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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Tuesday 29 November 2016

House of Commons

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The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Business before Questions

ROYAL ASSENT

Mr Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified her Royal Assent to the following Act:

Investigatory Powers Act 2016.

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

Economic Growth: Coastal Areas

1. **Mr Andrew Turner** (Isle of Wight) (Con): What steps he is taking to encourage economic growth in coastal areas. [907539]

The Chancellor of the Exchequer (Mr Philip Hammond): The Government are committed to helping coastal communities unlock barriers to economic growth. For example, we have invested more than £125 million in more than 200 projects across the United Kingdom through the coastal communities fund. That investment is forecast to deliver more than 18,000 jobs and help to attract more than £240 million of additional funds to coastal areas. Last week, in the autumn statement, I announced the allocation of £1.8 billion from the local growth fund to all regions in England.

Mr Turner: Coastal areas face specific challenges because they do not have 360° access to trade with neighbouring areas, and the Isle of Wight faces additional challenges because we have no physical link with the mainland. Does my right hon. Friend regard the Isle of Wight as a special case that deserves extra support from the Government?

Mr Hammond: I know that every single one of my right hon. and hon. Friends will regard his or her own constituency as a special case, but I can tell my hon. Friend that the Government recognise the specific barriers to economic growth experienced by coastal areas such as the Isle of Wight. That is why we are extending the coastal communities fund by at least a further £90 million across the United Kingdom over the current Parliament. In addition, as my hon. Friend will know, through the

Solent growth deal the Isle of Wight has benefited from nearly £15 million of investment to expand the skills base, support business growth and improve transport links.

Alison McGovern (Wirral South) (Lab): Coastal areas in the north of England have been left behind for too long. We now know that the cost of Brexit to our economy will be the best part of 60 billion quid. Will the Chancellor commit himself to replacing the EU structural funding that gives coastal areas such as New Ferry, in my constituency, half a chance to make economic progress?

Mr Hammond: We have already made announcements about EU funding during the transition period, giving a Treasury guarantee to underwrite funding that is allocated to projects in the UK so that people who bid for that funding can do so with confidence. However, as the hon. Lady suggests, after we leave the European Union we will need to review for England, and discuss with the devolved Administrations for Scotland, Wales and Northern Ireland, how we are to replace the streams of EU funding to which many regions have become accustomed. We need to have a debate in the House to ensure that that funding is used in a way that reflects the UK's priority in the future, not the priority of the wider European Union.

Mr Andrew Tyrrie (Chichester) (Con): Selsey Bill, in my constituency, is a special case, but the best thing that can be done for coastal areas is to secure stronger growth throughout the economy. Mario Draghi has suggested that UK growth would be lower if, as a consequence of Brexit, the UK economy were less open to trade and investment. Does the Chancellor agree that both the UK and the EU benefit from an open economy, and that, if the European Central Bank is worried about a Brexit shock to the eurozone, he can and should be lobbying EU leaders to press for a high degree of mutual market access in the Brexit negotiations?

Mr Speaker: Order. We are discussing concern for coastal areas.

Mr Hammond: Absolutely, Mr Speaker. I agree with Mario Draghi that a reduction in openness would be very bad for the economy of Selsey Bill, and my right hon. Friend is right to draw attention to that. I entirely agree that the best way for the Government to protect the UK's economy is to argue for the most open possible trading relationship with the European Union after we leave.

Tim Farron (Westmorland and Lonsdale) (LD): The coastal communities of Cumbria were deeply affected by Storm Desmond last December. The River Kent, which meets the sea at Morecambe bay, is one of Britain's fastest-flowing and shortest rivers, and when it flooded last December, untold damage was caused to communities and the economy throughout the county. In last week's autumn statement, the Government went back on their word from last December to fund the resilience of bridges to help prevent future flooding. Will the Chancellor apologise to the flood-hit communities of Cumbria for that betrayal, and, even at this late stage, will he change his mind?

Mr Hammond: We did announce funds for flood resilience in the autumn statement, distributed from money that had already been set aside for that purpose in the spending review. I did not mention Cumbria specifically in the autumn statement, but I will look at the case that the hon. Gentleman has raised, and will write to him.

