, Margaret
Brock, Deidre	Griffith, Nia
Brown, Alan	Haigh, Louise
Brown, rh Mr Nicholas	Hamilton, Fabian
Bryant, Chris	Hanson, rh Mr David
Buck, Ms Karen	Harman, rh Ms Harriet
Burden, Richard	Harris, Carolyn
Burgon, Richard	Hayes, Helen
Burnham, rh Andy	Healey, rh John
Butler, Dawn	Hendry, Drew
Byrne, rh Liam	Hepburn, Mr Stephen
Cadbury, Ruth	Hermon, Lady
Campbell, rh Mr Alan	Hillier, Meg
Carmichael, rh Mr Alistair	Hodgson, Mrs Sharon
Champion, Sarah	Hollern, Kate
Chapman, Douglas	Hosie, Stewart
Chapman, Jenny	Hunt, Tristram
Cherry, Joanna	Hussain, Imran
Coaker, Vernon	Johnson, rh Alan
Coffey, Ann	Jones, Gerald
Cooper, Julie	Jones, Graham
Cooper, rh Yvette	Jones, Mr Kevan
Cowan, Ronnie	Jones, Susan Elan
Coyle, Neil	Kendall, Liz
Crawley, Angela	Kerevan, George
Creasy, Stella	Kinahan, Danny
Cryer, John	Kinnock, Stephen
Cummins, Judith	Kyle, Peter
Cunningham, Alex	Lamb, rh Norman
Cunningham, Mr Jim	Lammy, rh Mr David
Dakin, Nic	Lavery, Ian
Danczuk, Simon	Law, Chris
David, Wayne	Leslie, Chris
Day, Martyn	Lewell-Buck, Mrs Emma
De Piero, Gloria	Long Bailey, Rebecca
Debbonaire, Thangam	Lucas, Caroline
Docherty-Hughes, Martin	Lucas, Ian C.
Donaldson, Stuart Blair	Lynch, Holly
Doughty, Stephen	MacNeil, Mr Angus Brendan
Dowd, Peter	Mactaggart, rh Fiona
Dromey, Jack	Madders, Justin
Durkan, Mark	Mahmood, Shabana
Eagle, Ms Angela	Malhotra, Seema
Eagle, Maria	Mann, John
Edwards, Jonathan	Marris, Rob
Efford, Clive	Marsden, Mr Gordon
Elliott, Julie	Maskell, Rachael
Elliott, Tom	Matheson, Christian
Ellman, Mrs Louise	Mc Nally, John
Elmore, Chris	McCabe, Steve
Esterson, Bill	McCaig, Callum
Evans, Chris	McCarthy, Kerry
Farrelly, Paul	McCartney, Jason
Fellows, Marion	McDonagh, Siobhain
Ferrier, Margaret	McDonald, Andy
Fitzpatrick, Jim	McDonald, Stuart C.
Flelo, Robert	McDonnell, Dr Alasdair
Fletcher, Colleen	McDonnell, John
Flint, rh Caroline	McFadden, rh Mr Pat
Fovargue, Yvonne	McGarry, Natalie
Foxcroft, Vicky	McGinn, Conor
Furniss, Gill	McGovern, Alison
Gapes, Mike	McInnes, Liz
Gardiner, Barry	McKinnell, Catherine
Gibson, Patricia	McLaughlin, Anne
Glass, Pat	McMahon, Jim
Glindon, Mary	Meale, Sir Alan

Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 Morden, Jessica
 Mulholland, Greg
 Mullin, Roger
 Murray, Ian
 Nandy, Lisa
 Newlands, Gavin
 Nicolson, John
 O'Hara, Brendan
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Paterson, Steven
 Pennycook, Matthew
 Perkins, Toby
 Phillips, Jess
 Phillipson, Bridget
 Pound, Stephen
 Powell, Lucy
 Qureshi, Yasmin
 Rayner, Angela
 Reed, Mr Jamie
 Reed, Mr Steve
 Reeves, Rachel
 Reynolds, Emma
 Reynolds, Jonathan
 Rimmer, Marie
 Ritchie, Ms Margaret
 Robertson, rh Angus
 Robinson, Gavin
 Rotheram, Steve
 Saville Roberts, Liz
 Shannon, Jim
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip

Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, rh Mr Andrew
 Smith, Angela
 Smith, Nick
 Smyth, Karin
 Spellar, rh Mr John
 Starmer, Keir
 Stephens, Chris
 Streeting, Wes
 Tami, Mark
 Thewliss, Alison
 Thomas-Symonds, Nick
 Thompson, Owen
 Thomson, Michelle
 Thornberry, Emily
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Umunna, Mr Chuka
 Vaz, Valerie
 Weir, Mike
 West, Catherine
 Whiteford, Dr Eilidh
 Whitehead, Dr Alan
 Whitford, Dr Philippa
 Williams, Hywel
 Wilson, Phil
 Winnick, Mr David
 Winterton, rh Dame Rosie
 Wright, Mr Iain
 Zeichner, Daniel

Tellers for the Ayes:

**Sue Hayman and
 Jeff Smith**

NOES

Adams, Nigel
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Amess, Sir David
 Andrew, Stuart
 Ansell, Caroline
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, Stephen
 Bebb, Guto
 Bellingham, Sir Henry
 Beresford, Sir Paul
 Berry, James
 Bingham, Andrew
 Blackman, Bob
 Blunt, Crispin
 Boles, Nick
 Bone, Mr Peter
 Borwick, Victoria
 Bottomley, Sir Peter
 Bradley, rh Karen
 Brady, Mr Graham
 Brazier, Mr Julian
 Bridgen, Andrew

Brine, Steve
 Brokenshire, rh James
 Bruce, Fiona
 Buckland, Robert
 Burns, rh Sir Simon
 Burrowes, Mr David
 Burt, rh Alistair
 Cairns, rh Alun
 Carmichael, Neil
 Cartlidge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chishti, Rehman
 Choqe, Mr Christopher
 Churchill, Jo
 Cleverly, James
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Colville, Oliver
 Costa, Alberto
 Cox, Mr Geoffrey
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Byron
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn

Davies, Dr James
 Davies, Mims
 Davis, rh Mr David
 Dinenege, Caroline
 Djanogly, Mr Jonathan
 Donelan, Michelle
 Dorries, Nadine
 Double, Steve
 Doyle-Price, Jackie
 Drax, Richard
 Drummond, Mrs Flick
 Duddridge, James
 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
 Fabricant, Michael
 Fallon, rh Michael
 Fernandes, Suella
 Field, rh Mark
 Foster, Kevin
 Fox, rh Dr Liam
 Francois, rh Mr Mark
 Frazer, Lucy
 Freer, Mike
 Fuller, Richard
 Fysh, Marcus
 Garnier, rh Sir Edward
 Garnier, Mark
 Gauke, rh Mr David
 Gibb, Mr Nick
 Gillan, rh Mrs Cheryl
 Glen, John
 Goldsmith, Zac
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Gray, Mr James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Greening, rh Justice
 Grieve, rh Mr Dominic
 Griffiths, Andrew
 Gummer, rh Ben
 Gyimah, Mr Sam
 Halfon, rh Robert
 Hall, Luke
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Rebecca
 Hart, Simon
 Haselhurst, rh Sir Alan
 Hayes, rh Mr John
 Heald, Sir Oliver
 Heapey, James
 Heaton-Harris, Chris
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hinds, Damian

Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Mr Adam
 Hopkins, Kris
 Howarth, Sir Gerald
 Howell, John
 Howlett, Ben
 Huddleston, Nigel
 Hunt, rh Mr Jeremy
 Hurd, Mr Nick
 James, Margot
 Javid, rh Sajid
 Jenkin, Mr Bernard
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Boris
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Kennedy, Seema
 Kirby, Simon
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lancaster, Mark
 Latham, Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Leigh, Sir Edward
 Letwin, rh Mr Oliver
 Lewis, Brandon
 Lewis, rh Dr Julian
 Lidington, rh Mr David
 Lopresti, Jack
 Loughton, Tim
 Lumley, Karen
 Mackinlay, Craig
 Mackintosh, David
 Mak, Mr Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 Maynard, Paul
 McCartney, Karl
 McLoughlin, rh Mr Patrick
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Milling, Amanda
 Mills, Nigel
 Milton, rh Anne
 Mitchell, rh Mr Andrew
 Mordaunt, Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mowat, David
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, Caroline
 Nuttall, Mr David
 Offord, Dr Matthew

Opperman, Guy
 Osborne, rh Mr George
 Patel, rh Priti
 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
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robertson, Mr Laurence
 Robinson, Mary
 Rosindell, Andrew
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Scully, Paul
 Selous, Andrew
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Henry
 Smith, Julian
 Smith, Royston
 Soames, rh Sir Nicholas
 Solloway, Amanda
 Soubry, rh Anna
 Spelman, rh Mrs Caroline
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory

Streeter, Mr Gary
 Stride, Mel
 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
 Vaizey, rh Mr Edward
 Vara, Mr Shailesh
 Vickers, Martin
 Villiers, rh Mrs Theresa
 Walker, Mr Robin
 Wallace, Mr Ben
 Warburton, David
 Warman, Matt
 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
 Wood, Mike
 Wragg, William
 Wright, rh Jeremy
 Zahawi, Nadhim

Tellers for the Noes:
 Mark Spencer and
 Graham Stuart

Question accordingly negated.

Clause 125

VAT: WOMEN'S SANITARY PRODUCTS

Amendment made: 161, page 205, line 33, at end insert—

“() The date appointed under subsection (5) must not be after the later of—

(a) 1 April 2017, and

(b) the earliest date that may be appointed consistently with the United Kingdom's EU obligations.”—(*Jane Ellison.*)

Bill to be further considered tomorrow.

Business without Debate

HIGHER EDUCATION AND RESEARCH BILL (PROGRAMME) (NO. 2)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the Order of 19 July 2016 (Higher Education and Research Bill (Programme)) be varied as follows:

In paragraph (2) of the Order (Conclusion of proceedings in Public Bill Committee) for

“Thursday 13 October 2016” substitute “Tuesday 18 October 2016”.—(*Guy Opperman.*)

Question agreed to.

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

DANGEROUS DRUGS

That the Misuse of Drugs Act 1971 (Temporary Class Drug) Order 2016 (S.I., 2016, No. 650), dated 13 June 2016, a copy of which was laid before this House on 15 June, be approved.—(*Guy Opperman.*)

Question agreed to.

SCOTTISH AFFAIRS COMMITTEE

Ordered,

That Mr David Anderson and Kirsty Blackman be discharged from the Scottish Affairs Committee and Deidre Brock and Ian Murray be added.—(*Bill Wiggin, on behalf of the Committee of Selection.*)

Private Finance 2/Private Finance Initiative

Motion made, and Question proposed, That this House do now adjourn.—(*Guy Opperman.*)

11.30 pm

Stella Creasy (Walthamstow) (Lab/Co-op): Most MPs can show in their constituencies where there are rotting floors, outdated buildings and potholes. Some may even have made a website about it, but the truth is that this is no laughing matter. We know that our schools in this country are falling apart, and that investment in our education buildings is 18% lower in 2014 than it was in 2009. Britain is now ranked 24th by the World Economic Forum for the quality of its infrastructure, down from 19th in 2006, and we cannot see this getting any better. Indeed, spending on infrastructure has nose-dived since Brexit.

Whatever some may say about fixing these problems, all of it has to be paid for, and Governments of all persuasions, including the previous Labour Government as well as the current Government, have used private finance to build. It is the equivalent of getting a mortgage or even remortgaging our home to pay for a new roof or an extension. Crucially in these deficit-denying times, it is seductive not only because it spreads payments for new schools, hospitals and stations and their management over decades or more, but because it keeps them off the books.

Jim Shannon (Strangford) (DUP): According to a report of 2014, in Northern Ireland there were some 39 PFI projects with a staggering total cost of £7.3 billion for the maintenance and so forth. Does the hon. Lady agree that any further PFI must be an absolute last resort and indeed should only be permissible in cases of extreme need?

Stella Creasy: I hope to convince the hon. Gentleman that there may be many alternatives to PFI, because the question for us is: at what cost have we engaged in this borrowing? We now pay £10 billion a year in PFI repayments, equating to £3,400 for every man, woman and child in Britain. These projects are worth £57 billion, but we are committed to paying back £232 billion by 2050.

It is clear that PFI has addressed some of the project management issues we had in the public sector that made it so bad at building. As the National Audit Office highlights, it has dramatically cut late delivery of projects and overspending on buildings, but as the Treasury Committee points out, it is “sub-optimal value for money”.

One hospital was charged £52,000 to demolish a £750 shelter for smokers, and a school had to pay £302 for a plug socket to be replaced, five times the cost of the equipment it wanted to plug into it. In my constituency of Walthamstow, we have seen first-hand the damage done. My local hospital, Whipps Cross, is part of the Barts health foundation, which has the largest UK PFI deal, at £1.1 billion. By 2049 the amount paid back will be £7 billion. Last year alone the trust shelled out £148 million, equivalent to the salaries of 6,000 nurses, of which half was the interest paid on the loan. Its deficit of £90 million has led managers to

downgrade nursing posts. It is little wonder the Care Quality Commission placed my local hospital into special measures as the quality of care declined.

The Minister will, I have no doubt, say his Government have reviewed PFI and made cuts to the costs, renegotiating to buy fewer lightbulbs and to do less cleaning, saving us a whole £1.6 billion out of about £220 billion, but as the NAO has pointed out, no one has really considered whether private finance itself is value for money.

Tonight I want to ask three simple questions: whether the terms of PFI—the rates we pay to borrow this way—are the best we as taxpayers can get to build schools and hospitals; whether even now we can save money on the costly deals that have been signed by Governments of all persuasions, and which are draining our public services of much-needed money; and above all whether the Government are doing enough to secure the competition for our business as taxpayers.

Of course it is hard to answer those questions without the data on what we are paying. I know that the Government do not have those data, because I have asked. I tried asking all the hospitals around the country what rate they were paying, because on 8 February this year Treasury Ministers told me that they do not hold those data centrally. Most NHS trusts refused to disclose the information, claiming that it was commercially sensitive, but those that did were very revealing. Their data showed that, in December 1994 under John Major’s Government, two PFIs in Durham—one for the Dryburn district hospital and one for the Bishop Auckland general hospital—had rates of return of 15% and 18% respectively. In comparison, the 10-year gilt rate was just over 8% at the time. In December 2002, the Crosshouse maternity hospital in Kilmarnock was rated at 16%, while a month later Edmonton acute services were rated at 14%. The gilt rate was 4.6% at that time. In March 2010, the Leeds Wellbeing Centre offered a return of 14% and the Liverpool University hospital redevelopment offered 11%. The long-term gilt rate was then 4.2%.

Some people will argue that we cannot make a direct comparison with gilt rates, so let me flag up the fact that equity returns on the stock market have averaged between 5% and 6% per annum over the past 30 years. It is therefore clear that PFI investors got a great rate, and that was no accident. Critically, research from Edinburgh University shows that these rates do not vary as other premiums do in our financial markets, and that they stay well above the cost of other forms of funding. So public bodies might know full well that the premiums are high, but if that is the return that the market expects for managing the projects and there is no alternative, there is not much they can do without the Government’s help.

I should also point out that those are the rates for when the contracts were signed. As we now know, much profit has been made by selling the debts on. The South London Healthcare NHS Trust, which collapsed, had two large PFI contracts, one of which was offering investors annual returns of 71%. Most PFI contracts were let on an expectation of an already high rate of return of 15% to 17%, but refinancing has seen some returns to investors rise to over 70%.

In 2007, a new standard contract clause was created to allow authorities to request this financial information in order to track the returns that investors were creating. However, there is little evidence that the clause has been

[Stella Creasy]

used or even that the Government have promoted it, so it is hard for us to see just how much taxpayers' money is being recycled into higher payments for investment funds rather than into infrastructure for the UK. Again, no central database exists.

We might not know what we are paying, but we do know who we are paying, and it is often the same companies, with 45% of projects funded by the same people. Firms such as Dalmore Capital, Semperian, Kajima, Innisfree and Barclays crop up time and again, and they often invest together too. This dominance by a small group of companies matters because this Government are continuing to use their services in their proposed replacement for PFI, known as PF2. PF2 separates out the service element—the building management—from the capital, which involves the building of the project. So far, so good. Those lightbulbs might be replaced after all, if their cost is not connected to the cost of building the schools.

However, PF2 is supposed to attract more long-term investors by increasing the requirement for equity—the most expensive bit of the deal—potentially making it even more expensive to the public purse than PFI. It also expects us as taxpayers to take on more—not enough to be in charge of the project, but more to cover the cost. So it is not that different from PFI. It is still about us borrowing money from private companies to build things, at rates that are not transparent or competitive with the alternative sources of finance that we could raise.

Are there better ways to borrow to build? Certainly the calculations used by the Government in the Green Book to compare the cost of these deals with public spending have not made that question easier to answer. They set the value of public sector borrowing at 3.5% real and 6% nominal since 2003, despite the cost of public borrowing being well below that for over a decade. The Treasury Select Committee has suggested that the Government review the Green Book, but it is not clear that the Government have heard that message. Will the Minister tell us whether PF2 is using the same calculations as PFI, at the very time when the cost of borrowing to the public sector is even lower? The Green Book also includes the shadow price of tax—the money that private companies will pay in tax in the UK as a result of getting this business. That money is set against the cost of borrowing from those companies to decide whether the deal is better than using public money to fund a project.

The lack of information about such projects means that the Government are simply unable to verify whether the tax presumptions are accurate. The NAO suggests not. The companies themselves continue to be sited overseas. Innisfree and Palio Partners are sited in Guernsey, and Semperian is registered in Jersey. PF2 will do nothing to tackle that or to stop the resale of shares in such deals, which make more money by taking advantage of the fact that Governments do not default. What does the Minister make of the bosses of the Sandwell and West Birmingham Hospitals NHS Trust, who admitted that they could not stop Carillion, investors in the PF2 for the Midland Metropolitan hospital, from selling on its equity investment to generate the kind of profits that we saw under PFI?

At a time when huge spending cuts are being threatened and when the NHS faces a financial shortfall of £20 billion by 2020 alone, to continue to pay inflated rates to rich investors is to continue to ignore the problems. A quarter of single-tier and county councils now spend the equivalent of 10% of their revenue on debt servicing. The answer to the first question is no; private deals are not always a good deal. We therefore need to answer a second question: if we cannot get out of them, can we renegotiate? Can we consolidate to reduce the repayments and put the savings back into front-line services? To date, sadly only Northumbria NHS Trust has done that and only at great expense to the council and with minimal savings. Imagine the savings that could have been achieved had the Government negotiated a group of the contracts with these companies at the same time. The savings in interest could be paying down debt or paying nurses and teachers properly.

We then face our final question: why are we borrowing only from these companies? Why are more companies not competing for our business as taxpayers? In the past few years, this Government have been making it harder for local government to pay down its debts. The Public Works Loan Board could use the Government's financial strength as a borrower to secure much lower rates and then pass them on to public bodies. Instead, they changed the early repayment terms in 2007. In 2010, changes were made to loans to make it harder, not easier, for local councils to borrow efficiently.

If that does not excite Ministers, perhaps they will support an alternative in the shape of the new municipal bond agency created by local councils. The agency seeks to lend at margins of between 0.6% and 1% over the underlying Government funding rate. Currently, if a council wants to borrow money for 30 years from the Public Works Loan Board, it will charge just over 2%. In contrast to the complexity of PFI or PF2, municipal bonds are simple and transparent. Bonds are issued to the market to raise funds and local government lending is at a fixed rate.

The Government could make pensions funds more likely to invest in partnerships with Government by being more transparent about the deals and the returns to be made. The current Pensions Infrastructure Platform has led to such companies buying old PFI debt, but that can change. The Manchester and London local government pension funds have recently acted together to invest in windfarms and biomass, so there is clearly a market. With Government support, that could be the basis for a UK sovereign wealth fund—the people's money used for the people's projects. The sad truth, however, is that no such innovations are coming from this House or the Treasury, so why are we throwing good money after bad trying to make private finance initiatives work? With a Prime Minister who has pledged to put infrastructure investment at the heart of post-Brexit economy, Britain cannot afford to keep making expensive mistakes.

I have five simple questions for the Minister. First, will he commit to publishing the rates at which public agencies are borrowing so we can have greater transparency of the costs incurred to the taxpayer and so that we can check whether, as many fear, PF2 will be more expensive than PFI? When will the Government publish the equity returns data, promised since last year, on the PF2 deals? Secondly, is the minister not perturbed by the relationships between a small group of institutional investors in these

deals and the lack of competition for taxpayers' business? If so, will he ask the Competition and Markets Authority, which acts on the behalf of consumers—as taxpayers, we are consumers—to review the sector and explore whether barriers to new entrants exist? Thirdly, will the Government help public bodies saddled with PFI and PF2 contracts to renegotiate debts and get the costs down to save money for front-line services? Fourthly, will the Government rewrite the Green Book to reflect the real costs and benefits of public borrowing versus private borrowing? Fifthly, what does he make of the new Eurostat rules published in March that consider the equity stakes that the Government intend us to take out under PF2 to be direct financing, meaning that they should be on the books? Does that not undermine the point of PF2 in the first place?