Mr Julian Brazier (Canterbury) (Con): I welcome my right hon. Friend's announcements of the various sums, and may I suggest that the sums the Government have put aside for coastal defence are critical for places such as Whitstable, in my constituency, for generating economic as well as social confidence among the people who live there?

Mr Hammond: My hon. Friend is absolutely right and of course flood defences are categorised as economic infrastructure precisely because they are a critical enabler of business activity and are critical to protect transport, communications, infrastructure and so on, and we will continue to invest in them.

Bill Esterson (Sefton Central) (Lab): It is about time we heard from this Government about support for our coastal economies because we have just seen, in last week's autumn statement, a catalogue of six and a half years of abject failure, whether on infrastructure, skills or support for businesses. The coastal communities of Formby and Crosby in my constituency need to hear a lot more from the Chancellor. They need support now and in the future.

Mr Hammond: If the hon. Gentleman had been listening, what he would have heard last week was a catalogue of 2.7 million new jobs created over the last six and a half years, a deficit inherited from Labour at a peacetime record high slashed by two-thirds, a million new jobs created in the UK, record employment levels, and 865,000 fewer workless households, all of which will have made an important contribution to improving living standards and prospects in coastal communities throughout the UK.

Housing Supply

2. **Mr David Burrowes (Enfield, Southgate) (Con):** What fiscal steps he is taking to increase housing supply. [907540]

The Chief Secretary to the Treasury (Mr David Gauke): The Government are committed to supporting housing supply and ensuring that the housing market works for everyone. Good progress has been made since 2010, with housing supply now at an eight-year high. In October, my right hon. Friend the Communities and Local Government Secretary launched a £3 billion homebuilding fund to provide loans to house builders to unlock over 200,000 homes. However, the scale of the challenge requires us to go further, which is why my right hon. Friend the Chancellor announced that the Government will invest £2.3 billion in a new housing infrastructure fund that will deliver up to 100,000 homes, and will invest an additional £1.4 billion to deliver 40,000 new affordable homes.

Mr Burrowes: Will the autumn statement's £3.15 billion boost for London housing be flexible enough to meet the aspirations of both Londoners wanting a home they can afford to rent or buy and London's homeless, whose complex needs include the need for supported housing?

Mr Gauke: I can provide that reassurance to my hon. Friend. The Government are committed to supporting housing supply and ensuring that the housing market works for everyone, including Londoners. London's £3.15 billion affordable housing settlement will deliver over 90,000 affordable housing starts by 2020-21 across a range of tenures, including homes for low-cost home ownership and submarket rent, as well as supporting housing for Londoners with particular needs, and of course London will also benefit from the housing infrastructure fund.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): More people in my constituency rent privately than own their own homes and for most of them ownership is a distant or impossible dream. Are the Government considering looking at the supply of private rented housing on longer tenures, perhaps with rent guarantees, and possibly using tax reliefs or other mechanisms the Treasury has in its armoury, to encourage landlords to provide those longer-term tenancies and better security for the many private rented sector tenants?

Mr Gauke: The Government are taking action to ensure that we build more homes. There is a need for flexibility in terms of tenure, which was at the heart of my answer to my hon. Friend the Member for Enfield, Southgate (Mr Burrowes), but last week's autumn statement included a series of measures that will help to ensure that we are building more homes in this country, which is what we need.

Mr Philip Hollobone (Kettering) (Con): Why is there such a large gap between the number of planning permissions and the number of housing starts, and what specifically can the Government do to close that gap?

Mr Gauke: There has consistently been a gap. What is important is that there is certainty of supply. We need to ensure that we have the right planning system in place and the right fiscal support, and that is what the Government are determined to deliver.

George Kerevan (East Lothian) (SNP): In last week's autumn statement the Chancellor raised the tax on house insurance by 20%. How is that supposed to help first-time home buyers to get access to housing?

Mr Gauke: We were very clear that the 2% increase in insurance premium tax was a revenue-raiser that enabled us to introduce the measure on changing the taper for universal credit, which increases the incentives to work. We believe that was the right course of action, but if we look at the autumn statement, and indeed the announcement made at the Conservative party conference, what is very clear is that this Government are committed to ensuring that we build more homes, which is what the public rightly expect.

Concentrix

3. **Melanie Onn** (Great Grimsby) (Lab): If the Government will establish a public inquiry into Her Majesty's Revenue and Customs' contract with Concentrix. [907541]

9. **Robert Flello** (Stoke-on-Trent South) (Lab): If the Government will establish a public inquiry into Her Majesty's Revenue and Customs' contract with Concentrix. [907547]

The Financial Secretary to the Treasury (Jane Ellison): The independent National Audit Office is carrying out an inquiry into the Concentrix contract and it plans to publish its report in early 2017. That is in addition to Select Committee and Public Accounts Committee scrutiny, which has been extensive to date and will no doubt be extensive in the future.

Melanie Onn: I should like to take this opportunity to congratulate my hon. Friend the Member for Sheffield, Heeley (Louise Haigh), who is not in her place, whose hard work got this issue on to the agenda and forced HMRC to act. In July, the independent Social Security Advisory Committee said that the Concentrix contract was a

“major departure for HMRC, as decisions about a claimant's past eligibility to a benefit are being made by a commercial organisation”, and that

“this same organisation is then performing mandatory reconsiderations when a claimant challenges the initial decision.”

What are the Government going to do to prevent this situation from happening again?

Jane Ellison: The chief executive of HMRC addressed that particular issue in one of his evidence sessions to a Select Committee. I hope the House will be pleased to hear that HMRC has taken back and completed all 181,000 cases from Concentrix and has now cleared most of the mandatory reconsiderations. [Interruption.] There are of course issues to consider. That is why the National Audit Office is carrying out its inquiry, which is already under way, and the Government will of course respond to its report in due course.

Robert Flello: The Concentrix scandal left huge numbers of people in hardship, and some of them are still paying off the debts to loan sharks that they took out to see them through. Ministers must have seen the complaints letters, and they must have seen what was in the media. Were they asleep at their desks? Were they just caught napping? Concentrix, HMRC and the Minister at the time need to be held responsible for this, and we need a proper inquiry.

Jane Ellison: I would make the point to the hon. Gentleman that a proper inquiry is exactly what the National Audit Office will be undertaking, and I am sure that the hon. Member for Hackney South and Shoreditch (Meg Hillier) and her Committee will have that report in front of them in due course. This matter will be properly looked at in some detail. Over the course of the contract, considerable savings were made for the taxpayer in relation to fraud and error, but it is true that things went badly wrong towards the end of the contract, which is why swift action was taken.

Richard Graham (Gloucester) (Con): While recognising the points made by the hon. Members for Great Grimsby (Melanie Onn) and for Stoke-on-Trent South (Robert Flello) on the Concentrix contract, which will be covered in the Select Committee's report, I would like to congratulate Treasury Ministers on responding very fast when these issues really came to a climax in August and on being extremely prompt in looking after constituents who contacted their MPs about this matter.

Jane Ellison: I thank my hon. Friend for those words. Having looked carefully at the profile of complaints from Members over the period of the contract, it is clear that there was sharp increase in their number right at the end of the contract, when it became apparent that a number of Members were contacting us on behalf of their constituents. As I have said, it was the sharp decline in service that led to the actions that we took. It is also worth noting that all the 181,000 cases that were taken back have now been resolved and that, where appropriate, compensation has been paid. Most importantly, when claims have needed to be renewed and reinstated, this has been done.

Kevin Foster (Torbay) (Con): Given the issues in my constituency that I have raised, I am pleased that the Concentrix contract has now been brought to an end. Does the Minister agree that an inquiry by the National Audit Office, which works for and answers to this House, will be far more effective in getting lessons learned than a long-winded public inquiry that could become a lawyer-fest?

Jane Ellison: My hon. Friend is exactly right to say that the National Audit Office inquiry is the way to go. This is an area in which it is deeply experienced and the work is already under way. The report will be produced in the new year. In order to draw conclusions and to find these reports helpful, that speed of inquiry is important. We will have the report early in the new year, and the House will have further chances to scrutinise it at that time.