Finally, how will the Minister stop money simply going overseas into tax havens and into higher profits for private companies, not public services for the people? As things stand, 46 schools, and many more hospitals, will be built using £700 million of that PF2 control total, at a time when borrowing is at an exceptionally low cost for government. Do not take my word for that. Instead, take the word of Leo Quinn, the chief executive of Balfour Beatty, who recently said that “money is effectively free”. There is no excuse not to act, to tackle the costs of existing PFI contracts and the lack of competition for our business as taxpayers, so that we can really get value for money and so that instead of injecting our cash into profits for private companies overseas, we can inject our money into the kind of projects that will get Britain's economy and Britain's people back into business.

11.45 pm

The Economic Secretary to the Treasury (Simon Kirby):

I start by thanking the hon. Member for Walthamstow (Stella Creasy) for securing this debate. How we go about funding the infrastructure this country needs is a topic of huge importance, and I know Members from across the House will join me in thanking her for this opportunity to discuss it today, because we all share a desire to make sure we fund our public services in the best way possible. We are talking about the schools and hospitals people rely on, as well as the roads, train lines, energy supplies and broadband coverage. In short, we are talking about the public services that not only keep our economy running, but help us to generate new jobs and new opportunities for people across the country.

As someone who has run a number of businesses and now finds himself as a Minister at the Treasury, I do not want to see money wasted. My priority, and that of my colleagues in Government, is therefore to make sure that when we invest in the services people need, we get a good outcome and we pay a good price. Clearly, teaming up with the private sector can be an important way to finance new projects in the most efficient way possible, because often these are complex, difficult projects, which come with a range of risks to delivering them successfully, on time and on budget. One benefit that PFI brought was to move the risks associated with constructing and delivering these projects to the private sector, which was best placed to manage them. For us, that means not only that if something goes wrong, it is the responsibility of the private sector partners to fix it, but that we pay only if the service is working and available for use.

As such, partnerships between the public and private sectors can be the best way to find the best value for the taxpayer, and we are clear that we will only enter into public-private partnerships where the evidence shows us that is the case.

We have also done a lot of work to make sure that the system of financing projects privately is as effective as possible. The primary model used for about two decades was, of course, PFI. Although in many cases it was an effective way to deliver new infrastructure, it was not always the case that projects went smoothly, and not all of these partnerships delivered the value for money that we would all want to see. That is why, under the last Government, we did a lot of work to tackle that. We looked at what lessons we could draw from PFI and how we could keep the best parts of it while making important reforms. That culminated in the 2012 launch of a new model for how public private partnerships could work, PF2, which has helped iron out a variety of issues. For example, PFI was often criticised for its long procurement times, which could sometimes last for many years. PF2 has already been shown to deliver shorter procurement times, and has already delivered almost 50 schools and a hospital project.

Under the new system, we have also taken important measures to improve transparency, ranging from the annual publication of data to the Treasury's involvement on the boards of the companies leading the projects, and we also listened to feedback from stakeholders to build in more flexibility to the standard contracts we used, which often dictated services such as cleaning and catering. These have been removed, which means that the public sector now has a greater say over how the services it uses are run. We also have improved the overall system for new projects going forward. We must bear it in mind that we have a legacy of more than 700 projects that originated under the private finance initiative, which together are worth around £60 billion in terms of capital investment. Six hundred and thirty nine of those projects had reached financial close before May 2010.

We want to do what we can to ensure that these projects run as efficiently as possible. In 2011, we launched a programme to deliver an initial £1.5 billion of savings and efficiencies. We looked at PFI projects across sectors—from health to education and justice to transport. I am pleased to say that, as of March last year, public sector organisations from across local and central Government had reported more than £2 billion of savings and efficiencies over the life of the projects. We are still exploring a potential further £2 billion in savings through the more efficient use of facilities and adjustments to the scope of contracts.

Stella Creasy: The Minister just said there that the Government are still exploring how to make further savings on the scope of the contracts. Can he confirm whether the Government are looking at the rates of return paid on these contracts, and whether there are opportunities to negotiate with the companies that own these contracts—they are spread across the country—to reduce the repayments of interest on them collectively and to consolidate some of the loans for the public sector?

Simon Kirby: What I can say is that the Government are prepared to look at all of these individual arrangements to see where it is possible to obtain the best value for

[Simon Kirby]

money. Often, it is simply not possible to restructure or to pay off the debt in a way that offers value for money for the taxpayer. We would be mad, would we not, if we did not look carefully at providing the best possible value for money and the best possible public services? That is an ongoing issue.

As I was saying, if it is not possible to find obvious savings in a project, we will work with Departments and procuring authorities to improve day-to-day efficiencies and management of the contract.

The hon. Lady asked a number of questions, including one on equity investments and equity returns. Public sector equity—equity and shareholder loans—committed to PF2 projects as at March 2016 totalled £8.2 million. The Infrastructure and Projects Authority, on behalf of the Treasury, plans to collate the equity returns information over the course of this year. This will be the first collection of such data, as the projects included are only now becoming operational and starting to make a return. We have not yet set a date for publication, but we can expect it at an appropriate time in the future.

The hon. Lady asked about the Green Book. I can tell her that it will be refreshed later this year. There will be clear guidance to Departments about the alternatives to PF2, and about whether that particular form of finance is the most appropriate. She also mentioned value for money. To be clear, the Government will only use public private partnerships such as PF2 to deliver a project that provides value for money over a publicly financed solution. Analysis is carried out using the principles in the Green Book, which is published by the Treasury.

Stella Creasy: Obviously, one issue here is whether there is effective competition for our businesses as consumers. I did urge the Minister to ask the Competition and Markets Authority to review that very point, so that there may be more options and more alternatives. It may help us to understand why there are barriers to the alternatives. Will he agree to that, and will he clarify what he means by the appropriate time for those equity returns data? Obviously, we have been promised that for more than 18 months. Will he guarantee that that will be an early Christmas present at the very least?

Simon Kirby: I can certainly guarantee that it will be as soon as possible. The thing is we need the data to be able to report on them. Most of these projects are only just starting, so I am sure that we will have it as soon as is reasonable.

The hon. Lady mentions alternatives. I am fortunate to have in my constituency, Brighton Kemptown, a fantastic new hospital being built at nearly £500 million. It is not using PFI or PF2. It is the Royal Sussex county hospital. Each of these projects is financed in different ways, but all projects should provide the best value for money for the taxpayer.

Robert Jenrick (Newark) (Con): My local hospital and that of my hon. Friend the Member for Sherwood (Mark Spencer) has one of the particularly egregious examples of PFI, signed some time ago. With reference to what the hon. Lady described, that is an example of a hospital with a severe PFI that could be bought back,

avoiding some of the inflated interest costs in the years to come. Will the Treasury seriously consider, in this age of incredibly low public borrowing, a 30-year bond, for example, to buy back the most egregious PFI debts, particularly in the case of hospitals, where such debts have a major effect on certain trusts, such as mine? That must be the way to secure best value for the taxpayer in the long term.

Simon Kirby: My hon. Friend raises an interesting point. Projects are financed in different ways. The hon. Lady's local hospital, Whipps Cross, which is part of the Barts hospital PFI, was bond-financed. Refinancing is far more difficult and far less practical for bond debt. It is safe to say that refinancing of bonds is unlikely to provide value for money. The aim is value for money not only in the financing of new projects, but in changing or varying an existing finance arrangement.

Stella Creasy: I am pleased that the Minister refers to my local hospital. That is owned by Innisfree, which owns a huge number of such projects across the country. I am not sure if the one in Sherwood is one of those. I believe some of those in Brighton Kemptown may have some connection to Innisfree. There is a case to be made for renegotiating with such companies, which may wish to bid for PF2 business in the future. Is the Minister satisfied that there is enough competition for our business as taxpayers? Will he refer the matter to the Competition and Markets Authority so that it can look at whether those companies have a captive market, and whether alternatives such as bonds or the pension funds might be willing to invest in such projects and help out those public services, as well as not making the same mistakes with PF2 as seem to have been made with PFI?

Simon Kirby: I thank the hon. Lady for raising that question. I am happy to reassure her and give her a commitment that I will look at any solution that provides value for money. If that means that we should have more competition, so be it. We have a responsibility as a Government to get the best possible value for money for the taxpayer. In many cases we are historically in a difficult position. Her hospital finance was agreed in 2006, if I remember correctly. It is very difficult to unwind, but if she is asking me whether it is the Government's intention to get the best possible deal, the answer is yes. If, after all the necessary investigation and consideration, it was appropriate to follow the route that she suggests, I would certainly consider that.

I reiterate that the issue is important. There is surprising agreement across the House. We all want to see the best possible public services and we all want the best possible deal for our constituents and the taxpayers who pay for these vital infrastructure projects, but we must be realistic about what we can change from the past. That does not mean that we should give up and accept that it is not possible to provide a better deal. We aim to achieve the best possible value always, because that is what the public expect and what the nation's finances need, and it is what I and this Government will do our best to deliver.

Question put and agreed to.

11.59 pm

House adjourned.

Westminster Hall

Monday 5 September 2016

[MR JAMES GRAY *in the Chair*]

EU Referendum Rules

4.30 pm

Mr James Gray (in the Chair): Before commencing this afternoon's important debate, called by the Petitions Committee of the House of Commons, it might be useful if I lay out a couple of rules of procedure. First, quite a large number of Members have signified their intention to speak. However, we have got a three-hour debate and I do not intend to apply a formal time limit to speeches—at least to begin with. We have the authority to do that later. If Members are sensible and restrict their remarks to five to 10 minutes apiece, we might get most Members who wish to speak into the debate.

Secondly, the motion before us today, namely that we have considered the petition, is very specific, and I intend to be fairly strict in preventing Members from rambling widely into every issue to do with the European Union and Brexit. Those are not matters for debate this afternoon; the debate is simply about whether we should have a second referendum. With that as prologue, I call Mr Ian Blackford to move the motion.

4.31 pm

Ian Blackford (Ross, Skye and Lochaber) (SNP): I beg to move,

That this House has considered e-petition 131215 relating to EU referendum rules.

It is a pleasure to serve under your chairmanship, Mr Gray. I appreciate the motivation of those who have called for a second referendum. It is a mark of an irresponsible Government that, more than two months after the EU referendum, we know nothing more than the Prime Minister's soundbite "Brexit means Brexit". We are not the only ones confused by the UK Government's haphazard approach to leaving the EU. Speaking at the G20 summit in China, President Obama said that the UK will not be prioritised in free trade talks. He said that he never meant to say that the US would "punish Great Britain", but simply that he wanted to challenge the notion that the consequences of Brexit are negligible and that Brexiteers would

"just go ahead and light-up a whole bunch of free trade agreements."

An official Japanese Government briefing leaked to the summit warned of the repercussions for the thousands of people employed by Japanese car, finance and high-tech firms in the UK, and sought assurances about continued access to the single market, tariff levels and other trade privileges. The notion that the UK can quickly put in place trade deals around the world is fanciful. It is wishful thinking without any basis in experience or likelihood of delivery. It is no more than a policy of "hope for the best".

The UK Government should follow the Scottish Government's example and announce an urgent economic stimulus plan. We are clear that the least bad option requires the UK to stay within the single market.

The Scottish Government will use their influence to shape the best outcome for Scotland and the UK as a whole, which means the UK continuing to be a member of the single market.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): Will the hon. Gentleman give way?

Mr James Gray (in the Chair): Order. Before the hon. Gentleman intervenes, I said that I was going to do this to begin with, so I hope the hon. Member for Ross, Skye and Lochaber (Ian Blackford) will forgive me if I point out that we are discussing the question of whether there should be a second referendum on Britain's membership of the European Union. It is therefore not in order to discuss anything to do with Scotland or Britain's role in the wider world. Our sole purpose is to discuss whether there should be a second referendum on our membership of the European Union, so perhaps the hon. Gentleman will restrict himself to that particular topic.

Ian Blackford: I am grateful for your guidance, Mr Gray. If you will forgive me, I am trying to move on to discuss that very topic, but I am putting it in the context of many of the things that happened during the referendum campaign and why we are in this position.

Stephen Doughty: I am mindful of your comments, Mr Gray, so I will try to put my intervention in the correct context. Many of my constituents have written to me arguing for a second referendum, but many have also argued that it must be absolutely clear that it cannot be the case that Parliament does not get to have a say on this issue again, and that it certainly cannot be the case that the devolved Administrations and Governments do not get to have a say. It is my view that they absolutely must. Does the hon. Gentleman agree?

Ian Blackford: I am very grateful for that intervention. I will come on to the sovereignty of Parliament—and, indeed, the sovereignty of the people—because that is a very important point. I will address it later in my speech.

Mr John Spellar (Warley) (Lab): Given the difficulties that the hon. Gentleman is outlining, the call for a second referendum is not only damaging to our democracy, but enormously diversionary from the tasks that he outlined of negotiating our relationship with our European neighbours and the rest of the world, and, equally significantly, getting the British Government machinery working efficiently and effectively so we can make decisions and compete in that new world.

Ian Blackford: I understand the right hon. Gentleman's point, but there is the issue of what people voted for. The situation is in contrast with that of Scotland in 2014, when the Scottish Government had a 650-page White Paper that laid out exactly what would happen to Scotland post a vote for independence. The problem with the Brexit campaign is that we did not have a manifesto.

Helen Hayes (Dulwich and West Norwood) (Lab): Yesterday, the Prime Minister confirmed that there is no commitment to give additional funds to the NHS as a consequence of Brexit—a pledge that toured the

[Helen Hayes]

country on the side of a bus, and on the basis of which millions of people voted in good faith to leave the EU. The Prime Minister says that Brexit means Brexit, but when such pledges are broken almost immediately, none of us really knows what Brexit will mean. Does the hon. Gentleman agree that that lack of clarity further underlines the case for enabling the British people to see the detail of the actual Brexit deal and vote again on whether they would like to proceed on those specific terms, and that that should take place before article 50 is triggered?

Ian Blackford: It is fair to say that those on the Brexit side failed to put across exactly what Brexit means. The week after the Brexit result, the Chancellor—then the Foreign Secretary—said that the Government have no plan. That is the difficulty that the hon. Lady is referring to. When the Prime Minister says “Brexit means Brexit”, what does that mean? There has not been an explanation of exactly what it means.

Caroline Lucas (Brighton, Pavilion) (Green): When we talk about a second referendum, it is important to be clear about whether we are talking about simply rerunning the old referendum, which I am sure no one is suggesting—that would absolutely undermine democracy—or about a referendum on the terms of any new deal. That is absolutely crucial. In that context, does the hon. Gentleman agree that we should take into account the conclusions of the Electoral Reform Society, which has done a report on the myths, misinformation and downright lies in the previous referendum, and says that we have got to do things better next time?

Ian Blackford: I absolutely agree. The Electoral Reform Society talked about many of the good things in the referendum in Scotland in 2014—it is often described as a gold standard—such as the fact that we had a long referendum campaign and that people were able to make a judgment based on the facts. That is a reasonable point.

Several hon. Members *rose*—

Ian Blackford: Let me make some progress, then I will be happy to take more interventions.

The Scottish Government have already announced an additional £100 million of funding in this financial year to stimulate the economy following the uncertainty about the UK’s future relationship with the EU. As a Scottish MP, I fully support the action taken by the Scottish Government and backed by a vote in the Scottish Parliament empowering them to secure Scotland’s place in the EU. That context is important to this debate, Mr Gray. When the vote was taken in the Scottish Parliament, 106 Members voted for the motion, eight voted against and there were three abstentions. Our Scottish Parliament, on a cross-party basis, gave an unequivocal statement that Scotland voted to remain in Europe. Let me put it this way: remain means remain.

The Government in Westminster repeatedly tell us that they respect the authority of the Parliament in Edinburgh. The Government in London should reflect on what respect means when it comes to article 50 and the desire, if that is what they have, to remove the UK

from Europe before recognising our desire and our right to remain in Europe. Our position must be given cognisance. As the UK develops its position ahead of triggering article 50, the Scottish Government must be given a central role in the deliberations and negotiations. The Prime Minister must not bypass Scotland in the EU negotiations.

It is deeply worrying that the Prime Minister is ploughing ahead with a hard breakfast—[*Laughter.*] I mean Brexit; other than the dog’s breakfast that was the Brexit campaign. We wish to remain in Europe, with full access to the single market and full free movement of people.

Mr James Gray (in the Chair): Order. I am very sorry to interrupt the hon. Gentleman again, but I made it absolutely plain at the beginning that this debate is on the very narrow and specific question of the wording of the petition, namely:

“We the undersigned call upon HM Government to implement a rule that if the remain or leave vote is less than 60% based a turnout less than 75% there should be another referendum.”

That is the topic of debate. We are not debating whether we should be in the European Union, what happened in the Scottish Parliament, or the benefits of Brexit or of staying in the European Union. We are debating simply whether there should be a repeat of the original EU referendum, and the hon. Gentleman should return to that subject if he does not mind.

Ian Blackford: I am grateful for the guidance from the Chair, and I am seeking to follow it. I am building up an argument about why we are in the position we are in. If you will show me some forbearance, Mr Gray, I will address myself to those words—

Mr James Gray (in the Chair): Order. The hon. Gentleman must keep to the point of the debate.

Ian Blackford: The point, however, is that we have been asked about the rules for an EU referendum. My specific argument comes down to the issue of where sovereignty lies. In our opinion, sovereignty in Scotland lies with the people, and the people of Scotland voted 62% to remain within Europe. Those are the arguments that I will outline in the debate, and I believe that in a process of free speech I should be entitled to do so.

The respected Professors Chalmers and Menon, writing for Open Europe, suggested that Scotland could have a different relationship with the European Union from the rest of the UK, including free movement of people, and Scotland continuing to sign up to EU law. Others have pointed to the so-called “reverse Greenland” scenario, in which the rest of the UK leaves the EU, but Scotland retains the existing rights and membership of the EU. It is up to Westminster whether it is willing to recognise Scotland’s position, which requires its own settlement, perhaps with Northern Ireland, another of the family of nations which voted to remain.

As I have said, 62% of Scots who voted expressed a desire to remain. We often hear about the sovereignty of Parliament, but we have our own tradition in Scotland, and it is one in which the people are sovereign. In the case of *MacCormick v. Lord Advocate* in the Court of Session in 1953—

Mr James Gray (in the Chair): Order. I must now insist that the hon. Gentleman return to the topic of the debate in hand, namely whether we should have a second referendum on the EU. If he is unable to return to that subject, he will have to resume his seat, because other Members in the Chamber will do so. It is nothing to do with freedom of speech. The topic of the debate is absolutely plain, and it is vital that he address himself to it and to nothing else.

Ian Blackford: With respect, Mr Gray, that is precisely what I am trying to do. I am putting this in the context of what has happened in Scotland. On the basis of free speech, I ask that I be given the opportunity to present my argument in the way that I feel is appropriate to the people of my country. This is about the people of Scotland being listened to when they have, under the rules of the referendum, voted to remain. I am perfectly entitled to make that argument, which I intend to do.

The principle of the unlimited sovereignty of Parliament is a distinctly English one, which has no counterpart in Scottish constitutional law. The judgment in the case that I cited recognised the sovereignty of the people of Scotland, and that is something the Government in London will have to accept. Scotland voted to remain, so we could remain citizens of Europe, and that must be respected. Those who have signed the petition and pushed for a second referendum would, I hope, recognise that, as a Scottish MP seeking to hold the Government in London to account and standing up for the people of Scotland, who voted to remain, my primary responsibility is to the people of Scotland.

Mr Andrew Smith (Oxford East) (Lab): On the sovereignty of the people of Scotland, did they not vote to remain in the United Kingdom? Is it therefore not implicit that they have accepted the constitutional arrangements of the United Kingdom?

Ian Blackford: We had a referendum in 2014, and 45% of those who voted in it voted for independence and 55% voted to remain in the UK, but the important point is that in that referendum debate, the Conservative-Liberal coalition Government and their partners in Better Together, the Labour party, told the people of Scotland that if they voted to remain in the UK, their position in Europe would be guaranteed. The people of Scotland were misled. I will come on to the mandate given to the Scottish Government by the Scottish Parliament, on a cross-party basis, which is to protect Scotland's position in the EU with all measures, up to and including a second independence referendum, that might be necessary.

Kwasi Kwarteng (Spelthorne) (Con): As I understand the position, in the past two years the hon. Gentleman has taken part in two referendums and lost both of them. As a consequence, I imagine he wants to rerun both. Which comes first? Does he want to rerun the EU referendum or the Scottish independence referendum first?

Ian Blackford: I will try to stick to the terms of the debate today—I am arguing strongly that my primary interest in this case is to protect Scotland's position within the EU, which I hope gives some succour to those who have argued for the petition. That is our first

priority. If, because the UK Government refuse to recognise our position, the only way to protect Scotland's position is independence, of course we will say to the Scottish people that that is the path that they should be going down.

Ian Paisley (North Antrim) (DUP): To confirm, for the sake of clarity, the hon. Gentleman wants to have a free and independent Scotland ruled from Brussels.

Ian Blackford: I have a lot of time for the hon. Gentleman, but this is about securing Scotland's position within Europe—to ensure that Scotland is a destination, that we can fulfil our potential and sustainable economic growth for Scotland. In order to do that—

Mr James Gray (in the Chair): Order. I have told the hon. Gentleman on several occasions that the debate is not about any of the things that he is discussing. He is completely and utterly out of order. He is discussing a debate that is not for this Chamber today. If he persists, I will ask him to resume his seat and I will give the Floor to someone else. I insist that the hon. Gentleman return to the motion before us today, namely whether there should be a second referendum on our membership of the European Union. That is the topic of our debate, nothing else. If he cannot do that, he will have to remain seated. I invite him now to return to his feet and to discuss the issue of whether there should be a second referendum.

Ian Blackford: I have to say that I am surprised by the remarks from the Chair. All that I was doing was responding to an intervention, which I was answering to the fullest extent that I could. I will move on.

It is pertinent to ask how the UK has got itself into this situation. In the recent general election campaign, the then leader of the Conservative party committed his party to holding a referendum on EU membership if elected to government. That commitment was made not from a position of conviction—because he personally wanted out of the EU—but simply to buy off those in his own party who did not want to be part of Europe. There was no leadership and no vision about how to take Europe forward; it was an abrogation of responsibility, and we then had the most unedifying of campaigns.

In Scotland we often refer to the arrangements for our own referendum as the gold standard, although that admittedly did not stop the descent into negativity that characterised “Project Fear”. We can argue, however, that there was strong public engagement and, crucially, young people whose future was to be determined by the vote—those aged 16 and 17—were able to participate. EU citizens living in Scotland also participated, and rightly so.

The EU referendum was different: 16 and 17-year-olds, and EU citizens were excluded. We might have anticipated that the debate would therefore become narrow and inward looking, and that is precisely what happened. The Prime Minister and his Government who wanted to remain in Europe had the opportunity to shape the debate, but rather than painting a vision of the UK in Europe, “Project Fear” went into overdrive—not so much a positive case for Europe as a campaign that failed to inspire. The Prime Minister went into battle with a plan that was flawed, and that became increasingly obvious in the months leading up to the referendum.

[*Ian Blackford*]

In much of the UK, the debate came to be about immigration—not about how migration in and out of the UK can enrich our society and the rest of the world, but about a fear of immigration. There was little appreciation or understanding of the positive impact that migrants have on our economy, or of their contribution to our health service and other public services. There has been much talk of those left behind, those who have not seen improvement in their living standards or quality of life, but immigration has not led to such circumstances; they are the result of a failure of Government policy to invest in our public services to ensure that capacity is sufficient to meet the needs of all our communities.

Kerry McCarthy (Bristol East) (Lab): I agree with the hon. Gentleman that the referendum campaign was flawed in terms of the information that people had access to, but I also agree with the hon. Member for Brighton, Pavilion (Caroline Lucas) that we should not look to rerun the referendum we have just had. Instead, we should look forward to having a referendum on the Brexit deal, because the big question facing us now is what Brexit means. I am not sure what the hon. Gentleman's stance on that is: is he talking about a rerun of the vote that we had on 23 June, or about a Brexit vote?

Ian Blackford: I am not talking about a rerun of the referendum campaign we have just had. I am arguing specifically, as a Scottish MP, that Scotland voted to remain, so, before we go through the article 50 process, the Government in Westminster have the opportunity to reflect on recognising the sovereignty of the people of Scotland, and that to do so would help those who signed the petition we are debating.

This is the debate that we should have been having, rather than the one that we had. Rather than being seen as investing in our future, immigrants have become scapegoated and hate crime has been on the rise. Not only have immigrants been scapegoated, but EU citizens living in the UK are now fearful about whether they will have long-term rights to remain.

On the morning of 24 June, after a failure of leadership by the UK Government, the First Minister of Scotland spoke for many in a message that resonated not only in Scotland, but throughout the UK. Her message was clear: EU citizens living here are our friends, neighbours and colleagues, and they are welcome. Some 173,000 EU citizens are part of our communities in Scotland, and many are fearful about whether they can remain. Uncertainty still exists. The Prime Minister should do the right thing and state that all EU citizens who are here now are welcome to stay. It is about doing the right thing. Those who are here have been welcomed in; why would we not remove any uncertainty? We are talking about people who under no circumstances should be used as bargaining counters in any Brexit talks. Where is the humanity? The Prime Minister will be judged by her actions: show compassion and decency.

We should also have been discussing the very pillar of the argument about the benefits of European membership: peace in the continent, fostered by nations working together for the common good.

James Berry (Kingston and Surbiton) (Con): Does the hon. Gentleman agree that changing the rules of the game ex post facto if we do not like the result, which is

precisely what the petition proposes, is not really the way that we do things in this whole United Kingdom? Even among people who voted to remain, myself included, a very large number would not accept a second referendum, despite being disappointed by the result.

Ian Blackford: There were flaws in the way that the referendum was conducted, but as a democrat and someone who argues very much for the sovereignty of people, I have some sympathy with the hon. Gentleman's view. We must not override democracy by denying those in the UK who voted in the referendum their rights, but we must equally recognise the votes of the people in Scotland who voted to remain.

We must champion the benefits of the single market in trade, services and—yes—people. Much of that positive argument was lost in the deluge of fear and negativity. The costs of our membership were much discussed, but the benefits were not. When it comes to the costs, those who spoke about a bounty for the NHS should hang their heads in shame. Much of the Brexiteers' argument has been shown to be false. The people who are responsible for this situation are those who engineered the referendum and our departed Prime Minister, who showed a complete lack of leadership in securing the UK's continued membership of the EU. It is often claimed that all political careers end in failure. The Prime Minister fell on his sword after the referendum. His tenure will be reflected on as one during which he presided over the UK leaving the EU—something that he was personally against. I cannot think of a greater foreign policy disaster for any Conservative Prime Minister since Eden and the Suez crisis.

Not only did the Prime Minister announce that he was going, but one of the primary Vote Leave architects, the ex-Mayor of London, then proclaimed that the Government did not have a plan for Brexit.

Mr James Gray (in the Chair): Order. The hon. Gentleman has been asked repeatedly to return his remarks to the simple issue of whether we should repeat the referendum. If he wants to continue, I require him to return to that specific topic and no other. If he cannot do that, he will have to resume his seat and I will pass the floor to someone else. I call Mr Ian Blackford to talk specifically about a second referendum.

Ian Blackford: I am trying to address myself to that topic. If you will bear with me, Mr Gray, I am just a few short remarks from closing.

Mr James Gray (in the Chair): Order. Nor will the hon. Gentleman enter into discussion with the Chair about what I am ruling. My rule is final, and whatever I say in the Chamber goes. What I am saying is that he is deviating wildly from the topic that we are discussing. I require him to return to that specific topic. If he cannot, I will ask him to resume his seat.

Ian Blackford: I hope that the people of Scotland are listening to this debate and the conduct of it.

Contrast the omnishambles of the EU referendum with our referendum in Scotland, when those of us arguing for independence had the benefit of a 650-page White Paper that went through every area of Government. The Brexiteers wanted out of Europe, but they had no

plan for the day after the referendum or any other day in the future. We were all to be cast adrift from Europe when the Government decided to trigger article 50 and begin the process of disengagement from Europe. There is still no plan to put in place the much heralded new trade agreements. There has been a lack of leadership not only from the Government but from the Labour Opposition, whose campaign to remain in the EU was lukewarm at best. Labour sources have repeatedly suggested that their leader may not even have voted to remain. It is little wonder that we are where we are today: in a UK that has turned its back on the EU. We know who the real separatists are in the UK.

We live in uncertain times. Western economies are still grappling with the fallout from the financial crisis in 2007 and 2008. Brexit has led to the Bank of England—

Mr James Gray (in the Chair): Order. I am most grateful to the hon. Gentleman for his remarks. He will now resume his seat. I call Mr John Penrose.

Ian Blackford: I must object—

Mr James Gray (in the Chair): I understand that you are making a point of order. On a point of order, Mr Ian Blackford.

Ian Blackford: I am not making a point of order. I am making a speech that is legitimate in the context of the debate. People in Scotland will see exactly what is happening here: the Chair is refusing to allow the elected representatives of the people of Scotland to give a speech. That is the clear judgment of what has been delivered by this Chair.

Mr James Gray (in the Chair): Order. As a Scot, I very much hope that the Scots are indeed listening to the debate. The hon. Gentleman is entirely out of order. I call Mr John Penrose.

4.55 pm

John Penrose (Weston-super-Mare) (Con): As Constitutional Reform Minister at the time, I had responsibility for the detailed election rules set out in the European Union Referendum Act 2015. Since those rules would have included any provision for a super-majority of the kind that is suggested in the petition, it might help if I explain why we did not include such a super-majority in that Act, which was passed by Parliament last year.

There was not much discussion of super-majorities when Parliament debated the 2015 Act, but had that subject come up, I suspect that there would have been widespread opposition to it from campaigners on both sides of the debate. No matter what the issue at hand may be, a super-majority gives an in-built advantage to the status quo. It tilts the playing field deliberately in favour of no change. In other words, it would rightly have been seen as a pretty transparent attempt to give the remain campaign an enormous—and in the eyes of many, unfair—advantage. Leave supporters would have denounced it in ringing terms. Equally importantly, more thoughtful remain campaigners would probably have felt uncomfortable too.

Peter Grant (Glenrothes) (SNP): The hon. Gentleman has made an interesting start. Does he agree that if both sides of the campaign are supposed to be balanced, it is irresponsible for anyone to deliver literature in the closing days of any referendum campaign strongly advising people, “If in doubt, vote for the status quo”? If people are in doubt, they should not vote.

John Penrose: My point was that had we set up a super-majority as the petition suggests, we would have tilted the rules unfairly in favour of the remain campaign. With a fair and level playing field, both sides are free to make their cases as strongly as they can and to rebut the other side’s case if they feel that it is wrong. The hon. Gentleman clearly feels that some of the points that were made were entirely incorrect, but the correct response was to argue against them and engage in democratic debate at the time, not to try to tilt the playing field towards one side or the other.

Stephen Doughty: The hon. Gentleman makes an interesting point about super-majorities, but they have been used in British constitutional history—they were used in the devolution referendums at the end of the 1970s—and are used in many other democracies. They are used in the United States, for example, for amendments to the constitution. Therein lies the problem. Does he agree that one of the clashes—it is why we are having this debate—was caused by the fact that the result was narrow? Many of us wish to respect that result, but at the same time my constituency, for example, voted by 60% to 40% to remain. We also have that situation in Scotland. That is why the public feel torn, and that is the difficulty that we are all dealing with.

John Penrose: I completely agree. The outcome, although definitive—there was an overall majority of well more than 1 million votes—was still uncomfortably narrow, and 48% of the population were on one side. Democratically, we therefore need to go through a healing process as an entire country to repair that damage, but wishing that it were otherwise will not change the historical fact of the result and the fact that the rules were as fair as Parliament could make them after extensive debate.

The referendum, with those rules, was intended to put the question of our EU membership to rest once and for all. If it had been an unfair referendum and the rules had been slanted in one direction or the other, it would have completely failed in that central aim. Far from drawing a line under the issue forever, we would have faced a “neverendum,” with both sides banging on about Europe for decades. I doubt that anyone could invent something more divisive, distracting or, frankly, soul-destroyingly boring if they tried.

Tom Brake (Carshalton and Wallington) (LD): Will the hon. Gentleman give way?

Mr David Lammy (Tottenham) (Lab): Will the hon. Gentleman give way?

John Penrose: What a choice. I will happily give way to the right hon. Member for Carshalton and Wallington (Tom Brake).

Tom Brake: I thank the hon. Gentleman. Does he think that the outcome of the referendum will ensure that people do not bang on about Europe for the next five or 10 years?

John Penrose: I will respond merely by saying that I hope that the period of banging on about Europe will be much shorter than it would be if we had more referendums about it in the future. I had thought that the right hon. Member for Tottenham (Mr Lammy) wanted to intervene—[*Interruption.*] Clearly there were two minds with but a single thought.

The danger of requiring a super-majority is that it would be seen as a coded attempt by disappointed pro-Europeans to rerun the original referendum because they did not like the result. I supported the remain campaign, but even I think that a rerun would be a huge mistake. Whichever side we were on at the time, I hope that all of us here are democrats first, last and always.

James Cartlidge (South Suffolk) (Con): I campaigned on the remain side, and I must say that I was disappointed with the negativity on both sides. However, negative arguments are made in general election campaigns as well, and I do not believe anyone would think we should challenge a general election result because one side used negative arguments.

John Penrose: I completely agree. Every time either the Lib Dems or the Labour party win a local council by-election, I am convinced that everyone has taken leave of their senses, but as a democrat I respect the result and accept it. I am sure everyone here would do the same, no matter which side of a particular debate they are on.

Tom Brake: I wonder whether the hon. Gentleman would like to respond—perhaps this is not for this debate but for another—to the emails that we have all had from people who have called for an independent body to assess the claims made during the course of a referendum campaign. Would he support that?

John Penrose: I worry about such proposals, because they could create a vehicle for making vexatious claims during a campaign as a way of trying to smear the opposition, whether they were making legitimate or illegitimate comments. The whole point about democratic campaigning in any election, as we all know well, is that if someone says something that we regard as an egregious slur on us, or our party, or on reality—it does not matter—the answer is not to run to the lawyers but to get out there and explain to the voters why what has been said is entirely wrong.

The country has voted to leave the EU. Whether we in this room individually agree with it or not, the decision has been made. If we now decide that we will not leave after all, and that we will hold another referendum instead, the outrage at an out-of-touch political class, deaf to the desire of the people who elected them, will be absolutely shattering.

Kwasi Kwarteng: That is precisely the assumption that many remainers had, at least at the beginning—that they would somehow win the second referendum. All

the evidence I see, certainly in my constituency, suggests that there would be a resounding defeat for the remainers if we were to go down that route.

John Penrose: At a time when, with isolated but notable exceptions in both the Scottish independence referendum and other votes around the country, we as a democracy are suffering from declining turnout and voter registration, we all need to ask ourselves why part of people's reason for backing the leave campaign was the cry of frustration at our democracy. I can think of nothing more dangerous or corrosive than if we in this place were to say, "We are not listening", stick our fingers in our ears and refuse to honour the decisive verdict that has been rendered unto us, whatever side we started on in the referendum campaign.

Patrick Grady (Glasgow North) (SNP): Could not the remarks that the hon. Gentleman is making about the dreadful finality of the result equally have been made about the referendum in 1975 to go into the European Community?

John Penrose: I am not quite sure what the hon. Gentleman's point is. What I am arguing is that we have a clear democratic decision, regardless of what the lawyers may say, and democratically we owe it to the people who sent us here to listen to what they said. That is a simple point, but I worry that some people who are understandably disappointed—I was on the same side as them—are trying to find ways and reasons to comfort themselves and ignore that decision. I do not think we can. If we try to ignore it, voters will rightly ask, "What part of the word 'leave' is so hard for you all to understand?"

We have been given our marching orders. Brexit must mean Brexit, and it is up to every red-blooded democrat, no matter which side they were on before the result was known, to accept the clear electoral verdict and pull together to deliver it as best we can.

5.4 pm

Mr David Lammy (Tottenham) (Lab): Several right hon. and hon. Members of the House have long believed, as we have heard—or not as we have heard, but I know some Members believe this—that Britain's interests would be best served outside the European Union. Those Members campaigned passionately for Brexit and ardently believe that the result delivered on 23 June means that Brexit should be delivered immediately—no ifs, no buts and, frankly, no questions asked. It would be churlish not to congratulate them on the referendum result and acknowledge, as has been said, that 52% of the country or thereabouts voted to exit the European Union.

I listened to the Secretary of State for Exiting the European Union speaking on the Floor of the House just before this debate about what Brexit means, and he said that Brexit means that we will exit the European Union, but we must all concede—I really hope that this Chamber does—that, two and a half months down the line, we do not know what Brexit actually means in reality. We are living in uncertain times and that is why we are considering this petition today. We do not know what form Brexit will take or when it might happen. We do not know whether our future lies within the single market or outside of it.

When we talk about access to the single market after Brexit, what do we mean by that? Of course we will have access—North Korea has access. That is not what we are talking about. The question is on what terms the UK will obtain that access and at what cost? We also do not know what our trading relationships with the rest of the world will look like, and millions of European Union citizens who have made this country their home are living in uncertainty now and do not know what their status is. Many of the 4 million people who signed the petition are understandably very anxious about their future. That is why we are here in this Chamber.

There are many legitimate arguments. Many believe—I will come back to this—that there should be a vote in this House on Brexit when we are much clearer about what the Government plan. Some believe that the best way forward is a general election, where political parties can put their position to the electorate, and others quite rightly say, “No, we need a second referendum on a plan when we have seen it.” That is the nature of the debate we are having, even though some might muddy the waters.

James Cleverly (Braintree) (Con): Will the right hon. Gentleman give way?

Mr Lammy: I will give way, but I am conscious that there are many others who must get into the debate.

James Cleverly: I appreciate the right hon. Gentleman’s generosity. With regard to a second referendum on specifics of a renegotiated position, if the outcome of that was a rejection of the status quo, should the British people then be presented with a different negotiated position for Brexit, the removal of Brexit or another referendum? What would be the proposed question in that referendum?

Mr Lammy: The hon. Gentleman does not seem to see this as I do. I believe that the country is already in the midst of a constitutional crisis. That is why there is currently a case in the High Court in both this country and Northern Ireland in relation to this topic. All I have outlined is that some people legitimately believe that one way out of the constitutional crisis is to put a plan to the people. The determinants of that plan are not a matter for today, but the principle requires debate. It is concerning that, given the decision we have made, which affects generations of young people, so many people who believe in sovereignty seem to want to limit debate in this House. We have spent minimal hours on Europe since 23 June, given the seriousness of the decision we are about to take.

Many people on both sides of the referendum debate would accept that the public were totally misled and lied to during the referendum. No one would accept that there is a clear plan for where to go from here and what we will do next, so there is a legitimate argument that, whatever the forthcoming Brexit plan looks like, it should be put to the people in a referendum, or it should be debated and voted on in Parliament, or there should be a general election on the issue. All three options have been ruled out by the Government, by the way. Yet there is still a vacuum. There is division and uncertainty, and that is the reason we are discussing the mechanism that we are debating today.

Mr Chuka Umunna (Streatham) (Lab): I want to add two points, and to ask my right hon. Friend whether he agrees with them. One is that, whatever one’s view about whether there should be a vote in the House on triggering article 50, there should at least be a debate. The second is that whether to vote on article 50 is in a sense academic, because we will have to repeal the European Communities Act 1972 to give effect to our leaving the European Union. That will involve multiple votes, which will have knock-on impacts on existing legislation, which will need to be changed.

Mr Lammy: My hon. Friend is right. That is the case, which is why it was breathtaking to hear that Britain will not be discussing Europe for much longer. If we exit the European Union, this House is about to be consumed with legislation that will probably be with us for more than a decade. One Whitehall Department alone, the Department for Environment, Food and Rural Affairs, has 1,200 pieces of legislation that would need to be repealed. The task ahead for the nation is gargantuan. We are perhaps talking about the sort of effort involved in reconstruction after the war, or something comparable to the birth or the loss of empire.

Kwasi Kwarteng: Will the right hon. Gentleman give way?

Mr Lammy: I am not going to give way, because I think I should make progress.

I have described the scale of the challenge for Parliament, and the truth is that if we are doing that we will not be doing other things.

Tom Brake: Will the right hon. Gentleman give way?

Mr Lammy: I have said that I should make some progress. Others have got to get in to make important contributions.

The other point is that uncertainty is bad for business and our economy. Last week a survey by Lloyds found that business confidence has dropped to its lowest level since December 2011. Uncertainty in Government is also bad news. If the whole of Whitehall is focused on trying to work out Brexit and then on trying to deliver it, where will the capacity be to tackle many other urgent issues that the country faces—the crisis in the NHS, youth unemployment, infrastructure and the rebalancing of the economy? Last week massive cuts to apprenticeships were announced. We need working-class young people to move into apprenticeships. How are we going to achieve those things when every Department is consumed with the subject of Brexit?

I am here on behalf of my constituents, and that is why I am very clear about the issue. Ordinary working people on low incomes will suffer the most in the man-made recession to come. As always, people who are living pay cheque to pay cheque, just about keeping their heads above water and making ends meet in insecure jobs will bear the brunt of any economic downturn. When unemployment rises tax receipts will fall. NHS spending, wages and investment will fall, and after years of austerity the Government will not have the money for a fiscal stimulus, or to provide a proper welfare safety net. People have been talking about

[Mr Lammy]

agricultural areas. In counties such as Norfolk, which relied on EU subsidies, some people have been asking “Are we still going to get the EU subsidies?”