HMRC Penalty Surcharges

4. **Gordon Henderson** (Sittingbourne and Sheppey) (Con): What steps he is taking to reduce the effect on small businesses of penalty surcharges levied by HM Revenue and Customs. [907542]

The Financial Secretary to the Treasury (Jane Ellison): Ultimately, the Government want to collect the right tax at the right time, not charge penalties. As it happens, we are currently reviewing ideas for how we charge penalties. A discussion document was published last year, and we recently consulted on a new approach to sanctions for late submissions of returns and late payment of taxes. We are currently considering all the comments received and if my hon. Friend wants to contribute to that process, I will be happy to look at any detailed points.

Gordon Henderson: I am more than happy to contribute. A small building company in my constituency has paid large VAT bills on time since 1972. However, on one occasion, because of a mistake by a member of staff, the company's VAT return was one day late and the company was hit with a totally unfair £12,000 penalty charge. During the review, will Ministers consider changing

the penalty charge system so that they are levied only on businesses that repeatedly fail to pay their VAT on time? “Three strikes and you’re fined” might be a good system.

Jane Ellison: I note what my hon. Friend says with interest. It is worth clarifying that the VAT default surcharge system already contains safeguards to help businesses avoid penalties and that no business incurs a surcharge the first time it makes a late payment. My hon. Friend may want to write to me about that individual case because I cannot address it here in the House. The current system of surcharges is structured in a way that allows the smallest businesses up to four late payments without incurring a surcharge, so I suggest that he writes to me with the details, which I will pass on to HMRC.

Sammy Wilson (East Antrim) (DUP): The new “Making tax digital” arrangements, which will require businesses to submit quarterly returns, increase the likelihood of sanctions being imposed following late returns or non-submission. How does that fit in with the Government’s promises to make it easier to start a business, to cut red tape and to make businesses more competitive?

Jane Ellison: I do not recognise the hon. Gentleman’s description of “Making tax digital”—an important reform that we will consider carefully. We said in the autumn statement that we will respond in the new year, but it is not right to say that there will be four returns; information will be digitally uploaded to the system more regularly. It is also the case that one of the driving forces behind “Making tax digital” is to help small businesses to get things right first time, because there is an awful lot of error that often costs businesses money that they would otherwise be owed.

Mrs Theresa Villiers (Chipping Barnet) (Con): I must press the Financial Secretary on that point. I appreciate that the “Making tax digital” programme does have advantages, but many small businesses are worried about quarterly reporting. Will she consider making it voluntary rather than mandatory?

Jane Ellison: I reiterate to my right hon. Friend that it is envisaged that people will upload information quarterly, but that is not the same as four tax returns a year, something which got some currency at the time. Several significant concessions regarding the number of small businesses that were exempt from the system were announced over the summer, but I am listening carefully to the points being made both by colleagues in the House and by some of the important stakeholders with whom we have been engaging. That is why we said that we will respond in the new year. We do not want to rush our response; we want to consider all the points carefully.

Productivity (South-west)

5. **Rebecca Pow (Taunton Deane) (Con):** What steps he is taking to improve productivity in the south-west. [907543]

The Chancellor of the Exchequer (Mr Philip Hammond): Investment and skills are front and centre in our plans to raise productivity across the country, including in the south-west. The autumn statement announced a new

£23 billion national productivity investment fund that will be targeted at four areas that are critical to improving productivity: housing; transport; digital communications; and research and development. We also announced in the autumn statement that the south-west will receive £191 million from the local growth fund to back local priorities and support new jobs and £19.5 million extra investment to bolster the area’s resilience to flooding.

Rebecca Pow: I welcome the Chancellor’s words and appreciate that he is keen for funding to be granted and attached to infrastructure projects that will bring a positive economic effect. With that in mind, will he consider supporting road improvements on the Toneway-Creech Castle corridor that leads into Somerset’s county town of Taunton, which will unlock 3,000 housing units?

Mr Hammond: I understand that the Heart of the South West local enterprise partnership bid for this scheme is part of its local growth fund submission; as I said, £191 million has been allocated to the south-west, and details of the individual LEP allocations will be announced in the near future. The Government are very supportive of using infrastructure to open up house building and employment opportunities, and from what she has said about this road it sounds as though the project in question would fit very well with Government priorities.

Kerry McCarthy (Bristol East) (Lab): As the Chancellor will know, Bristol is making a real contribution to productive growth, not just in the south-west, but across the country. But as the mayor of Bristol said in his response to the autumn statement,

“if the government wants a ‘watertight’ UK economy it needs to stop punching holes in local government’s hull.”