Mr James Gray (in the Chair): Order. Having been firm with our colleague from the Scottish National party, I should also be firm with the right hon. Gentleman. He has been very much in order so far, but he might like now to return to the subject of the debate.

Mr Lammy: You are absolutely right, Mr Gray. I was simply making the case that those EU subsidies will no longer be there. They will have gone and tax receipts will have fallen. It is for that reason that the way we resolve the constitutional crisis we are in is so important. The mechanism in the petition is of course but one way of doing that.

There has recently been a lot of talk about the gap between the rich and the poor, and the growing divide in society between the asset class and the underclass. Indeed, the fact that so many people voted for Brexit related to that. What I am worried about, and my reason for being here on behalf of my constituents, is the fact that the debate about inequality is likely, if funds are less, to turn into the old debate about absolute poverty. Absolute poverty is much worse, in any economy. That is why it is important that we have debates on the Floor of the House, as we are—something that we have not been able to do since 23 June.

I have already said that many British people, and certainly those who signed the petition—there are more out there; they email all the time—are understandably trying to do something on their own, individual, behalf. However, they of course recognise that linked to that democratic exercise another legitimate debate is going on—about sovereignty and the nature of Parliament, and whether Parliament should have a vote on the issue. It seems to me that the most fundamental tenet of our democracy is parliamentary sovereignty, and a decision of such significance must be debated and approved by Parliament. The Prime Minister says she wants to bring the country back together, and the best way to do that is to have its representative democracy look at the issues and debate them. With that conclusion we might begin to bring the country back together. Simply exercising a prerogative power, which is more akin to James II, is very unlikely to bring people back together. It will leave a huge division, not seen for many years, running through the country. It must be up to individual Members of Parliament to decide how they vote when the Government present a plan for what Brexit will look like, and the plan must be fully considered.

It is important to note that it has been said that the referendum

“does not have constitutional provisions which would require the results of a referendum to be implemented”.

Those are not the words of a bitter remain campaigner, but of the House of Commons Library briefing on the European Union Referendum Bill. It is important to think hard about the fact that when we voted on the referendum it was described to the House as advisory and non-binding. It was advice—to hear what the people had to say; but it was not binding. It was not two thirds.

It was not a quadruple lock—all nations agreeing, so that we can move forward in a straightforward constitution. It was a non-binding advisory referendum. As such we need further mechanisms to hear that advice and really think about the detail of how we now move forward. What are hon. Members scared of? Why are they so scared of Parliament looking at it? Is it because the Government of the day are divided on the issue? Is that why they are scared about having such debate? I suspect it is.

We must also remember that 63% of the electorate did not vote for Brexit at all; that more than 2 million British expats were denied a vote, and 13 million more decided not even to cast their vote.

Kwasi Kwarteng: Will the right hon. Gentleman give way?

Mr Lammy: I will not give way. There was no two-thirds threshold as is required in other nations to validate a major constitutional change of this nature. There was no quadruple lock to ensure that the majority in each of the constituent nations of the United Kingdom agreed with the change. Our nation is more divided than ever in my lifetime and we are living through an unprecedented period of uncertainty. There is no clarity on what lies ahead and no easy way to heal the divisions. While colleagues may disagree with me when it comes to Brexit, I cannot see a way out of this other than for the Government to present their plan for Brexit to Parliament so Members can approve or reject it on behalf of their constituents, or to present their plan to the people so they can have their say in either a second vote or in a general election. [Interruption.]

5.20 pm

William Wragg (Hazel Grove) (Con): It is a pleasure to serve under your chairmanship, Mr Gray. I assume the applause upon my standing was not for me.

I am sorry to start my speech on such a downbeat note, but I feel I must express regret at the levels of intolerance that have crept into the public discourse on Brexit, both before the referendum and even more so since. Intolerance in the form of racism and xenophobia is deplorable, particularly due to its tendency to lead to hate and violence. I condemn examples of it wherever they are found; those responsible must be rooted out and face the full force of the law.

However, a new kind of intolerance has emerged in this country, demonstrated by those who proclaim to be the most progressive, broad-minded and dedicated to supposedly democratic ideals. They show themselves to be the opposite with this petition. They are intolerant of the view of their fellow citizens who happened to vote to leave the European Union. Conscious of your guidance, Mr Gray, I shall not seek to rerun the referendum campaign, but we should not treat the public as fools, which this petition does. We should remember that if we ask a question, the answer might not always be the one we expected or hoped for. Now, more than two months on from the referendum, the clamouring has not ceased. The proposal to rerun the referendum typifies that, as did the weekend’s anti-Brexit rally, at which the pinnacle of interest seemed to be that somebody had their beret stolen. They typify a rather unsettling desire to thwart or overturn the properly exercised democratic will of

the country. While I understand the strength of feeling people hold on the issue, the behaviour and impetus behind the petition sadly reminds me of people going through the seven stages of grief.

Kwasi Kwarteng: Five.

William Wragg: Indeed, it is five. My hon. Friend is more learned on the matter. People seem to have got stuck somewhere around stage three and now oscillate wildly between denial, anger and bargaining. I could stand here and, perhaps rather churlishly, tell those who want a second referendum or to block article 50, whenever that might come about in the fullness of time, that they should pull themselves together, have confidence in themselves and show a bit of faith in their country. However, I realise that would be far too blunt, so I say gently to hon. Members who may have sympathy with the petition that they should have the good grace to accept the result of the referendum, see the opportunities that lie ahead and cherish the fact that they represent their constituents in this place and can make a difference to their lives here in the mother of all Parliaments.

I end my brief remarks by making mention of the late Peter Shore, a great Eurosceptic Labour politician. During the referendum, an extract of his speech at the Oxford Union on the eve of the '75 referendum became something of a hit on social media. I, too, was very taken with it. He warned his audience 40 years ago not to despise the chance for their fellow citizens to exercise their democratic right to make a choice at the referendum. He argued passionately that Britain belonged to the world, rather than to the narrow confines of the European Economic Community. He closed by reminding his audience that our parliamentary sovereignty—our democracy—was not just one generation's to fritter away, but was the inheritance of generations of our fellow countrymen and women. I can think of no finer trio of reasons, and I urge the rejection of the petition before us.

Mr James Gray (in the Chair): I am most grateful to the hon. Gentleman for being so brief. Perhaps other colleagues will follow his excellent example.

5.23 pm

Tom Brake (Carshalton and Wallington) (LD): I start by picking up on a couple of points made by the right hon. Member for Tottenham (Mr Lammy). He referred to apprenticeship cuts, and I think issues about apprenticeships and training drove many people in the north, for instance, to vote for Brexit. The fact that the Government are now cutting apprenticeships funding will exacerbate the problem.

The right hon. Gentleman also referred to legislation. I wonder whether he would like to speculate on whether, in practice, when Ministers are presented with the opportunity to delete, I think, 7,000 pieces of EU-related legislation, they will actually want to do that in preference to promoting whatever the key project within their Department is, whether that is reforming the health service or education reforms. I suspect that the legislation is going to sit there for a very long time, because Ministers will have no interest whatsoever in getting rid of it.

To come to the subject—I am sure you will not allow me to deviate for much longer, Mr Gray—I congratulate the hon. Member for Weston-super-Mare (John Penrose) on focusing exclusively on the subject of the petition. I will do so perhaps slightly more loosely than him, but I will focus on the issue of the second referendum.

I agree with the hon. Gentleman that there is a strong case for a debate about what could happen in future referendums if there is not a strong majority for constitutional change or a significant turnout. We could look at that matter again. The issue before us today, however, is whether there should be a second referendum following the one that has just taken place. My starting point is that there should not be a second referendum simply for the purpose of overturning that referendum, notwithstanding the fact that, I am afraid, I think the leave campaign lied blatantly throughout the campaign. I accept that the remain campaign perhaps also over-egged the pudding with some claims that were made, but the leave campaign lied particularly on the issue of the NHS, with the pledge of £350 million per week for the NHS when we left the European Union. I wrote to the Secretary of State for Health about that and got a response from the Minister of State, the hon. Member for Ludlow (Mr Dunne), who said:

“Firstly, neither the Department nor its Ministers were involved in making or endorsing the statement that additional funding would go towards the NHS if the UK were to leave the EU.”

So if anyone was in any doubt, the Department of Health has made it clear that it is not expecting to get any more money as a result of our departure from the EU.

Kwasi Kwarteng: For the sake of fairness, I think we should say that there were outrageous claims from both sides, and I want to spell them out for the record. A punishment Budget—the most restrictive Budget since 1936—did not happen as a consequence of us voting to leave. I am also still waiting for house prices in London to fall by 20% so that I can actually buy a property.

Tom Brake: I say to the hon. Gentleman that we are only two months away from the referendum having taken place. Rather than saying everything is hunky-dory, he might want to wait a little bit longer to see whether everything is going according to his plan.

I do not believe that there should be an immediate second referendum, because I do not think we can have a never-ending referendum, as the hon. Member for Weston-super-Mare said. However, as the right hon. Member for Tottenham indicated, we must consider what will happen once article 50 has been triggered and the UK Government have spent up to two years identifying what they want to secure from the European Union on trade and other aspects of the negotiations. I imagine that the end of that process will probably be in about three years' time, because I do not think the Prime Minister will invoke article 50 at the beginning of next year. It will possibly be mid-year, or even towards the end of next year. Two years from then and three years from now, once the Government have identified what they are seeking to secure from the EU, I would be very surprised if the British public did not feel that there was a need for them to have their say on the outcome of those negotiations before the two-year period was exhausted and the UK exited the European Union.

[Tom Brake]

On the subject of article 50, I was surprised that for the people on the Brexit side who campaigned so heavily for sovereignty during the campaign—sovereignty was apparently key to many of their concerns—all of a sudden sovereignty was not such a big issue after all when Parliament asked to be given the sovereign right to debate and vote on triggering article 50. I ask them to check whether they are being entirely consistent in the arguments they are deploying. We should be allowed not only to debate article 50, as has been suggested, but to vote on it. My personal position is that article 50 goes hand in hand with Brexit. Having accepted the vote, I would find it difficult to try to block article 50, because the two things are connected. We cannot vote to leave and then try to block article 50—those things are, in effect, a package.

There will be protracted negotiations. Incidentally, I hoped that we would hear something during the first statement from the Secretary of State for Exiting the European Union about what he has been able to negotiate over the summer holidays. I had to leave his statement to get here, but 15 minutes in, we were still at the level of platitudes. There was absolutely no substance whatsoever to the statement that he was delivering. I do not know what he has done for the past two months—maybe he went off and had a long holiday—but certainly he has not been focusing on what Brexit means. We know that Brexit means Brexit, but that is a completely vacuous statement.

I hope that I have kept to the subject, Mr Gray, which is the issue of a second referendum. If the UK Government have secured in their discussions with the EU substantial protection of the rights of EU and UK citizens whose position is completely unclear and who want clarity; if they have secured substantial freedom of movement and the continuation of the UK in the single market; if they have maintained the environmental standards that the EU has, in some cases, enforced in the UK; if law enforcement and judicial co-operation continue as they are currently maintained at an EU level—the Secretary of State said in his statement that the Government wanted to expand on that area, which is welcome; if we have secured the protection of Erasmus; and if the travel and tourism benefits we derive from being in the European Union and the rights of the City are maintained, I am confident that if that package were put to a second referendum about three years from now, the British people would feel it was one of substance and one they would be willing to support.

5.32 pm

Mr Peter Lilley (Hitchin and Harpenden) (Con): I apologise to you, Mr Gray, and to the Chamber for not being here at the beginning of the debate. I was in the main Chamber questioning the Secretary of State for Exiting the European Union about his statement on this very subject.

I doubt if any Member today has taken or actually will take the words of this petition literally. It would condemn us to go on having referendums so long as neither side gets 60% of the vote or, even if one side does, the turnout is less than 75%. It is a recipe not for a second referendum but for a neverendum. It is essentially

an emotional call by an unprecedented number of our fellow citizens to set aside the result of the referendum. They back that up with a number of arguments.

First, they argue—we have heard it argued today—that the leave side won by lying. Accusations of lying are, of course, a feature of all election campaigns, but free elections provide us with an opportunity to rebut contentious points made by the other side. In particular, the remain campaign, with the frequent help of the BBC, repeatedly rubbished the slogan on the leave battle bus that highlighted our gross EU contribution of £350 million a week and implied we could spend it on the NHS. I personally never used that figure. I always referred to Britain's net contribution of nearly £10 billion—some £200 million a week. I did not meet a single voter who changed their mind and decided not to vote leave on finding that the net contribution was only £200 million, rather than £350 million.

Mr Umunna: May I assure the right hon. Gentleman, to whom I am grateful for giving way, that an untold number of Labour voters in this country voted for us to leave the European Union on the basis that they believed £350 million extra per week would go into the NHS? There is no getting away from the commitment that was made and no wriggling around—“It was an aspiration,” or, “It was a mistake.” That was the commitment that many, many Labour voters believed would be delivered on if we left the European Union.

Mr Lilley: In that case, let me say two things. First, the hon. Gentleman and the remain side were singularly ineffective in rubbishing that claim, despite the fact that I heard it being rubbished many times. Secondly, he says that working-class voters—Labour voters—would have voted to stay if they had known it was only £200 million a week, but were prepared to vote to leave for £350 million. He has put a price on their vote of the difference between those two sums, which I do not find true.

Peter Grant: Will the right hon. Gentleman give way?

Mr Lilley: I will continue, if I may.

If it was a lie for the leave side to refer to our gross contribution without netting off the money we get back, were not remain campaigners just as dishonest to focus on money we get back without mentioning the contribution we make? Remainers frequently claimed, with no rebuttal from the BBC, that the EU gives millions of pounds to universities, researchers, farmers, regions and so on, with no mention that British taxpayers contribute £2 or £3 for every £1 returned to us. They cannot have it both ways and say it is wrong for one side to mention the gross figure, but not for the other. I doubt if the outcome would have been any different if the leave battle bus had painted £200 million per week on its side, rather than £350 million. I met countless voters who said, “My heart is for leave, but my pocket says stay.” They were convinced by “Project Fear” that they would be worse off if we left the EU.

The Treasury analysis of the immediate economic impact of leaving the EU said that

“a vote to leave would represent an immediate and profound shock to our economy. That shock would push our economy into a recession and lead to an increase in unemployment of around 500,000, GDP would be 3.6% smaller, average real wages would

be lower, inflation higher, sterling weaker, house prices would be hit and public borrowing would rise compared with a vote to remain.”

On top of that, we were promised a punishment Budget that would take away benefits from the sick, the disabled and the elderly. None of those things, I am happy to say, have occurred. There has been some hope from one or two Opposition Members that they will occur in due course.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Does not the suggestion of a punishment Budget prove that the former Chancellor was a bluffer? He bluffed; he did not have a punishment Budget. By extension, his threat to Scotland of not sharing a currency was further evidence of yet another bluff.

Mr James Gray (in the Chair): On the subject of a second referendum, Mr Peter Lilley.

Mr Lilley: The Scottish nationalists want to refer to the previous referendum, which they lost, but I will not be tempted down that path.

“Project Fear” could have become a self-fulfilling prophecy: I was rather afraid it might. In fact, in the month or two since the referendum, job listings are up 8% on last year; consumer spending is up 1.4%; manufacturing orders are at the highest they have been for 10 months; house builders have reported strong demand; and Moody’s is confident the UK will avoid a recession. That is clearly a disappointment to one or two Opposition Members, who were hoping for bad news to justify their “Project Fear”.

In one respect, they were right: sterling is, indeed, lower. However, the IMF—whose boss was famously once a member of the French national synchronised swimming team—joined in a synchronised campaign of gloom, saying that a leave vote would be bad to very, very bad. The IMF now welcomes the fact that the exchange rate move has removed some, but not all, of sterling’s previous overvaluation. Had the whole establishment of this country and of international unelected bureaucracies forecast what has occurred rather than what they predicted would occur, I cannot help feeling that the result would have been even more emphatically to leave than was the case.

The second argument for a second referendum is that the leave campaign had no plan for Brexit. That is a bit like saying that countries such as India, Canada, Australia and even the American colonies had no plan for independence. Of course they did, and we are the same. It is to take back control of our laws, our money and our borders. That is what countries do when they become independent. That is the purpose and that is the plan. By definition, that means we will not be part of the EU internal market. The precise trading arrangements we may have with the EU will depend on what it wants to arrange in its interests as well as ours.

There are only two realistic outcomes, both of which are perfectly acceptable to the UK. We could trade with the EU on WTO terms and the same basis as the EU’s three biggest trading partners—the US, China and Russia trade very successfully with the EU—which would mean facing tariffs averaging 4% on our exports, but that would be more than offset by the 12% improvement in competitiveness as a result of the change in sterling; or

we could continue to trade on the current tariff-free basis. Neither option should require complex negotiations. To go from zero tariffs to zero tariffs is quite simple. To go from zero tariffs to WTO tariffs is quite simple. We should not be in for a prolonged and unnecessary delay in reaching agreement on one of those two options.

The final argument I want to deal with is that the referendum was only advisory. I debated daily with remainers—sometimes three times a day—but not once did a remain opponent say to the audience, “Oh by the way, this referendum is just advisory. If you give us the wrong advice we will ignore the result and remain in the EU anyway or perhaps call another referendum or vote against application of article 50 and the referendum result until we get the right result.” Did any Opposition Member say that to an audience and can they give me chapter and verse of them saying that they would treat the result as advisory and ignore it if they did not like it? Not one of them did. Now they are pretending that the whole thing was advisory. I forget which hon. Member said that that was made clear during the debate.

On the contrary, the then Foreign Secretary, who introduced the Referendum Bill, said that it was giving the decision to the British people. When launching the campaign, the Prime Minister said:

“This is a straight democratic decision—staying in or leaving—and no Government can ignore that. Having a second renegotiation followed by a second referendum is not on the ballot paper. For a Prime Minister to ignore the express will of the British people to leave the EU would be not just wrong, but undemocratic.”—[*Official Report*, 22 February 2016; Vol. 606, c. 24.]

It was spelled out at the beginning of the referendum debate and again and again during it that this was a decisive choice for the British people. If we ignore that choice now and treat the British people with contempt, we will undermine their respect for democracy and prove how little faith we have in it.

5.42 pm

Mr Chuka Umunna (Streatham) (Lab): This debate is nominally about the threshold that we should have applied to the EU referendum, the argument being that if the leave or remain vote secured less than 60% support in a turnout of less than 75% there should be a second referendum. For the benefit of the right hon. Member for Hitchin and Harpenden (Mr Lilley), the motion arises from a petition by a leave campaigner who presumably lacked confidence at the time that his side of the argument would be victorious.

Of course, the debate is no longer about thresholds, but the more substantial question of a second referendum. I will quickly dispose of the threshold issue and move to the wider debate that is raging on the main issue.

On thresholds, the aim of the petition is reminiscent for me of the amendment successfully tabled by our Labour colleague, George Cunningham, in 1978 to the Scotland Act 1978, which provided for a referendum on Scottish devolution. He was thoroughly opposed to devolution for Scotland and his amendment would have required at least 40% of registered Scottish electors to support devolution for it to go ahead. The amendment had the effect of killing off devolution then because, although a majority in the poll—51.62%—voted for devolution with 48.38% voting against, the turnout was 64%, so just 32.9% of registered electors had actually

[*Mr Chuka Umunna*]

voted in favour. As the hon. Member for Weston-super-Mare (John Penrose) pointed out, the institution of that mechanism had the effect of promoting the status quo.

I do not think it is desirable generally to hold lots of referendums because our constituents send us here to make decisions based on the manifesto and set of values that we put forward. Ideally, we should trouble our constituents with referendums only in the most exceptional circumstances. When major constitutional issues are at stake, it seems to me that there is some justification for that.

When we do have a referendum, as on this issue, I am sceptical about applying the high threshold proposed in the petition. I think there is great difficulty in telling those who have supported the proposition which, on the face of it, they seem to have done by a clear majority, that it cannot be carried because there has been a low turnout. After all, we are all here and a low turnout has not been an obstacle to any of us being elected. A low turnout or lack of support for a particular Government—the present Government has the support of less than 25% of registered electors—does not stop them taking office. People might question whether thresholds and mechanisms that were not applied to us during an election should be applied in a referendum.

I worry that with such thresholds we may end up with people seeking deliberately to depress turnout in what is, whatever side of the argument they are on, a thoroughly active democratic exercise. I am not completely closed to a higher threshold, given the constitutional change, but I am sceptical.

Stephen Doughty: My hon. Friend is making an interesting point, but does he agree that—as I have seen in correspondence—constituents who signed this petition were reflecting not the detail of thresholds and so on, but their feelings about this. The right hon. Member for Hitchin and Harpenden (Mr Lilley) talked about people being emotional and pulling themselves together, but the real issue is how people felt about being lied to, the lack of clarity on the options before them and the clash of mandates when it comes to devolved Administrations, certainly in Wales. Does he agree that there was something more fundamental about how people felt in the aftermath and that we must do a lot to bring people back together?

Mr Umunna: I do not disagree with that. I will move on from thresholds, but the danger is that they may be seen to ignore views on either side.

Matt Warman (Boston and Skegness) (Con): As the hon. Gentleman knows, in my constituency of Boston and Skegness, the turnout was 77% and the vote to leave was also 77%. His point cuts both ways. If we were to have a second referendum, the sense of disempowerment in a constituency such as mine—and of going against democracy itself—would be palpable.

Mr Umunna: I agree with the hon. Gentleman. I was going to mention his constituency, where he kindly hosted a visit for me. For the record, he represents the area that had the highest leave vote. I represent the area that had the highest remain vote. I wanted to go to see

whether we could perhaps heal some of the divisions in society. That miraculously takes me to my first point on the substantial issue and whether we should have a second referendum.

My first point is that, yes, the referendum clearly delivered a decisive result, but it was not a landslide for leave. Different generations voted differently and I certainly saw that in the constituency of the hon. Member for Boston and Skegness. Different areas of the UK voted in different ways, as did different ethnicities. It is incumbent on all of us, given all that I have just mentioned, to see how we can stitch together this fragile democracy of ours. It was very much in that spirit that I made the visit to Boston and that I came to this issue.

The second issue that I want to raise is this. I campaigned all over the country for us to stay in the European Union. I led the Labour In for Britain campaign in London. I was one of the main national spokespeople for Britain Stronger In Europe. However, it would be disingenuous to deny what has partly powered this petition: a split has arisen in the remain camp post the referendum result. Half of remainers think that Britain has voted to leave; that is what the polls show, and now the Government have a duty to carry out its wishes and get the best deal in order for us to leave the European Union. Slightly less but about half—I am sure that many of those here who applauded would fit into this category—think that we should ignore the vote to leave or seek to overturn it by way of the second referendum that we are talking about today. So inevitably what I am going to say will disappoint half the people I have been campaigning with over the last few months.

It is true that a lot of overblown claims, misleading promises and the rest were parroted by the leave campaign. The right hon. Member for Carshalton and Wallington (Tom Brake) said that perhaps there were a few overblown claims on our side as well. However, in the end, the leave campaign won, and it is important that it is held to account now for what follows, because it was the victorious side in the debate. That is why I, the right hon. Gentleman, my hon. Friend the Member for Wolverhampton North East (Emma Reynolds) and the right hon. Member for North Norfolk (Norman Lamb) have set up Vote Leave Watch—to scrutinise what comes out of the deal and to seek to ensure that people are held to account. Frankly, it is as much to give a voice to the 48% who voted to remain as it is for the 52% who voted to leave to see whether promises have actually been delivered. In so doing, we will hopefully try to forge a national consensus and bring the two together.

Kwasi Kwarteng: I have just a quick question on the point that the hon. Gentleman made with respect to a split in the remain vote. Given that the remain vote, as polls suggest, is split and given that he is a keen observer of the political scene, does he honestly think that a second referendum held, say, within the next year would overturn the result that we saw on 23 June?

Mr James Gray (in the Chair): I call Chuka Umunna—

Mr Umunna: I will come on to that.

Mr James Gray (in the Chair): Bearing in mind the clock.

Mr Umunna: Oh, bearing in mind the clock, I was going to come on to that very point, but I just want to say that for remain campaigners to accept the will of the people is not to wave the white flag. It is not to say that the arguments that we have been making over many months are any less valid. But in the end we have somehow got to work out how we move forward and do so together.

One of the main reasons why I rejected the politics of many of those who voted for us to leave was that I felt that they peddled division and tried to set different groups against each other in our society—not all of them, but many. What I worry about in moving straight to the call for a second referendum is that it would further divide our country. Are we really saying that all the leave voters were completely brainwashed by all the misleading claims and myths that were parroted? Are we really saying that they were incapable of taking a step back, taking a view on all the different facts that were presented by either side and making their own judgment? Are we really saying—frankly, I have heard a lot of this—that they were just brainwashed by a bunch of right-wing tabloid newspapers? I am sorry; I just do not accept that argument, and there is a real danger, if we talk like that about people who voted to leave the European Union, that we are simply reinforcing the view that we are some kind of metropolitan elite who know better than other people. There is a real risk that we are seen to be patronising them.

So what are the circumstances in which I would entertain our having a second vote? A very clear set of promises were made. There would be £350 million going to the NHS every week. We would maintain full access to the single market, while not having the free movement that goes with it. EU citizens already here would be given the right to stay. As far as I am concerned, a set of clear pledges were given by all the different vote leave campaigners. I believe that if the deal that is reached at the end of this process is substantially and materially different from that that many of the leave voters believed they were promised, we could legitimately ask for a second referendum, but the fact is that we have not got to that point yet. If we go straight to one now, we will simply further divide our country. I say to people that as hard as it is—I feel emotional talking about it now—that we did not win the referendum, we have to keep this country of ours together and work out how we build those bridges. Regardless of where we sat in that debate, all of us have a duty to do that.

Mr James Gray (in the Chair): Before I call the next speaker, I point out that if hon. Members restrict themselves to seven or eight minutes, we stand a chance of getting everybody in. If they go on longer than that, there will be people who are disappointed at the end.

5.55 pm

Caroline Lucas (Brighton, Pavilion) (Green): I am happy to follow the hon. Member for Streatham (Mr Umunna) because he made some very powerful points.

The petition that we are discussing has more than 4 million signatures. To me at least, it is an understandable expression of pain and anger in response to a bitterly fought EU referendum campaign that has left this country,

as the hon. Gentleman said, deeply divided. Pain and anger is certainly felt in my constituency of Brighton, Pavilion. It had one of the highest rates of people voting to remain—about 69%—and one of the highest numbers of people signing this petition: about 19,500 at the last count. But however much many of us might wish the outcome of the referendum had been different—I certainly do—and however much we might argue that the level of lies and misinformation during the campaign undermines the legitimacy of the outcome, I agree with those who have said clearly that trying to impose a retrospective threshold and in effect rerun the referendum is bad politics and worse democracy. Indeed, what better way would there be to reinforce the perception that the so-called metropolitan elites care nothing for those in more distant and perhaps disconnected communities than simply ignoring everything that they have said?

Instead, the anger and alienation felt by many who voted leave needs urgently to be addressed. For many, it was a howl of rage against exclusion and powerlessness. Their voices have to be heard, not just in the referendum but all year round. A crucial way to ensure that is to crack open the current political system, which encourages the main parties to listen almost exclusively to swing voters in marginal seats at general elections and ignore everybody else. If we are to set about healing the deep divisions in society that the referendum has laid bare, one task must be urgently to build a more representative, inclusive democracy, and that can be brought about only through electoral reform. If the Brexit campaigners were serious about giving people back control, a good place to start would be democratic control. A political system that delivers government on the basis of just 24% of the eligible vote clearly does not give us that.

Brexit means Brexit, so we are told. I believe that we need a second referendum on the terms of any Brexit deal because we have absolutely no idea what is on the other side of the door marked Brexit. We might have chosen to open that door, but even now, two months after the vote, we have no idea—not even the dimmest shape—of what on earth is on the other side.

The Government's paper on alternatives to EU membership gave four options. The BBC lists five. The Centre for European Reform sets out seven. Which of those was voted for by those voting leave? None of them. How many will we end up with? Well, one of them. What parliamentary or, indeed, public scrutiny have we had of an actual plan to leave the EU? Absolutely none because there was not one and there is not one. That is why I strongly support not just maximum parliamentary scrutiny but calls for a further referendum on the terms of Brexit once they are clear, and on our future relationship with the EU, so that we can all assess what that looks like in the real world. During the campaign, when pressed on the alternative to EU membership, leave campaigners would squeal that they could not possibly be expected to answer those questions because they were not a Government in waiting, but rather they wanted the British people to be in control. What would fulfil that promise more thoroughly than ensuring that the public get the opportunity to cast a positive vote for what a potential Brexit looks like, in addition to their vote against remaining part of the EU?

[Caroline Lucas]

Before a referendum on the terms of Brexit takes place, lessons must be learned and the Government need to take a long hard look at the Electoral Reform Society report called “Doing referendums differently”. Let me give just a few quotes from it. It says:

“There were glaring democratic deficiencies in the run-up to the vote, with previously unreleased polling showing that far too many people felt they were ill-informed about the issues...the top-down, personality-based nature of the debate failed to address major policies and subjects, leaving the public in the dark...misleading claims could be made with impunity.”

The Electoral Reform Society calls for

“a root and branch review of referendums, learning the lessons of the EU campaign to make sure the mistakes that were made in terms of regulation, tone and conduct are never repeated.”

I echo that call, because it is clear that there was so much misinformation; yes, it was on all sides, but I believe that on the leave side it was particularly egregious. We were told that we could end freedom of movement and keep full access to the single market. We were told that we could continue to benefit from being part of the single market, yet somehow take back control, make all our rules here in the UK and cease having to follow EU rules. Then there was the famous £350 million a week for the NHS; the truth is that we will not have any extra money, let alone an amount anywhere near the lie of all lies that disgraced the side of a perfectly innocent bus for months on end.

[SIR DAVID AMESS *in the Chair*]

Mr Lilley: Is the hon. Lady aware that the EU has free trade agreements with some 50 countries, only three of which have in return granted free movement of labour and made a contribution to the EU because their Governments were planning to enter the EU? The other 47 have free trade agreements with no free movement and no contribution. Why should we be different?

Caroline Lucas: Is the right hon. Gentleman aware that there is a wealth of difference between free trade and being part of the single market? He has talked at length about tariff barriers. The big issue about membership of the WTO is non-tariff barriers. He really should keep up with where the debate is at. That is where it is at right now. All this focus on tariffs was a very clever red herring for people who do not know about trade agreements, but I have actually studied them, I have worked on them for years, and I can tell him that there is a wealth of difference between trade agreements and membership of the single market. That was yet another lie perpetrated during the referendum campaign.

We need people to be given a say and to have real control over the terms of any Brexit deal. We need maximum public engagement and parliamentary scrutiny. That means that the Government must set out their plan for what they want Brexit to look like. They need to present that to the people in an early general election to secure a mandate that currently they do not have, then they need to ensure full and proper parliamentary debate and scrutiny, and only then allow MPs to vote on whether to invoke article 50 and set in train the formal process of leaving, so that we know what direction that train is going in. In addition, we should argue for

wider public engagement, giving opportunities for meaningful input throughout the process, as well as maximising input from civil society organisations, NGOs, charities, businesses, local authorities and other stakeholders. To claim that we want to take back control of the UK’s future, but refuse measures to maximise parliamentary and public scrutiny, is unforgiveable, contradictory and harmful.

The Greens argued during the referendum campaign that outside the EU there is a very real danger that the UK will seek to compete with other countries by weakening social and environmental protections and by becoming, in effect, a tax haven. That is still the case. In the debate running up to a second referendum on the terms of a Brexit, some of the key issues that we will want to keep in mind, in terms of how we might vote in that second referendum, are, for example, whether we can maintain freedom of movement and full rights of EU citizens in the UK, whether we can continue to have full access to single market and, crucially, whether we can have the important environmental protections that we currently enjoy thanks to our EU membership—whether on air, water, or wildlife. It is not just keeping what we have; we should improve that and absolutely lock it down in law. One big concern that people have right now is about what will happen to the habitats directive and the birds directive; those are the gold standards for environmental protection and we need them to be preserved in any new environmental settlement. Perhaps that needs to be in a new environmental Act, but whatever happens, there must not be a race to the bottom on standards. We need to retain EU-derived workers’ rights, social and consumer protections and human rights, again, as a bare minimum that we should seek to build on. We should be putting young people first.

Finally, we should ask the Government right now to give a guarantee to EU nationals who have made this country their home in good faith; the Government should say right now that they are welcome to stay and that they have an absolute right to stay. Anything less is simply using people’s lives cynically as chips in a bargaining negotiation, and that is neither right nor moral.

6.4 pm

James Cleverly (Braintree) (Con): About a month before the referendum, when the result was widely expected to be successful for the remain campaign, I was asked on “Newsnight” whether I would respect the result of a close remain vote. I said that even if remain won by only by one vote, I would respect the decision. I note the point made by the hon. Member for Streatham (Mr Umunna) that the petition was actually started by someone campaigning for leave, perhaps in the expectation of a remain win. Had that outcome happened—had remain been victorious in the referendum—and this petition had come before us, I would have stood up and given fundamentally the same speech that I am going to give now, saying that I respect the outcome of the referendum and suggesting that a second referendum is completely inappropriate. That is driven not by the result of the referendum but by what I believe to be a fundamental cornerstone of the democratic process.

The question on the ballot paper was clear and unambiguous, irrespective of what Members have said, or might say, in this debate. The question was whether the UK should leave the EU. Some Members who have

spoken in this debate, and who I have spoken to about the issue, have attempted to retrofit a whole series of other implied questions into that referendum question. Questions about the nature of sovereignty, the nature of international trade and the nature of border controls are not unimportant, but they were not the question on the ballot paper. The question on the ballot paper was clear and unambiguous; to suggest that somehow it was other than that is grossly unfair.

A number of Members have said that the Government should be forced to abide by the campaign ideas of Vote Leave. I understand the thinking behind that, but it is worth remembering that Vote Leave was a cross-party, single-issue campaign group. There were Conservative politicians, Labour politicians and UK Independence party politicians in Vote Leave. I believe there may have been Liberal Democrat supporters, if not politicians, and there was a member of the Green party—just one, I know, but they were there none the less. It is ridiculous to demand that a Conservative Government be forced to deliver the agenda of a cross-party campaign group. If the remain campaign had won, no one with any credibility would have demanded that the Prime Minister bring Will Straw into the heart of Government to start dictating Government policy.

Mr Umunna: The hon. Gentleman and I had many debates during the referendum campaign, but, I am sorry, I do not accept his point about accountability. There is a complete contradiction here: many on the leave side made accountability and transparency the cornerstones of their campaign, but when people legitimately seek to hold members of the Government who voted leave to account for their pledges, they now say that there should be no accountability. To me, that is contradictory and not acceptable.

Sir David Amess (in the Chair): Order. Before the hon. Member for Braintree (James Cleverly) resumes, may I say that the wind-ups will start at 7 o'clock, and by my maths at least five or six people still wish to speak? I hope that hon. Members will bear that in mind.

James Cleverly: The hon. Member for Streatham has pre-empted my next paragraph, so I thank him for that. He may read my speech to prove to him that I am not retrofitting anything.

Although it is not incumbent on the Government to take on board the campaign ideas and slogans of Vote Leave, it would be unwise of any Government to ignore some of the fundamental issues that came to the fore during the referendum campaign, such as the desire for greater domestic sovereignty for this country, for the reprioritisation of Government spending to domestic expenditure—for example, a significant upturn in spending on the national health service—for the control of borders and for greater international trade. Without a doubt, through the negotiation process and in the aftermath of our exit, the Government will need to put to the British people a credible plan on those issues and a whole host of others to have a realistic chance of being returned to government.

That brings me to my fundamental point. The way parliamentary democracy and parliamentary accountability work is that prospective Governments should put forward

their ideas. Those ideas should be voted on by the British people, and those Governments should be held to account for the delivery or otherwise of that agenda.

It is helpful to think about the chronology. We are likely to see article 50 invoked relatively soon, I suspect. Then over the next couple of years, as timetabled by article 50, we will see a negotiated position, which I suspect will be in the public domain in the lead-up to the 2020 general election. The Prime Minister will no doubt put forward the Conservative plan for what Brexit will look like in real terms, including on immigration policy, public spending policy, trade policy, defence policy and so on. I am sure the Labour party—I will rephrase that: I hope the Labour party—will be able to put forward an agenda for what its impression of Brexit looks like, including its public spending priorities, immigration plans and international trade plans. The Liberal Democrats and the Scottish National party will do likewise. If one of those parties wishes to say, “Actually, do you know what? None of the deals on the table is good enough. We will rejoin the EU and overturn the explicit mandate from the EU referendum,” good luck to them. They can put that in front of the British people and let us see what they come up with.

Peter Grant: The hon. Gentleman is painting quite a tempting scenario. Is it not the case, first of all, that once article 50 is triggered, the United Kingdom will not have any unilateral right, and if we do not have a negotiated deal within two years, Europe will then be entitled to tell us what the deal is? Secondly, is it not the case that deciding to remain in the European Union is relatively straightforward? However, if the United Kingdom were to try to get back in as a new member state after leaving, the UK as it is now would fail the democracy test and would not be eligible for EU membership.

James Cleverly: I take the hon. Gentleman's point on board. Although I disagree with some of the fundamentals underlying it, it is a valid point, but the status quo is as I described it.

Stephen Doughty: Will the hon. Gentleman give way?

James Cleverly: I will take the hon. Gentleman's intervention, then I will come to my concluding points.

Stephen Doughty: The hon. Gentleman is being very generous. Does he not accept that there is another fundamental problem with issues on which competence is wholly devolved? An example is agriculture, fisheries and environmental policy in Wales and, I am sure, in other devolved Administrations. Those matters are now devolved, which was not the case when we went into the EU originally. There is not even any legislation on Welsh fisheries, for example; it is an England and Wales matter, but it is devolved. We will have to start from scratch on that. Does he not accept that the Welsh Assembly and the Welsh Government should have a full say on any package that is put together? Forget about whether we have a say here in Parliament; at the very least, that has to be the case.

Sir David Amess (in the Chair): Order. I absolutely agree that the hon. Member for Braintree is being very generous, but there are now 45 minutes left and still six people wishing to speak.

James Cleverly: I will wrap up the points made by the hon. Member for Cardiff South and Penarth (Stephen Doughty) in my conclusion. They are serious questions, and I do not pretend that I am an expert on regional devolved Government. I have come from London government, and I know that the settlement is different in various parts of the country. I will not try to second-guess how that might play out. There will be a lot of legislation, and we are going to be very busy, there are no two ways about that, but as has been said, the referendum result is not like declaring independence from a colonial power—or not in all respects. In some respects it is, in that the future is by definition unwritten. Political parties go into general elections outlining their visions for the future, and they are tested by the electorate. The nature of devolved government, whether to Scotland, Wales or wherever, will be part of that.

I conclude by saying to those calling for a second referendum, “Be careful what you wish for.” People have to understand the status quo, which is that we are leaving the EU. Ultimately, if the proposal in the petition were to be successful and a second referendum were to be put to the British people with a new set of criteria, that would be the status quo hurdle that people would be seeking to overcome with a turnout threshold of three quarters.

Everyone recognises that uncertainty is bad for business and unsettling for families. If we were to go down the route of a second referendum, we would introduce a whole load of new uncertainty that would be destabilising for families and bad for business. I strongly urge all Members to reject the proposal, move forward and deliver Brexit in a way that is beneficial to the British people. Those who want to put forward their version of what the future might look like should do so at the general election, and it will be tested by the British people at that point.

6.16 pm

Catherine McKinnell (Newcastle upon Tyne North) (Lab): I congratulate my fellow member of the Petitions Committee, the hon. Member for Ross, Skye and Lochaber (Ian Blackford), on introducing this debate, and it is a pleasure to serve under your chairmanship, Sir David.

In June 2010, I made my maiden speech by choice in a debate on European affairs, because I wanted to highlight the importance of EU funding to the north-east. I said in that speech:

“As a region, we stand stronger...and we will not accept the Government dismantling our strength by withdrawing regional support”.—[*Official Report*, 3 June 2010; Vol. 510, c. 642.]

Little did I imagine that six years later, Newcastle upon Tyne would be the first in the country to declare, by the narrowest of margins, that it wanted to remain in the EU and that the rest of the north-east would vote to leave.

I fully appreciate that those who voted to leave had many reasons for doing so, and they did not just comprise those

“pushed to the margins of society”,

in the words of the recent report published by the Joseph Rowntree Foundation. I have many constituents who voted to leave, and they want Brexit to go ahead as soon as possible. Indeed, a relatively small number of them contacted me very much to express that view.

However, more than 90% of those who got in touch with me expressed serious concerns about the referendum and its outcome, including some who voted to leave and now regret that decision.

A common cause for concern is the basis on which the referendum was fought. I know that outlandish assertions were made on both sides of the debate, but the leave campaign made several high-profile claims about the benefits of Britain leaving the EU that were either demonstrably untrue or simply impossible to commit to. The most misleading one was given an air of legitimacy by the misuse of the NHS logo by Vote Leave—I wrote to the Health Minister about that during the campaign, and I understand that the NHS has sought legal advice about it. I know of at least one front-line health worker in Newcastle who decided to vote leave on the basis of the additional £350 million a week that would be directed to the NHS. Unlike the hon. Member for Weston-super-Mare (John Penrose), I agree with the recent conclusion of the Electoral Reform Society that we need to look at “doing referendums differently”. In particular, I agree that an official body should be set up with the task of intervening when misleading claims are made in future campaigns.