Will the Government commit to giving Bristol and cities like it the devolved powers, infrastructure investment and funding they need to deliver on productive growth locally?

Mr Hammond: The Government remain committed to the devolution agenda and, in particular, to supporting mayoral authorities, to ensure that economic growth and productivity are driven from the bottom up. We will continue to work with those authorities to make sure we deliver the funding available in the most effective way to get the result the national economy needs.

Neil Parish (Tiverton and Honiton) (Con): I very much welcome the Chancellor’s commitment to road, rail and broadband. Openreach should be broken away from BT in order to deliver proper competition, because in the hardest-to-reach areas for broadband in my constituency and across the west country we need some greater players and greater competition.

Mr Hammond: I appreciate what my hon. Friend is saying. He will know that there has been a long and heated debate about the best way of delivering our broadband infrastructure in the future, and Ofcom is at the heart of reviewing this issue. I shall continue to have meetings with Ofcom, and with representatives of BT and others, over the coming days, as will my right hon. Friend the Culture Secretary.

Peter Dowd (Bootle) (Lab): The south-west's productivity has drifted down since 2010 and, according to the House of Commons Library, the UK overall has seen the widest productivity gap with the G7 since 1991, when the data series began. What plans, if any, does the Chancellor have to pursue his predecessor's so-called "Fixing the foundations" productivity plan? Or is that another failed policy that this Chancellor is trying quietly to jettison?

Mr Hammond: No, and if the hon. Gentleman looks at the document we published last Wednesday, he will see that it contained a specific reference to "Fixing the foundations", which is the base document setting out the Government's agenda for addressing productivity issues. Of course, the key announcement at last week's autumn statement was an additional £23 billion of borrowing specifically targeted at the highest-return investment projects; this is designed to raise Britain's productivity by raising the productivity performance of our regional cities, in particular, and our regions more generally, to that of London and the south-west.

Peter Dowd: It is six years late. The productivity gap has widened for both the south-west and the country, and so has the gap in earnings and wages. According to the Institute for Fiscal Studies, the outlook for wages is "dreadful", with workers likely to earn less in real terms in 2021 than they did in 2008, and with the biggest losers being lower-income families, with the poorest third likely to see incomes drop. So in tandem with action on the productivity crisis, what are the Chancellor's plans for action on the wages crisis?

Mr Hammond: First, I say to the hon. Gentleman that if he looks at real household disposable incomes, he will see that the picture is rather brighter, and they present a much more real picture of what people in the economy are experiencing. He is right to say that real wages are a reflection of productivity performance, and the only way sustainably to raise real wages is to raise the productivity performance of this economy. So rather than whinging about whether something was done this year, last year or six years ago, and perhaps with a careful eye on the performance of the previous Labour Government in this area, he might care to welcome the announcement made last week as an appropriate initiative to try to raise the UK's productivity performance, and raise real wages and living standards over the long term.

Business Investment: UK and East Anglia

6. **Sir Henry Bellingham** (North West Norfolk) (Con): What steps he is taking to encourage business investment in (a) the UK and (b) East Anglia. [907544]

The Chancellor of the Exchequer (Mr Philip Hammond): The Government are taking significant steps to encourage business investment in East Anglia and in all regions of the UK by cutting corporation tax to the lowest rate in the G20, delivering a £6.7 billion business rates package, and allocating the £23 billion of public investment through the National Productivity Investment Fund to ensure increasing and improved productivity. The autumn statement also announced £27 million for the Oxford to Cambridge expressway road link as well as funding for

the east-west rail link, and local enterprise partnerships in the east of England will also receive up to £151 million of local growth funding.

Sir Henry Bellingham: I welcome the Chancellor's reply and the announcement of investment in the Oxford to Cambridge corridor and the transformational effect that that could have. Will he also ensure that other schemes to the east of Cambridge, such as the vital Ely North rail junction and improvements to the A47, also go ahead on time? He will be aware that they are crucial to the future economy of west Norfolk and other parts of Norfolk.