Many constituents also contacted me about the highly divisive and unpleasant nature of the referendum campaign. I fully acknowledge that feelings on Britain’s membership of the EU have run very high for many years. However, to exploit those feelings and stir up bigotry against those who appear to be different is unforgivable. A Britain that seeks to divide people is not a Britain that I want my, or anyone else’s, children to grow up in, and I find it incredibly distressing that anyone should have been made to feel unwelcome, or worse, as a result of that process. It is quite clear that that has happened and that the position is being made worse by the Government’s continued failure to confirm the long-term future of EU nationals in the UK.

Perhaps my constituents’ single biggest concern is the Government’s failure to anticipate or plan for the outcome of the referendum. The new Chancellor may have told the Select Committee on Foreign Affairs that he did not “see the need” for contingency planning but, frankly, that beggars belief. One of my constituents said that he was “left horrified” by the situation. Many are incredulous that the Government could have put the question to the British public without at least considering the possibility that they might not get the answer they wanted.

We now face weeks, months and even years of prolonged uncertainty about what “Brexit means Brexit” really means as we try to work through the incredible intricacies of extricating ourselves from the EU. What will Brexit mean for the countless individuals across the UK whose lives will be directly impacted by leaving the EU? Two of my constituents came to see me; they have worked in the EU for a decade but have no idea what will happen to the pension contributions they have made during that time. What will happen to our driving licences and our European health insurance cards once article 50 is triggered? That is a pretty important question for the millions of British citizens who regularly travel to the EU for work or holidays.

Under what circumstances will north-east firms be able to trade their goods and services to EU and non-EU countries in the future? That knowledge is crucial to the only region in the UK that consistently exports more

than it imports, with some 58% of north-east exports currently going to the EU. What will happen to EU nationals who have made a life for themselves in the north-east, such as the 1,000 people who work in the NHS and the 600 university staff? Those are just two examples.

As one constituent asked me, what is the timescale for leaving the EU so that industry, academic institutions and other organisations have sufficient time to prepare? Crucially, what will happen to the £726 million of European funding due to the north-east over the next five years, not least because the north-east has received only 20% of its EU funding allocation so far? How will the Government ensure that the devolution deal—which is apparently still on the table for our region—is meaningful, given that it was largely underpinned by EU funding that the north-east was due to receive?

To what extent will the north-east be involved in the Brexit negotiations? Britain leaving the EU will clearly have a profound effect on my region and I share the determination of the North East Combined Authority that our voice is heard as loudly as anybody else's throughout the process. How will the Government be held accountable for any of this?

Those are just some of the many unanswered questions about what Brexit actually means. Until we have the answers, we will not even know what Britain voted for in the referendum, and that is the crux of the matter. Nobody who voted on 23 June could possibly have known what life outside the EU would actually look like and, more than two months on from the referendum, we are no closer to the truth. The north-east will work together to make the best of this mess, but to do so we need answers to all those questions quickly.

6.23 pm

Ian Paisley (North Antrim) (DUP): It is an honour to serve under your chairmanship, Sir David.

Almost two hours into the debate, there has been unanimity in this room. No one has actually said that they want to rerun the referendum; despite the fact that it has been somewhat fraught between the sides, the debate has found that agreement. People who have spoken may not believe that. Indeed, people in the Public Gallery and people who signed the e-petition may have hoped for something else, but no one has said, "Let's rerun the referendum." That is a good thing. I certainly do not want the referendum to take place again for a number of reasons, which I will outline.

I feel sorry for my friend, the hon. Member for Ross, Skye and Lochaber (Ian Blackford), who was called to order, but rightly so. After some of the arguments he put forward, the House may have felt a little bit like how Moses must have felt when he said to the children of Israel, "I am going to take you to a promised land that is flowing with milk and honey. Follow me out of slavery. Leave the building of these terrible buildings to the Egyptians. We'll take you there." And, a few steps out of Egypt, they said, "Oh, let's go back. We can't really see where we're going. We don't like this. There's a big sea in front of us, which won't part. We'll have to find a different way." Unfortunately, I think that that is how Moses must have felt. Therefore, maybe we can take some hope out of this because there is a promised land and a better place, and it will be when we Brexit fully and completely from the EU.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): Will the hon. Gentleman give way?

Ian Paisley: I will, briefly. I am only going to give way this once and the hon. Lady is the lucky contender.

Dr Whiteford: To continue the hon. Gentleman's analogy, does he share my fear that we might be walking around in the wilderness for 40 years?

Ian Paisley: I love it. The analogy is brilliant because for the past 40 years we have been walking in the wilderness of the EU and at last we see the promised land. We are getting there. We are not even four months in and I think that the promised land—the horizon—is more than there.

I agree with something that was said by an earlier contributor [*Interruption.*] No, I will not give way again because it is unfair on the remaining five speakers. It would be a real slap in the face if we did what some people want us to do—have the vote again. That would say to the people, "You voted, but damn you. We're going to make you vote again until we get the right result." People have mentioned urban elites, metropolitan elites and all the rest of it, and that approach would just be arrogant. We are here as servants of the people and, as servants, we must do what the people have asked us to do. We seldom trouble the people with referendums.

Ms Margaret Ritchie (South Down) (SDLP): Will the hon. Gentleman give way?

Ian Paisley: No, I will not give way again. I have said clearly that it would be unfair on the other five people who want to speak.

It would be unfair for us to trouble the people—to say, "Give us your view" and then, "Damn you. We're going to ignore you." That would be immoral and absolutely wrong.

Another point I agree with is that we must be careful what we ask for. If we say that there will be huge thresholds in the future, what if, at some time in the future—and we all know this would be madness—someone crazy decided to pursue the crazy notion that we should have a referendum on, say, Scotland leaving the Union? If the result was wrong because we decided that the wrong result emerged or if there were not enough votes for that wrong result and we said, "Let's have it again until you give us the result we want", I would feel insulted for the Scottish people as I feel insulted now when some people tell me, "You voted leave, but it is not the right result and we've got to have that vote again." That is immoral, wrong and anti-democratic. It is about time we listened to the people and put in place what the people want even if some of us find it distasteful and if it is not what we want to do.

Turning briefly to the petition, I have been told by some who have emailed me—those keyboard warlords in my constituency—that I had better turn up to this debate, vote in a particular way and have a rerun of the referendum because thousands of them have signed the petition. Of course, I looked closely at the petition and I have heard some of the arguments, but only 2,479 people from my constituency signed or emailed that petition. Frankly, I get larger petitions for rural potholes in my constituency. That is not a joke.

[*Ian Paisley*]

I had a petition with thousands more signatories for caravan legislation in the previous Parliament. As parliamentarians, we must remember to avoid the view that we are ruled by the tap of a keyboard and that just because someone taps “send” on a keyboard, we had better crack to that and jump to that particular order. We take our judgment seriously and we are here, as Burke said, to give our judgment and to give of our industry. We are not here to be told, at the click of a keyboard, “That’s the way you should vote in the future.” We should all, as parliamentarians, take that responsibility very seriously indeed because that is our role and our job.

Tens of thousands of people who signed the petition did so fraudulently. I am not dismissing the millions who genuinely signed the petition, but 77,000 signatures have been wiped out. I looked through the petition today, and someone signed it from the Solomon Islands. Tens of thousands of people have signed it from France. Frankly, one of the reasons why we voted to leave the EU was because we want to take decisions about ourselves and about our own country without jumping to the will of people outside this country. We should therefore not allow ourselves to be bullied by petitions; we should do what the people have told us to do and implement the result properly.

Finally, I agree with the argument that the debate was not good enough and was flawed on all sides. I think we can all share that view. Many a time during the leave campaign when I tried to raise agricultural issues and the importance of ensuring that we have an agriculture deal post-Brexit, I was told, “Oh, no, this is not about that detail. This is about sovereignty. Get on to that. That is what you must talk about.” When I got on to sovereignty, the same people on the remain side were saying, “But what about the farmers? What will they do? What will they do for their single-farm payment?” That is the nature of the maelstrom we are in. In politics we have to make those arguments. It is upon us if we fail to make those arguments, but it is also upon the media at times for not allowing a proper debate on many of these issues. The media were not interested in pursuing the details of what we were saying. Our campaign produced a detailed 100-page document on many of the key issues about future trade negotiations, and it got a tiny line in the newspaper before the newspaper went off on something else altogether. If there is a future referendum on any other subject, the media bears some responsibility for a proper and full debate.

Of course, we now have the madness that says that any bad news is all because of Brexit and that any good news is because there has not been a Brexit yet. We cannot have that nonsense. We are moving to Brexit, and the faster we get there the better for clarity, for all our country and for all our people’s sake. The hon. Member for Ross, Skye and Lochaber introduced the motion, and he is a great lad from bonny Scotland. I get on very well with him, and he is my namesake, but this sort of thing sounds a bit like being a bad loser. We have to pull together and get the best deal for the entire United Kingdom.

6.32 pm

Dr Rupa Huq (Ealing Central and Acton) (Lab): Nearly 17,500 people in Ealing Central and Acton signed this petition and 72% of my constituents wanted

to remain, so I am here on their behalf. When the enormity of the result set in on that night—I remember that the rest of the country did not go the same way—I was saying to people that if there were a vote on the repeal of the European Communities Act 1972, I would have no hesitation in voting against, but we are not talking about that today. We are talking about this petition, which states that any referendum should have a 60% vote one way or the other and that there should be a 75% turnout. In answer to that, the Government have already said that the referendum was a democratic exercise in which 33 million people had their say and that the goalposts cannot be moved afterwards. I accept that logic. We cannot rerun a football match if we do not get the result we want. I was in Iceland this summer, and the people had the match ball from that horrible game just so they could rub salt into the wounds of English holidaymakers.

I accept all that. There is no parallel or precedent for what we have done. People say that 2016 is one of those years that proves the curse, “May you live in interesting times.” There have been a lot of celebrity deaths: David Bowie; Alan Rickman, who lived in Acton; and Muhammad Ali. Many of my constituents are going through a grieving process, and the saddest thing of all is “Britain in the EU, RIP.” In life, the probability of death is always one, but many of my constituents feel that the referendum result was not inevitable. The referendum was meant to put a lid on the issue and put it to bed. The previous Prime Minister was cowed by his own party’s internal politics, and this was meant to signal a full stop, but it feels as if we have uncorked a genie from a bottle, opened Pandora’s box or opened a can of worms—pick a cliché. The consequences are much wider ranging than any normal piece of legislation, because 40 years of law making will have to be undone, which will not be an easy process. There are two new Government Departments for a start.

We have all heard anecdotes and stories. I spoke to the head of Grange Primary School this morning, and he said that the day after the referendum parents, rather than children, from the settled EU population were in tears and fearing the worst. They thought that people would say, “Go home now.” Apparently things have not been as bad as they thought, but business people have lost contracts. We have a lot of Japanese residents in my seat, and many of the Japanese companies for which they work are saying that they will take their wares elsewhere. We are where we are.

I campaigned to remain, and I am the sort of person who is into building bridges rather than constructing walls, unlike Donald Trump in America. I was disappointed by the result, and I have to accept that the sky has not fallen in, yet. There is an argument that referendums are quite un-British. Why did we have this referendum at all? Some people in my party blame our current leader, but if there is one person whose door we can lay this at it is the previous Prime Minister. We are not Switzerland. There is an argument that we should not trust experts, and a good weight of expert opinion seems to have gone out of the window. The template seems to have been set in the three-hour statement he made when we came back on the Monday after the referendum. He got three hours of questions on all sorts of different aspects of Brexit, including hate crime and all the economic stuff, and the two responses he seemed to have were, “We must

accept the will of the people” and, “That is a matter for my successor.” He seemed to say those two things, in either order, in answer to everything.

We cannot carry on with business as usual because things have been so drastically altered—a new political settlement lies ahead—but some safeguards need to be put in place if we ever have another referendum in this country. Safety valves and safeguards are an absolute necessity, not just a feasible prospect. The thresholds in the petition are quite high: 60% have to vote one way or the other and there has to be a 75% turnout. When he was Prime Minister, the right hon. Member for Witney (Mr Cameron) probably thought that the vote would go the way of his other referendums. The referendum in 2011 on the alternative vote had a turnout of 42%, with 69% voting against, so it would have satisfied one of the thresholds but not the other. There is something in the argument that thresholds would protect us from close calls, but I do not know exactly where we should set the numbers.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Will my hon. Friend give way?

Dr Huq: There is limited time left and I have waited ages, so I would rather not give way. I will talk to my right hon. Friend afterwards.

Any mobile phone contract now has a cooling-off period. There is a sense of buyer’s remorse doing the rounds. In a 72%-in constituency, I have had emails from people saying that they did not realise that leave would win. France bans opinion polls in the run-up to a vote, and we could introduce that safeguard. We are not saying that we should rerun exactly the same question, but we could ban opinion polls in the run-up to a future vote.

Nobody knows what “Brexit means Brexit” means. Members on both sides of the House have mooted the idea of having some sort of accountability process. At a general election both sides have a manifesto with codified promises. Perhaps in future the lead campaigns on both sides could have the same. We have heard that most of the promises were not worth the paper they were written on or the cost of the paint used to write the lies on the side of the bus. I advocate that both sides should have proper manifestos from now on. Yes, 48% voted the wrong way—or the right way, depending on how we look at it—but that cannot really be called a ringing endorsement. Maybe we should have some facts because it seems quite possible to do mendacity in these referendums.

From all the Government’s indications, rerunning a referendum that went the wrong way for our side is not an option but I argue for introducing certain measures. I agree with the hon. Member for Brighton, Pavilion (Caroline Lucas), who has now left the Chamber—*[Interruption.]* I am just concluding. This is my last sentence. We should have a referendum on the terms of Brexit, because nobody knew what they were voting on, so I advocate having a referendum on what comes after the negotiations.

I am being told to wind up. There is an American saying: “The people have spoken, the b*****s.” In some sense, I feel that way. In short, we remainers are down, but hopefully not out—not yet, anyway.

Sir David Amess (in the Chair): I would be grateful if the four remaining colleagues took five minutes each, without interruptions.

6.40 pm

Graham Stringer (Blackley and Broughton) (Lab): I will be as brief as I can, Sir David. I never thought of the referendum as a telephone contract before; I thought it was slightly more important than that. First, I am against the wording of the petition. If we put a threshold on turnout, it would simply be an incentive for people to stay at home; it would value their abstention like a vote. If we demand 60% voting one way, we would be saying that some votes are worth more than others, and that is a very non-UK tradition.

My second point is that the enthusiasm from both sides, before and after the referendum, has given the lie to what was said in opposition to having a referendum: that nobody cared about Europe. No political debate in this country since I have been in politics has raised such passion and commitment on both sides. Probably we should have had the referendum a good deal sooner than we did.

Thirdly, on the argument for having another referendum, I have looked through the record of the Second Reading debate on 9 June, and I cannot find one speaker in that debate, including some of the right hon. and hon. Members who have spoken today in favour of a second referendum, who was in favour of a second referendum or a referendum on the detail. It is sourness from losers who want another referendum, and it is being wrapped up as, “All right, we’ve lost the referendum; we’re out. We accept that—we’re democrats—but we’ll look at the detail.”

However, if we sit back and think about what that means, we find that it means complete uncertainty until the details are sorted out and a referendum is held. Although right hon. and hon. Members have said that it will not be another in/out referendum but will be about the details, if the details are rejected, it means either a third referendum or a reversal of the first referendum. In practice, it is a repeat referendum, which might require a third or fourth referendum, depending on how the legislation was worded. I am afraid that despite all the casuistry that has been used, it is an argument to have another referendum on the same issue.

An argument was made and it has been dealt with a bit. I strongly approve of the tone used by my hon. Friend the Member for Streatham (Mr Umunna) in this debate; I think that we need more of that and less aggression. He highlighted, as have other Members, the number of Labour voters and of poor and dispossessed people who voted out. It has been suggested that those people did not know what they were doing—that in some sense they were duped, or were voting out of anger and dispossession. That was not my experience. On the day of the referendum, I was out in my constituency, in what is either the poorest or the third poorest ward in the country, depending on how we count such things. I talked to people who were motivated to vote: some did not normally vote in elections, some did; some voted Labour, some did not. They did not say, “I am very angry and dispossessed.” They were voting out of a sense of patriotism and a belief that this country should be a self-governing democracy.

[Graham Stringer]

There is something insulting, particularly from Labour politicians, in saying that such people were just voting out of anger and did not know what they were doing. They certainly did know, and given that 70% of Labour constituencies voted to leave the EU, the Labour party has a great deal of serious thinking to do about how we relate to that. That is why I appreciated the statement that my hon. Friend the Member for Streatham made about trying to bring things together.

Finally, some in this debate have made claims about pledges made during the referendum. Let us be absolutely clear: lies or distortions—call them what you like—came from both sides in the referendum. In that sense, it was no different from a general election. In every general and local election that I have been in, I have thought my opponents were telling lies, and could justify it on many occasions. We would rerun every general election if we had to do so because lies had been told. The nature of debate in this country is to expose those lies, and the strength of our democracy means that they are exposed.

I was a member of the Vote Leave board. When we debated or said things, there was no idea that we could commit a Conservative Government to doing something. When I was asked “What does this mean?” during the 50 or 60 debates that I did in the run-up to the referendum, I said, “What we are actually voting for is the freedom for a United Kingdom Government to make decisions. I can’t commit that Government to doing anything, and neither can anybody else in this campaign.” To say that we have to hold to account those who made commitments, statements or arguments during the debate is simply nonsense in the kind of parliamentary democracy that we live in.

We should see the debate for a second referendum as what it is: people being angry because they have lost some hope. That will dissipate, and we can bring the country together. It would be dangerous, damaging and undemocratic to have a second referendum on the issue.

6.47 pm

Patrick Grady (Glasgow North) (SNP): It is a pleasure to serve under your chairmanship, Sir David. One reason why the petition had so many signatories is that there was some confusion about what Brexit might mean, and what “Brexit means Brexit” might mean. However, a consensus has now been clearly established in Westminster Hall that Brexit means breakfast. When I said that before the summer, the BBC thought it was a slip of the tongue, but my hon. Friend the Member for Ross, Skye and Lochaber (Ian Blackford) has confirmed that it is in fact the case. Whether it is a dog’s breakfast or a full Scottish breakfast has yet to be determined, but the Prime Minister has appointed some cereal Brexiteers to lead the negotiations. Perhaps it is no surprise that some of them are getting a frostier reception in European capitals, and that some of our neighbours just want to say cheerio to the UK as soon as possible.

I will reflect briefly on the petition system and how we got to this debate, the issue of thresholds and referendums and the differential result across the UK. Four million signatures was a remarkable achievement, as was the rapid pace at which it was achieved. The irony has been noted that the petition was started by a leave supporter who has since disowned it.

These Monday afternoon debates are becoming something of a showpiece, and a bit box-office. Often, this Chamber is busier than the main Chamber, although not perhaps this afternoon, given the two hours for which the Brexit Minister spoke. We are only too aware, though, that Parliament debating something is different from Parliament deciding something. We must be careful that the petition system does not give constituents the impression—as the hon. Member for North Antrim (Ian Paisley) suggested, some constituents do get this impression—that these debates will lead to an immediate change of policy. We all have a responsibility, as do the media, to be clear about what we are trying to achieve in these debates. As a member of the Procedure Committee, I will be considering how we can do so. The Government should listen to what the Procedure Committee said about private Members’ Bills, so that we Back Benchers have more opportunity to bring to the House concrete legislative changes.

The issue of thresholds is very important. The threshold in the 1978 Scottish Assembly referendum has been mentioned; if that threshold had been in place in this referendum, we would not have had a leave vote. The Scottish National party proposed the four-nation lock; if that had been accepted, the leave vote would not have stood either. The SNP reserves the right to question the result, and particularly the result as it pertains to Scotland, because we did not vote for the referendum legislation in the first place: we did not see the need for a referendum and we warned of exactly the kind of situation we have ended up in.

I was interested to hear from the champions of participatory democracy on the Government Benches this evening. I had understood that Parliament was sovereign and had the final say, but now it appears that they are prepared to concede some of that sovereignty to the people, which we are very happy to accept, because in Scotland we have always accepted the sovereignty of the people. Tomorrow in this Chamber we will debate the claim of right for Scotland, which accepts the right of the people of Scotland to determine the form of government best suited to their own needs.

The reality is that the people of Scotland have chosen to remain in the European Union, so that now has to form part of the UK Government’s consideration as they take forward their negotiating position. Although there may not be a second referendum on Brexit, there must be an opportunity for Parliament to express its will and its view on the article 50 process and on the results of the negotiations. As SNP parliamentarians, we will not vote for any proposal that would take Scotland out of the European Union against its will, and we will resist attempts to bypass Parliament in the process.

I understand and share the frustration of my constituents, more than 5,000 of whom signed the petition—the highest number in Scotland outside Edinburgh, interestingly enough. Some 78% of my constituents voted to remain; that has to be taken into account, and I hope the UK Government will engage with the Brexit Minister who has been appointed by the Scottish Government—that shows the seriousness of the Scottish Government in trying to find a solution that can work within the result that has been delivered. But at the end of the day, if there is a material change in circumstances—it was interesting to hear the hon. Member for Streatham

(Mr Umunna) use that phrase—we reserve the right to ask for another referendum—on the question of Scottish independence.