Mr Hammond: I will certainly pass on my hon. Friend's comments about that particular rail scheme to my right hon. Friend the Transport Secretary. My hon. Friend will know that we have a large programme of rail infrastructure in place and that the additional funding for the east-west rail link that was announced last week was outside that core rail programme. I hope that he will agree that the Oxford to Cambridge corridor represents a real growth opportunity for the south and the east of England to exploit Britain's two best known universities and their world-class research reputations to enhance the productive capacity of our economy.

Kelvin Hopkins (Luton North) (Lab): Since 23 June, there has been a significant depreciation of sterling and two announcements of major investments in UK motor manufacturing. The prospects for investment in UK manufacturing more widely are now much improved. Will the Chancellor be seeking to ensure that the more sensible exchange rate welcomed by Lord Mervyn King, among others, is sustained?

Mr Hammond: No. It is not the Government's business to sustain or manage the exchange rate in any way, as the hon. Gentleman very well knows. We have an inflation target, but exchange rates are set by markets and reflect market views about the economy and expectations of the trajectory of the economy in the future. He is absolutely right to observe that, over the past six months, we have seen some remarkable endorsements of the British economy through large inward investment decisions made by foreign inward investors.

Anna Soubry (Broxtowe) (Con): May I congratulate the Chancellor on the £23 billion of extra money for this National Productivity Investment Fund, which will confer huge benefits on the whole of the United Kingdom? Although I do not expect him to comment on the considerable merits of the A610 growth corridor and the improvements to the road at Giltbrook, I am very happy to meet him to persuade him of them. On a serious note, will he do everything he can to ensure that excellent schemes such as those are expedited and not caught up in what can sometimes be bureaucratic tangles?

Mr Hammond: It is an excellent scheme indeed. My right hon. Friend will know that it is not only the £23 billion of additional funding for economically productive infrastructure that was announced on Wednesday last week, but a core £150 billion of funding for the same defined purposes over the remainder of this Parliament and the Government's commitment, repeated last Wednesday, to move to a roads fund from

2020, funded by the revenues from vehicle excise duty, all of which adds up to a sustained commitment to investment in our roads.

Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP): Brexit is putting business investment on hold at the expense of job losses. This comes after a long period of escalating debt and slumping growth. Furthermore, quantitative easing has failed to raise confidence and stimulate business investment in the real economy. The autumn statement measures announced are simply insufficient. What else will the Chancellor do?

Mr Hammond: I simply do not recognise the picture that the hon. Gentleman paints. The Bank of England's monetary actions have undoubtedly had a positive effect in stimulating the economy. The performance of consumer demand over the past few weeks has demonstrated that very clearly. We have the key elements in place, both monetary and fiscal, for our current circumstance, which is the potential for a more difficult period ahead. We need to muster our resources, make sure that we are able to support the economy through this period, and, at the same time, address the fundamental challenges, such as the productivity problem, to ensure that Britain is match fit to meet the challenges that it will face as it leaves the European Union.

Roger Mullin: In that regard, I am sure that the Chancellor would agree that research and development investment is critical to obtaining a high skill, high wage economy and one that increases productivity, as he has recognised. It is therefore disappointing that the autumn statement has failed to match R and D investment as a percentage of GDP in line with other major economies. What will the Chancellor do to fill that gap?

Mr Hammond: What I will do over the medium to long term is get the British economy back on to a firm footing so that we can fund all those investment needs—which we do have, as the hon. Gentleman points out. Let me turn the question around. Scotland will receive £800 million of additional capital funding through Barnett consequentials as a result of the announcement made last week. From the tone of the hon. Gentleman's question, I feel sure that the Scottish National party will want to confirm that that money will be used in Scotland, as it will in England, to target productivity-raising capital investment so that the Scottish economy can perform more strongly in the future.

Leaving the EU: SMEs

7. **Chris Elmore** (Ogmore) (Lab/Co-op): What assessment he has made of the potential effect on the ability of small and medium-sized businesses to raise capital of the UK leaving the EU. [907545]

The Economic Secretary to the Treasury (Simon Kirby): The UK remains very much open for business and the Government are committed to supporting SMEs to access the capital they need to grow, as demonstrated by the £400 million increase in funding for the British Business Bank announced at the autumn statement, unlocking £1 billion of funding.