6.51 pm

Thangam Debonnaire (Bristol West) (Lab): I will try to cut out from my speech all the points that have already been made, to allow my colleagues time to speak.

Some 23,815 people in Bristol West signed this e-petition—I think that was the second-highest number—and in the referendum more than 80% of my constituents voted to remain. Many have told me of their sadness at the result. I know it will make some of my constituents unhappy, but I believe it is not right to hold a second referendum.

I shall briefly give the arguments for a second referendum and why I do not support them. Some have said that they feel the leave campaign was based on misinformation or lack of clear information; as others have said, that can also be said of the remain campaign that I fought as part of. Another argument for a second referendum is that the details of the deal were not known or clear at the time of the first; my hon. Friend the Member for Blackley and Broughton (Graham Stringer) made good points on that topic. Others have said that they would like MPs to scrutinise the detail of the deal, to hold the Government to account and to hold the Prime Minister's feet metaphorically to the fire over every detail, but that they do not want another referendum. That is where my heart lies, and I feel many of my constituents are going to back me on it—I hope most will, if they hear my reasons.

Some of my constituents have told me that, no matter how sad they are, they feel it is important to respect the democratic process. Many people felt involved in this referendum and were moved to vote for the first time in years. It would be tragic if those people were given the idea that their views had been ridden roughshod over and were told that they did not count. However, my constituents have many concerns and want to ensure that there is proper democratic accountability, and I believe that that is where the solution lies. We need to act in a way that does not tell voters who voted leave that their views can be dismissed, but that also takes into account those who are concerned about what happens next.

The Prime Minister has indicated that the Government will not put the Brexit settlement to a vote in the House of Commons before article 50 is invoked. Indeed, I sat through the statement made earlier by the Secretary of State for Brexit and he did not mention that. In the referendum campaign, leave campaigners said repeatedly that Parliament should be sovereign. I particularly recall the hon. Member for North East Somerset (Mr Rees-Mogg) making much of that point in each of our many vigorous, lively and enjoyable debates. I believe parliamentary sovereignty is now being flouted, because the House is being denied the opportunity to debate the Brexit settlement fully and to vote on it before article 50 is triggered and the clock starts to tick. Once it is triggered, we all know that that will be it: we will be out in two years, with or without a good deal.

People of all views on Brexit, whether they voted leave or remain in the referendum, will want to know at least some of the details and that they are going to be

carefully scrutinised. They will want their views to be represented in Parliament by their democratically elected Members of Parliament and for them to be given a vote or votes on that settlement. I believe many, perhaps most, of those people calling for a second referendum—I hope that includes my own constituents—would be satisfied with delegating scrutiny of the detail to their elected Member, and for us to be trusted to vote against or for invoking article 50, until we are satisfied that it is a good deal for the UK. Again, I am sure that those who voted leave would also want us to have that scrutiny.

Finally, I believe that my constituents want to know that I have been given the chance to defend workers' rights, environmental protection and consumer regulations; to stand up for the EU citizens who have made Bristol their home; to ensure that the world-class university in my constituency has had the opportunity to renegotiate partnerships to carry out vital research; and to find ways for Airbus and other big and small local employers to manage their multi-European workforce and the rules and regulations of trade. They want to know that I will be able to represent them in a debate and in a vote. If the Government would be so kind as to agree that article 50 will not be triggered without the consent of Parliament first, a clear plan in place, and full and proper scrutiny of that negotiated plan, I believe that that would satisfy most of those who currently ask for a second referendum, including the people of Bristol West who I represent.

6.56 pm

Daniel Zeichner (Cambridge) (Lab): This has been a curious debate, hasn't it? It has been a bit like the referendum: there was an issue on the paper, but Members have largely talked about something else. Perhaps that is partly because of the slightly unfortunate scheduling of this debate at the same time as a major statement in the Chamber. Maybe some of the points that have been made would have been better raised in the main Chamber, but I chose to be here today because the numbers in constituencies like mine and those in similar cities are absolutely staggering, with 17,000 to 20,000 people signing the petition. That comes as no surprise to me, because of the strength of feeling that exists. I see the hon. Member for Peterborough (Mr Jackson) sitting opposite me; he and I are in the same county, but it is a divided county with very different views. In my city, Cambridge, there is passion about the European Union and a real and genuine sense of loss, worry and concern. That is why I am here.

One point I have taken from the debate so far is about the 52% and the 48%. In a way, the 48% knew what they were voting for—they did not necessarily know everything about the European Union, but it was the status quo. The problem is that the 52% were voting for a whole range of different things. That is the issue before us now: some Members here today clearly want a hard Brexit—to separate, get away as quickly as possible and go off to the promised land—but there is a whole spectrum of ways out. That is why the question whether there should be a further decision is so important.

For reasons of brevity, I will give just two examples. The issue of the EU citizens who live and work in my city is huge. The council leader told us at a very big rally in the city on Saturday that there are 9,000 EU citizens living and working around the area, and their status is

[Daniel Zeichner]

uncertain at the moment. We can argue about whether certainty should be given to them—I strongly feel that it should—but there is uncertainty at the moment, and it is likely that as time passes people will begin to drift away, which will have a negative impact on the city. If there is a deal that gives absolute certainty, that is different from a deal that is uncertain.

Let us look also at environmental issues, which are dear to many of my constituents. If we look at nature directives such as those on birds and on clean beaches, we see that we have much stronger legislation from Europe than from our own Parliament. If that legislation is incorporated into UK law, the situation will be different from if it is not. People would make different decisions depending on what happens with that.

Of course we cannot rerun 23 June; the world has moved on. Not only has Britain changed, but Europe has changed, and the situation will be very different in the months and years ahead. But surely that is the point of politics, and that is why there will be a further decision at some point in the future. Whether that is at a second referendum or a general election, I passionately believe that there will be a further decision.

There has been passion from the leave side in this debate, but there is also passion on the pro-European side, among those of us who believe passionately in the European Union, are proud of what it has achieved and want to remain part of it. I can assure those who have fought with such passion for 20 or 30 years to get us out that there are Opposition Members who will fight for just as long to keep us in.

Several hon. Members *rose*—

Sir David Amess (in the Chair): Order. I remind the three remaining speakers that they should leave 30 seconds for Mr Blackford to respond.

7 pm

Peter Grant (Glenrothes) (SNP): This is an interesting debate to attempt to sum up. I clearly do not have time to address all the interesting points that have been made. I apologise to Members whose constituencies I am not familiar with, and also if I miss out their “right honourable” titles. If I do not have time to get around all the points that have been made, Members can assume that if they said something that I agree with, their point was very well made, and if they said something that I disagree with, their arguments were fatally flawed and really should not be heard again.

I have a huge amount of sympathy with the intentions of the 4 million-plus people who signed the petition, but in my heart of hearts I cannot support the petition because of its wording. Nor can I support its general thrust, which is that we should have another referendum on EU membership. The most fundamental of my political beliefs is that the people are sovereign. The sovereignty of the people means that people have the right to be wrong and to take decisions that I personally disagree with. I have had quite a lot of practice at being gutted and devastated about referendum results and at having people who trust me to act on their behalf begging me to force a rerun because there must have

been some mistake. I have had to say to them, “I’m sorry, it’s not the way I wanted it to happen.” In both cases, the result did not reflect the way people in Fife voted, but it reflected how the people as a whole voted. We have to respect that. As part of that, though, I will demand and insist that the people of my country have their wish respected as well. That is a red line as far as I am concerned.

We cannot ignore the frustration we are seeing. It is wrong to impugn the integrity, character and honesty of the 4 million people who have asked for a second referendum. I do not impugn the integrity or honesty of the 4 million people who voted UKIP—I suspect that there is not an awful lot of overlap between those two groups of 4 million. However passionately and fundamentally I might disagree with someone else’s view, I will always stand by their right to express it. One of the ills of the politics that we are now seeing come to fruition is that we are far too quick to criticise people’s integrity and question their motives just because they have views that differ strongly from our own. I welcome the contributions that have been made on both sides of the debate, even though I felt that some of them showed poor analysis and I could not possibly agree with them.

I shall pick up on one or two key points. A Labour Member made an interesting intervention early in the debate—I am sorry, but I cannot remember who it was and whether they are still present—suggesting that the demand for a second referendum is damaging to our democracy. No, the demand for a second referendum is a strong symptom of the fact that our democracy is already severely, if not fatally, damaged. A fundamental test of any democratic process should always be that the losers accept that the contest was fair. In this case, a substantial number of the losers do not believe that. If they are honest about it, a substantial number of the winners are probably also not happy about the way in which the contest was won.

Nevertheless, we cannot attempt to rerun the contest. Like other Members, there may be circumstances in which I would support another referendum to confirm our exit from the European Union, although I am not yet convinced about that. We have to stop and ask ourselves: how have weaknesses been allowed to develop for so long in this, the so-called mother of all Parliaments, such that a Government can embark on a course that leads to something that the vast majority of that Government, including the then Prime Minister himself, were convinced would be catastrophic for the nations they had been elected to serve and to lead? How can a Government who had the support of only 36% of those who bothered to turn out and vote lead four nations of 60 million-plus people down a path on which that same Government did not want to embark, when two of the four equal partner nations were determined not to embark on that path? We have been led into a position from which I can see no way for England and Wales to retain their membership of the European Union. If or when they change their minds and try to get back in, I wish them the best of luck, but I cannot see an acceptable way for them to retain membership.

It is unacceptable to suggest that Scotland and/or Northern Ireland just have to follow suit. What the hon. Member for North Antrim (Ian Paisley) said was interesting. I agree with him that we can never say, “Thank you very much for giving us your opinion, but damn you, we’re

going to ignore you,” but 57.8% of people in Northern Ireland said that they wanted to stay in the European Union. I am not prepared to say to those citizens of one of the nations of these islands, “Damn you, we’re going to ignore you and take you out of the EU, even if you don’t want to go.”

There has been a lot of discussion about the nature of the wildly untrue statements and promises that were made during the referendum campaign. It genuinely scares me that Members of Parliament—honourable Members of Parliament—can sit here in an open forum and say, “Yeah, but people tell lies in general elections and council elections. It is just part of the system.” It should never be part of the system. It is appalling that a Member of this Parliament was found by a court of law to have told a blatant lie, but the law does not provide for that person to be forced to seek re-election through a by-election. There is something fundamentally wrong if the political system not only tacitly but now explicitly accepts that telling lies is an accepted part of the political process. If this whole shambolic affair does nothing more than create a situation in which lies and politics and public life are no longer allowed to coexist, perhaps the cloud will have a bit of a silver lining.

As I mentioned, I have been through two referendums—I hope I do not lose the third, because I think if I lose three times I am out altogether—and the contrast between them could not have been more marked. Other Members have mentioned the Electoral Reform Society report, which highlighted many concerns. I shall give one example. On the Sunday after the Scottish independence referendum, I, along with a lot of campaigners on both sides of the debate, was invited by my local church to attend one of the services of reconciliation that took place the length and breadth of the country. Yes, no and don’t know campaigners and activists literally joined hands in prayer—or whatever was appropriate for those who do not have a particular faith.

The immediate response to the Brexit vote was a substantial and horrific increase in racial violence. If that does not tell us that the Brexit referendum has left a legacy that is far more toxic and poisonous than it needed to be, we are certainly not watching what is really happening in these islands. I commend the two Members who are no longer present for the initiative they took to try to heal the divisions. I do not think those divisions were caused by the referendum. The hon. Member for Brighton, Pavilion (Caroline Lucas) referred to the referendum having laid bare the divisions. The malaise in the political process has been brought to a focus by the referendum. That was always going to happen.

The referendum was provoked by the desire of the then Prime Minister to fend off a challenge from the extreme right—not only the extreme right in the Conservative party, but those who were too extreme for his party—rather than facing down the xenophobes who wanted to demonise immigration and hold immigrants responsible for all the ills in our society. It is sad and shameful that neither of the two major political parties went into the last election saying, “You know what? We are not going to be bullied by the keyboard tappers of the *Daily Express* and the *Daily Mail*. We are going to tell it like it is. We are going to say that we stand for immigration being a positive contribution to our nations. If you want to vote for a Government who say something different, you can

have that Government, but we will not be part of it.” Neither of the two major parties was prepared to do that, because getting elected was more important to them than saying what they fundamentally believed in.

I cannot believe how the Labour party produced election material saying, “Vote Labour for strong immigration controls”. I was brought up in the Labour party. The second time in my life that I voted was when I voted for a Labour MP. Interestingly enough, the first time that I voted was in the 1979 devolution referendum, and when we were cheated out of that one it nearly put me off voting for life. I cannot believe how the party I was once pleased to support can have any truck with those who want to demonise immigrants and immigration and blame them for the ills of society. When Labour made that concession—when it started to try to appease the far right, just like the Government of the day—that put us on a headlong course at the end of which Brexit was perhaps inevitable, and the horrific racist and racialistic legacy that has been left in too many of our communities will take a long, long time to put right. I hope that it is put right in time for my friends in other parts of the United Kingdom to be welcomed back into the European Union, but I can tell people something for nothing—Scotland is a member of the European Union now, and I intend for us to stay that way.

7.10 pm

Barry Gardiner (Brent North) (Lab): It is always a great pleasure to serve under your chairmanship, Sir David.

For some, the referendum result represents a moment of golden opportunity; for others, it is a time of enormous economic risk. The petition we are debating today has been signed by an overwhelming number of people who believe that a second referendum should be put to the electorate. It has been signed both by people who voted to leave and by people who voted to remain. Curiously, the petition was created in advance of the referendum by somebody who supported the leave campaign and who is said to have believed that the result would be close but most likely in favour of remain. He was wrong.

With a majority of just over 1.25 million votes, 51.9% of votes cast called for us to leave, compared with 48.1% of votes to remain, on a turnout of 72% of the electorate. The referendum was certainly one of the most significant exercises in democracy that we have seen for a very long time, and it was for that reason that the Labour party tabled dozens of amendments to the European Union Referendum Bill to address the concerns that have now been raised in this petition, including provisions for electoral turnout and for a minimum threshold. Such amendments were rejected by Members of Parliament, alongside provisions that would have allowed 16 and 17-year-olds to have a say in what is probably the most important decision for their generation.

However, we must be clear that the British people decided in the referendum that our relationship with the EU, and its balance of rights and responsibilities, was wrong and needed to be addressed. Nevertheless, they did not, nor could they have been expected to, establish what the alternative might be. That is what the Government and Parliament must now determine.

[Barry Gardiner]

What makes this process so complex is that we must seek to negotiate our exit from the EU and our future relationship with it while simultaneously forging our future bilateral trade partnerships with other countries—countries that would like to have clarity about where we stand with the EU before they conclude their own trade deals with us. Nothing could have made that clearer than the report released at the weekend by the Japanese Government, which expressed their proper concern about securing future access to Europe for Japanese companies that have invested billions of pounds in UK factories, jobs and distribution centres. That indicates the extraordinary risks that investment in the UK faces if we fail to maintain the free movement of goods and services into the world's largest consumer market.

The Government must also address all the legislative gaps that will arise as a consequence of our secession from the European Union. The British people did not vote to see their workplaces made more dangerous or their maternity rights curtailed. The Government must ensure that where the basis of such rights and protections is lost because of legislation disappearing following a UK exit from the EU, new primary or secondary legislation is introduced to maintain the standards that British people have a right to expect.

EU nationals living in the UK and British nationals living elsewhere in the EU are desperate for clarity about where they stand. Do the Government plan to remove EU nationals from the UK? Should we prepare ourselves for the repatriation of some 1.1 million British citizens who are currently living elsewhere in the EU? Those are the non-duckable questions on which the Government have a duty to provide clarity; I hope that the Minister will provide such clarity in his summing-up today.

EU member states are our closest neighbours and strategic allies in matters of defence and co-operation, and the world is looking to us to set out how we will ensure that our departure from the EU does not cause instability throughout the region and—consequently—further afield.

The EU is currently the destination for 45% of all the goods and services that Britain exports and the source of 53% of all our imports. That is a stark measure of the level of trade integration that must now be renegotiated in the light of the referendum result. The Government must balance and recalibrate all the different elements that our membership of the EU has previously entailed. Essentially, however, there are three possible trading models: a free trade agreement, whereby member countries agree to abolish tariff barriers and quotas for goods and services between themselves; a customs union, in which member countries agree not only to reduce tariff barriers and quotas between themselves but to adopt common external tariffs towards other countries; and a single market, in which there is free movement of goods, services, capital and people, or labour. In a single market, there is also policy harmonisation over what constitutes such things as fair competition or reasonable health and safety regulations.

Although both sides of the referendum campaign lamentably failed to make it clear, in voting to leave the EU the British people voted to leave both the single market and the customs union. There is no smorgasbord

of trade agreements laid out and waiting for the UK to choose from. The options that will be available to us will be determined just as much by what the other EU member states are prepared to give us as by what the UK wants.

Currently, there is no unified view among the other 27 EU members as to what they are willing to negotiate on. That situation is not going to be made easier by the forthcoming elections in France and Germany, both of which could have new leaders by this time next year. Timing is essential in all of this, and British MPs who say the Prime Minister should trigger article 50 now and without delay, without first setting out to Parliament the terms and basis upon which the Government seek to negotiate—indeed, without even indicating the red lines that the Prime Minister should seek to protect—simply have not grasped the logic of article 50. It is the logic of the game that young, testosterone-fuelled car drivers call “chicken”. The principle of that game is that while it is beneficial for each driver that the other driver gives way, their own optimal choice depends upon what their opponent is doing. If their opponent yields, the other driver should not yield, but if the opponent fails to yield, the other driver certainly should give way, to avoid a head-on crash.

What we know for certain is that no incumbent French or German leader can afford to be seen to be conciliatory towards the UK in negotiations before the elections in their own country. However, article 50 will not only trigger those negotiations but set a firm time limit—two years—within which they must be concluded. After that, in the absence of an agreed negotiated trade settlement, the UK would simply be ejected from the EU with no trade deal at all, unless every country in the EU separately agreed to an extension of negotiations, which could lead to the UK being held hostage to several unpalatable ransom demands.

Time is critical in negotiating trade deals; everything must come together, because the reality is that nothing is agreed until everything is agreed. Before article 50 is invoked, the Government must set out how they intend to ensure that the promises made to those who voted to leave the EU are met. The Government must decide whether it is vital to keep passporting arrangements for our financial services sector, and if that is a red line, they must decide what price they are prepared to pay for it. If that price is the continuation of the free movement of people, many people who voted to leave the EU in the referendum might well feel that the Government are simply ignoring their concerns over immigration.

Similarly, if a deal were concluded that allowed us to keep single market access and have no free movement of people, our financial contribution towards the EU might have to continue at an extraordinarily high level. A negotiating red line that achieved market access without free movement but at huge budgetary cost might not be acceptable to those who thought they were voting to stop paying £350 million a week to the EU so that they could spend it on the NHS instead. It might also not appeal to those who voted to leave because they wanted to reclaim the UK's sovereignty. In return for its access to the single market, Norway is obliged to enact three quarters of all EU laws into its own domestic legislation. A UK operating under such an arrangement would in effect be a vassal state, paying tribute to the EU and

meekly enacting the laws passed down by Brussels, without the right to influence or shape them that member status confers.

None of those arguments are arguments for ignoring the expressed will of the British people, but they are very good reasons for saying that the Government must decide precisely what they want from any negotiation and what they are willing to pay or sacrifice to get it.

It is also vital that there is real democratic oversight. That means that Parliament must be extensively involved in the process and that once the Government are clear about what their own objective is, they should then present it to the country. Even though the petition is evidence that some wish to see a repeat of the referendum vote, the Government, as we know, have refused that. However, such a refusal should, at the very least, come through a parliamentary vote in the House of Commons. Then, and only then, does it make sense to trigger the UK's departure from the EU by formally invoking article 50.

Article 50 is a fuse; once it is lit it cannot be extinguished. If it is prepared for well, it may lead to an extraordinary firework display, as Britain illuminates the world stage with a renewed sense of commercial purpose, but if it is prepared for hastily and badly, the fuse will result in an explosion whose economic consequences will set back our country for a generation.

7.20 pm

The Parliamentary Under-Secretary of State for Exiting the European Union (Mr Robin Walker): I congratulate the Petitions Committee on arranging the debate and the hon. Member for Ross, Skye and Lochaber (Ian Blackford) on sponsoring it.

It is a healthy development that petitions receiving widespread support should be debated in Westminster Hall. This one has achieved more support than most—we should recognise that—and I recognise the great interest in the subject around the country. We have heard today from many speakers whose constituencies had a high turnout and it is striking, as the hon. Member for North Antrim (Ian Paisley) pointed out, that we have not heard from anyone who has backed the petition's motion unequivocally and called for a second referendum on the same terms.

The hon. Member for Glenrothes (Peter Grant) got called short in his statements. I suspect that I will be called rather short in mine as well, so I have some sympathy for him there. However, many of the issues he raised were addressed in the debate we had on the devolved Administrations and we absolutely stand by the assurances we gave about engagement with the Administrations on those matters.

The hon. Member for Brent North (Barry Gardiner) is an experienced parliamentarian and he held out all sorts of interesting theoretical possibilities and challenges of the negotiations to come but, regarding the petition, it was clear that he did not support it. He talked about those MPs who were calling for article 50 to be triggered immediately and, of course, one of those was the leader of his party who, on 24 June, said that the article should be triggered at once. Admittedly, in July he corrected himself and recognised that it was a good idea to prepare for negotiations.

As we have heard, the referendum was one of the biggest democratic exercises in British history. Turnout was high, at 72%, with more than 33 million people having their say. More than a million more people voted leave than voted remain. The turnout was bigger than in any general election since 1992 and it was the second-highest popular vote of any form in our long and distinguished democratic history. No single party or Prime Minister has achieved more votes in our history than the vote to leave did in June. The hon. Member for Blackley and Broughton (Graham Stringer) spoke about the passion with which the referendum was fought, and the hon. Member for Bristol West (Thangam Debbonaire) spoke of people who were voting for the first time in years. I recognise both of those statements. This was a once-in-a-generation vote and the decision must be respected.

Like many people who signed the petition, though by no means all of them, I campaigned for a different outcome, but I also spoke out repeatedly in the House, both before and during the passage of the legislation for the referendum, about trusting the people on this matter. On 24 June I might have preferred a different result, but I did not falter in my belief that it was right to give the British people their say. Both the hon. Member for Ealing Central and Acton (Dr Huq) and my hon. Friend the Member for Hazel Grove (William Wragg) spoke passionately about people going through the stages of grief. One of those stages is denial, but the one thing we cannot do is deny the outcome of the vote. To deny the outcome or the validity of the referendum is to deny the clear mandate of the British people—in this House, as hon. Friends have pointed out, we are their servants and not the other way around.

There will be no second referendum, no attempts to remain inside the EU, no attempts to re-join through the back door. Indeed, that would fly in the face of democracy and, I believe, entrench the sense of a disconnect between the country and this place that some argue contributed to the referendum result. We must now prepare for the process of exiting the EU, as we heard from the hon. Member for Brent North, and the Government are committed to ensuring the best possible outcome for the British people in the negotiations. I cannot cover all the detail of the preparations, but I refer hon. Members to the statement and responses given by the Secretary of State for Exiting the European Union, my right hon. Friend for Haltemprice and Howden (Mr Davis), earlier today. As he said, we should seek to deliver on what the country asked us to do through the referendum. We are encouraged by the national mood and by the fact that many who voted remain now want to make a success of the course Britain has chosen.

We will work hard to get the best possible deal for the whole of the UK. The Prime Minister and the Conservatives in Government will provide strong and proven leadership as the UK begins its negotiations to leave the EU and forge a new role for itself in the world. As the Secretary of State set out earlier during his detailed statement and more than two hours of questions, we will consult widely in the process, to make the most of the opportunities that our departure presents—getting out into the world and doing business right across the globe, while at home building a Britain that works for everyone.

Let me address precisely the premise of the petition. It called for the referendum to be rerun in the event that certain thresholds or super-majorities were not achieved.

[Mr Robin Walker]

Some hon. Members have suggested and other motions have argued that it should be rerun on the basis of the quality of the debate. That is not the subject of the petition and hon. Members were right to observe that such a criticism could be made, subjectively, of almost any democratic contest in the history of the world.

The European Union Referendum Bill was introduced in May 2015, following years of long, hard debate. It delivered on a manifesto commitment of my party, which I have little doubt played an important part in our election success. It delivered on the promise given by the Government at the last election to give the British people their say on the UK's membership in an in/out referendum by the end of 2017 and then to respect the outcome of their decision. As my right hon. Friend the Member for Hitchin and Harpenden (Mr Lilley) pointed out, the previous Prime Minister made it clear before the referendum that the Government would respect the result.

As I am sure hon. Members will recall, the Bill was fully scrutinised and debated in both Houses, with this House supporting the Bill on Third Reading by an overwhelming margin of six to one before it received Royal Assent in December 2015. Therefore, I cannot accept the argument that we ought now to have a second referendum. Nor can I accept that a threshold ought to have been set when no such provisions were put to a vote during the many debates in this House. As my hon. Friend the Member for Weston-super-Mare (John Penrose) pointed out—I am grateful to him for bringing his expertise and experience to the debate—those points were never brought up in the debate or put to a vote during that period. We, as parliamentarians, signed up to the Bill and we must now respect the outcome of the referendum.

It was the European Union Act 2015 itself that set out the terms for the EU referendum. It set the question that would appear on the ballot paper, the absence of a threshold and the franchise. It also provided a power to set the precise date of the referendum in regulations. Just as with the 1975 referendum on Europe and the 2014 referendum on Scottish independence, the Act did not set a threshold nor require a super-majority for any outcome. The hon. Member for Streatham (Mr Umunna) talked about the 1979 referendums and about how they did have such requirements, but he also pointed out that the Scottish National party and others opposed that approach and its call for a super-majority. I recognise

also his point about bringing people together in the aftermath of the referendum. He is right to say that we should bring people together rather than concentrate on rerunning the referendum. He is also right that we need certainty, and much of the statement that was set out earlier today and the announcement from the Chancellor during the summer are there to provide that certainty. A second or third referendum—a neverendum, as some hon. Members have suggested—would not provide the certainty that our country needs.

I conclude by saying that turnout was high, our instructions from the British people are clear and we are moving ahead. The machinery of government is now working hard to get the best deal from Brexit. While respecting the views of the millions who signed the petition, we must also respect the millions more who voted on 23 June and the clear mandate that was given, not merely after a few weeks of campaigning but after a debate that exercised this House and our nation for decades. I look forward to many more debates in this Chamber and in the House about the nature of our exit and the future relations between the United Kingdom and Europe, but I must be clear on behalf of the Government that we will respect the outcome of the referendum, treat it as an instruction from the British people and carry out the mandate they have given us.

7.29 pm

Ian Blackford: I thank all those who signed the petition that got us to this position today and I also thank all right hon. and hon. Members who have contributed to the debate.

I was struck by the comment the Minister made a couple of times about respecting the outcome of the referendum. The freedom to commit the United Kingdom Government to a debate was also mentioned. I do not think that many people would disagree with that—it is the fundamentals of our democracy—but I ask the Minister once again to recognise that different parts of the United Kingdom voted in different ways. We respect what has happened in England and Wales, but the Government have to listen, not just to the Members of the Scottish National party but to the Scottish Parliament, which voted so universally to empower the Scottish Government to protect Scotland's position within the EU. The Government really must seek to do that.

7.30 pm

Motion lapsed, and sitting adjourned without Question put (Standing Order No. 10(14)).

Written Statements

Monday 5 September 2016

CABINET OFFICE

Electoral Law

The Parliamentary Secretary, Cabinet Office (Chris Skidmore): The Government are today publishing their responses to a number of reports published on the administration of the UK parliamentary general election and other polls on 7 May 2015. The response to the Electoral Commission's statutory reports on the elections incorporates responses to recommendations made by the Association of Electoral Administrators (AEA) and the Royal National Institute for the Blind (RNIB).

Recommendations made by the Organisation for Security and Co-operation in Europe's Office for Democratic Institutions and Human Rights (OSCE/ODIHR) have been addressed in a separate response.

We are grateful for the analysis and recommendations within the reports from all of these organisations. Their work helps the Government to monitor the effectiveness of existing electoral provisions, determine where improvements are needed and helps Government to set future direction for policy development. The Government will continue to work with electoral administrators and partners to remove burdens and ensure they are supported to carry out the effective running of elections.

We will also be considering any future change in light of the review of electoral fraud undertaken by the right hon. Member for Brentwood and Ongar (Sir Eric Pickles) and his report published last month. I would like to thank the right hon. Gentleman for the work he has undertaken over the past year in producing this detailed and thorough report. It will be an important contribution to our fight against all types of fraud in the UK. We will look closely at the recommendations.

Copies of the Government responses will be placed in the Libraries of both Houses.

Attachments can be viewed online at: <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2016-09-05/HCWS132>.

[HCWS132]

TREASURY

Finance Bill 2016

The Financial Secretary to the Treasury (Jane Ellison): I have today published a written submission outlining the Government's analysis of how the English votes for English laws principle relates to all Government amendments tabled for Report stage of Finance Bill 2016.

The Department's assessment is that the amendments do not change the territorial application of the Bill. The analysis reflects the position should all of the Government amendments be accepted. I have deposited a copy of the submission in the Libraries of the House.

[HCWS130]

FOREIGN AND COMMONWEALTH OFFICE

Chemical Weapon Precursors: Libya

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): My right hon. Friend, the Secretary of State for Defence, and I wish to make a joint statement about the significant contribution that Her Majesty's Government have made to international efforts to ensure the safe destruction of precursor chemicals from Libya's historic chemical weapons programme.

Libya's chemical weapons stockpile was destroyed under international supervision and verification by 2014. However, a quantity of precursor chemicals remained in Libya. The international community was concerned about the risks that, in the current security situation, these chemicals might be acquired and misused by non-state actors. Earlier this year, the Libyan Government of National Accord asked for support from the Organisation for the Prohibition of Chemical Weapons (OPCW) and the international community to remove the remaining chemicals from Libya and to destroy them in a safe and timely manner in a third country. The UK has played a major role in co-ordinating international efforts to assist Libya and the OPCW to achieve this, including in the UN Security Council and with practical steps.

On 22 July, I voted on behalf of the UK in the UN Security Council for authority to be given for the chemicals to be removed from Libya for destruction in another country. Subsequently, the Danish Government asked the UK to provide a naval escort to support Denmark's operation to ship the chemicals out of Libya.

The Secretary of State for Defence agreed to provide support, in the same way as the Royal Navy supported Denmark and Norway in the operation to remove chemical weapons from Syria in 2014. During late August, RFA Mounts Bay escorted the Danish task group from Libya through the Mediterranean.

In order to enable the safe transport and destruction of the Libyan chemicals, and to provide verification assistance to the OPCW, experts at the UK's Defence Science and Technology Laboratory at Porton Down were tasked to analyse samples of the chemicals. The Foreign and Commonwealth Office has contributed some £500,000 to support both the analysis and destruction of the chemicals.

The UK's contribution to this task is now almost complete. The chemicals are being taken to a specialist facility in a third country, where they will be safely destroyed.

In close co-operation with our international partners—notably Denmark, Germany and the US, who contributed significant funding to the overall destruction effort, as well as with the OPCW—the UK has taken practical and effective action to eliminate chemical weapon risks in Libya. This reinforces our collective commitment to the people and Government of Libya, and, ultimately, to all of us who want to live in a world free from chemical weapons.

[HCWS127]

Yemen

The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson): This Government continue to believe that the best way to achieve stability in Yemen is through a political solution. The UK's priority is to support the UN Special Envoy to Yemen, Ismail Ould Cheikh Ahmed, in facilitating a credible peace process in Yemen. I deeply regret the failure of the parties to reach an agreement at the UN-led peace talks in Kuwait, and I continue to urge them to find the compromises that will end the current conflict.

There has been a sustained international effort in support of the UN throughout and the UK continues to play an active role. In July I hosted a meeting in London to discuss Yemen with the Foreign Ministers of Saudi Arabia, the United Arab Emirates and the US Secretary of State where we collectively reiterated our strong support for the role of the UN in mediating a lasting political solution to the crisis. We affirmed that a successful resolution should include arrangements that would require the withdrawal of armed groups from the capital and other areas, and a political agreement that would allow for the resumption of a peaceful, inclusive political transition. In August, Minister for the Middle East, Tobias Ellwood, represented me in Saudi Arabia for talks with the US Secretary of State, GCC Foreign Ministers and the UN Special Envoy. The discussions focused on finding a way to end the political deadlock in Yemen, humanitarian assistance and ways to support Yemen's precarious economy.

We will continue to support the peace process through our diplomatic efforts. The UK will host a discussion on Yemen at the UN General Assembly later this month with key international partners. In parallel, we continue to press for military restraint on all sides and call for a renewed commitment to a cessation of hostilities.

We are aware of reports of alleged violations of International Humanitarian Law (IHL) by parties to the conflict and take these very seriously. We regularly raise the importance of compliance with IHL with the Saudi Arabian Government and other members of the Saudi-Arabian led military coalition. I raised the issue of IHL compliance with my Saudi counterpart, Foreign Minister Al Jubeir on 22 August. It is important that the Saudi Arabian-led coalition in the first instance conducts thorough and conclusive investigations into incidents where it is alleged that IHL has been violated. They have the best insight into their own military procedures and will be able to conduct the most thorough and conclusive investigations. It will also allow the coalition forces to understand what went wrong and apply the lessons learnt in the best possible way. This is the standard we set ourselves and our allies.

In this respect, Saudi Arabia announced more detail of how incidents of concern involving coalition forces are investigated on 31 January. The Saudi Arabian-led Coalition Joint Investigations Assessment Team publicly announced the outcome of eight investigations on 4 August.

The UK Government take their arms export responsibilities very seriously and operates one of the most robust arms export control regimes in the world. All export licence applications are assessed on a case-by-case basis against the Consolidated EU and National Arms Export Licensing Criteria, taking account of all relevant

factors at the time of the application. The key test for our continued arms exports to Saudi Arabia in relation to IHL is whether there is a clear risk that those weapons might be used in a commission of a serious violation of IHL. Having regard to all the information available to us, we assess that this test has not been met.

[HCWS128]

HOME DEPARTMENT

Child Sexual Abuse Inquiry: Appointment of Chair

The Secretary of State for the Home Department (Amber Rudd): I wish to update the House on the change in Chair of the Independent Inquiry into Child Sexual Abuse (IICSA) and today is my first opportunity to do so.

This inquiry was established in March 2015 to consider the extent to which state and non-state institutions have failed in their duty to protect children from sexual abuse and exploitation, and to make recommendations to protect children from such abuse in future.

On 4 August 2016 the Chair Dame Lowell Goddard wrote to me to offer her resignation which I accepted. I am grateful for all of her work on the inquiry to date.

On 11 August I announced the appointment of Professor Alexis Jay as the new Chair of the Inquiry.

I am firmly of the view that the work of the inquiry needed to continue without delay. Victims and survivors deserve nothing less. After consultation, I decided that Professor Jay was the best person to provide stability and maintain momentum in the inquiry's work.

Professor Jay's experience, lifelong dedication to child protection and her outstanding leadership of the Independent Inquiry into Child Sexual Exploitation in Rotherham demonstrate her suitability to lead the inquiry. I am delighted that she has agreed to do so.

[HCWS131]

TRANSPORT

Govia Thameslink

The Parliamentary Under-Secretary of State for Transport (Paul Maynard): I am pleased to inform the House that from today Southern Railway have reinstated 119 train services into the weekday timetable. This means over nine out of 10 trains on the network will be running in line with the original weekday timetable, and over a third of the 341 trains removed on 11 July as part of the temporary timetable, will be restored this week. This will benefit passengers on inner London services, almost all London Bridge peak trains and restores service to Southern's West London Line. The remaining trains will be reinstated to the timetable incrementally in the coming weeks. This is an issue of vital importance to the Government.

The Government have invested more than £1.6 billion of taxpayers' money in new, longer, and more spacious trains. These new trains are progressively being introduced on existing Thameslink rail services and other routes from May 2017. The new trains are fully equipped with the latest technology allowing drivers to safely operate the doors from the cab.

The introduction of these new trains will mean that conductors, who currently operate the train doors, are freed up to spend their time on the train helping passengers during their journeys. GTR has promised this new on board supervisor role will be open to all conductors and will not result in any job losses or pay reduction. These changes will clearly benefit passengers. Importantly the vast majority of trains that currently have an on-board conductor will keep that staff member in a new on-board passenger focused role.

The Secretary of State recently announced a targeted £20 million fund, to be spent by Network Rail under project board authority, and the appointment of one of Britain's most experienced rail industry figures, Chris Gibb, to help get the service back running as it should.

His post will be paid for by GTR and will involve heading a new project board, working with the train operator and Network Rail, to explore how to achieve a rapid improvement to services for the public. The board will oversee the £20 million fund and closer working between GTR and Network Rail to improve performance for Southern customers. A passenger representative will also be included on this review board to ensure commuters' views are heard and improvements properly reflect passenger demands. The project board will present its plan in the autumn and actions will be implemented as soon as possible.

[HCWS129]

Petition

Monday 5 September 2016

OBSERVATIONS

HEALTH

Bowel cancer screening

The petition of residents of the UK,

Declares that the age at which bowel cancer screening is offered by the NHS is too high at 60 years old, with up to 6,000 people in their 50s diagnosed with the condition each year; further that, when bowel cancer is diagnosed in its later stages, the five-year survival rate is 7%, compared to 97% when caught early; and further that an online petition on this matter has been signed by over 163,000 individuals.

The petitioners therefore request that the House of Commons urges the Department of Health to consider the case for lowering the age of bowel cancer screening in England to the age of 50, in line with the screening age in Scotland.

And the petitioners remain, etc.—*[Presented by Caroline Ansell, Official Report, 04 May 2016; Vol. 609, c. 279.]*

[P001690]

Observations from the Parliamentary Under-Secretary of State for Health (David Mowat):

The NHS Bowel Cancer Screening Programme offers screening using a self-sampling kit, the Faecal Occult Blood test (FOBt), every two years to men and women

aged 60 to 74 who are registered with a GP. The kit is returned by post to a regional laboratory to be tested for hidden blood, a potential sign of bowel cancer. People eligible for screening receive an invitation letter explaining the programme, along with an information leaflet explaining the benefits and risks of bowel cancer screening. Men and women aged over 74 can self-refer for screening every two years if they wish.

The NHS bowel cancer screening programme in England began in 2006, with full roll-out completed in 2010. The programme in England initially offered screening to men and women aged 60 to 69 because the risk of bowel cancers increases with age. More than 80% of bowel cancers are diagnosed in people aged 60 or over. In the pilot, which was conducted in Coventry and Warwickshire and in Scotland in the late 1990s and early 2000s, more than three times as many cancers were detected in people aged over 60 than in those aged under 60, and people in their 60s were most likely to use a testing kit.

In addition to FOBt, the NHS Bowel Cancer Screening Programme is currently rolling out bowel scope screening to men and women around the time of their 55th birthday. Bowel scope screening is a one-off examination which is an alternative and complementary bowel screening methodology to FOBt. The Secretary of State's commitment is to have bowel scope screening rolled out to all screening centres in England by the end of 2016.

The UK National Screening Committee advises Ministers and the NHS in all four countries about all aspects of screening policy. It keeps the evidence for new and existing screening programmes under review and will provide further advice when new evidence becomes available.

ORAL ANSWERS

Monday 5 September 2016

	<i>Col. No.</i>		<i>Col. No.</i>
HOME DEPARTMENT	1	HOME DEPARTMENT—continued	
Cybercrime	11	Immigration	13
Disclosure and Barring Service	10	Police Community Support Officers.....	7
EU Nationals: Residency	16	Pre-charge Bail.....	18
European Arrest Warrant	15	Syrian Families: Resettlement Programme.....	1
Family Reunification: Europe	4	Terrorist Attacks.....	8
Fraud	17	Topical Questions	18

WRITTEN STATEMENTS

Monday 5 September 2016

	<i>Col. No.</i>		<i>Col. No.</i>
CABINET OFFICE	1WS	HOME DEPARTMENT	4WS
Electoral Law.....	1WS	Child Sexual Abuse Inquiry: Appointment of Chair.....	4WS
FOREIGN AND COMMONWEALTH OFFICE	2WS	TRANSPORT	4WS
Chemical Weapon Precursors: Libya.....	2WS	Govia Thameslink.....	4WS
Yemen	3WS	TREASURY	1WS
		Finance Bill 2016	1WS

PETITION

Monday 5 September 2016

	<i>Col. No.</i>
HEALTH	1P
Bowel cancer screening	1P

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CONTENTS

Monday 5 September 2016

List of Government and Principal Officers of the House

Oral Answers to Questions [Col. 1] [see index inside back page]
Secretary of State for the Home Office

Humanitarian Law (Yemen) [Col. 25]
Answer to urgent question—(Mr Ellwood)

Exiting the European Union [Col. 38]
Statement—(Mr David Davis)

Junior Doctors: Industrial Action [Col. 75]
Statement—(Mr Jeremy Hunt)

Finance Bill [Col. 90]
*Programme motion (No. 2)—(Jane Ellison)—agreed to
As amended, considered*

Private Finance 2/Private Finance Initiative [Col. 177]
Debate on motion for Adjournment

Westminster Hall
EU Referendum Rules [Col. 1WH]
General Debate

Written Statements [Col. 1WS]

Petition [Col. 1P]
Observations

Written Answers to Questions [The written answers can now be found at <http://www.parliament.uk/writtenanswers>]