Chris Elmore: The Minister will be aware that more than £10 billion of EU structural funds is invested annually in the UK, particularly in Wales. Indeed, in my constituency of Ogmore, many small and medium-sized businesses have benefited from Jobs Growth Wales, which is a success of the Welsh Labour Government. Will the Minister give a cast-iron guarantee to the people of Wales that structural funding will continue, pound for pound, after we leave the European Union?

Simon Kirby: We want to see the economy benefit every part of the UK. It is interesting to note that there are almost 1 million new businesses in our country since 2010 and I note the Prime Minister's announcement at the CBI conference about the new patient capital review, which will be interesting, I am sure.

Mr Jacob Rees-Mogg (North East Somerset) (Con): Does my hon. Friend agree that Brexit is essentially a red herring for SMEs in this context, and that what matters is that the Government create the right conditions for businesses to do business and that the banks are in a sufficiently capitalised position to lend money?

Simon Kirby: I agree absolutely with my hon. Friend. It is about creating an economic environment in which businesses can grow and thrive. The British economy is strong and will continue to be strong as we prepare for our departure from the EU.

Emma Reynolds (Wolverhampton North East) (Lab): What would be the impact on SMEs, particularly those in the supply chain of big manufacturing firms such as Jaguar Land Rover or Airbus, if we were to leave the EU without full access to the single market or a free trade deal with the rest of the EU and if we were forced to fall back on World Trade Organisation rules and tariffs?

Simon Kirby: The Government have been clear that we will not comment on every turn of the negotiations. Indeed, the negotiations have yet to start. However, we are absolutely committed to getting the best possible deal we can.

Chris Philp (Croydon South) (Con): Does the Minister agree that the City of London plays a very important part in helping businesses to raise capital and that maintaining clearing in euros in the City of London will be an important way to ensure that the City retains that status?

Simon Kirby: The City of London is a very important financial centre and we fully intend it to remain as such. Clearing is an important element of the negotiations and we will do all we can to retain London and the UK as a financial centre of excellence.

Regional Infrastructure

8. **Jo Churchill** (Bury St Edmunds) (Con): What steps he is taking to support regional infrastructure development. [907546]

The Chief Secretary to the Treasury (Mr David Gauke): At the autumn statement we prioritised additional high value investments, specifically in infrastructure and innovation, that will directly contribute to raising

Britain's productivity. The Chancellor announced a new national productivity investment fund of £23 billion to be spent on housing, transport, digital communications and research and development over the next five years. Local enterprise partnerships will receive £1.8 billion of growth deal funding. This will go towards the projects needed to bring about economic growth in local areas, including new homes, transport improvements and supporting businesses and people to access the skills they need.

Jo Churchill: I welcome all those measures to boost productivity and particularly to turn attention to infrastructure and the specifics for the east of England given yesterday. However, given the strategic importance of the A14 trunk road linking Felixstowe port with Cambridge and the rest of the country, as well as its significance to 80% of businesses in Suffolk, does the Minister agree that further improvements to a road that he knows well are vital to productivity?

Mr Gauke: My hon. Friend is right—it is a road that I know well. We certainly agree that the A14 is a critically important part of the network. We are investing £1.5 billion for a major upgrade to cut congestion on the A14, including a new 21-mile road between Huntingdon and Cambridge, and only yesterday my right hon. Friend the Transport Secretary was able to go there to witness the start of the work.

24. [907563] **Steve McCabe** (Birmingham, Selly Oak) (Lab): Is not the simple truth that more than half the money announced for England will go to projects in London and the south-east, and that despite a £50 million shortfall in NHS funding by 2017 and a £130 million shortfall in social care funding by 2020, the Chancellor, like his predecessor, has short-changed Birmingham and the west midlands?

Mr Gauke: No, that is not true. There is a balanced package and all parts of England will benefit from the transport measures. The Barnett consequential should mean that Scotland, Wales and Northern Ireland can also benefit in this area. A specific announcement about the midlands hub was made in the autumn statement and there is more to be said about the midlands engine. This is a Government who are determined to ensure that the whole country benefits from economic growth.

17. [907556] **Antoinette Sandbach** (Eddisbury) (Con): Can the Minister assure me that digital infrastructure is as important as road infrastructure, and that part of the £1 billion broadband fund will be allocated to address the productivity gap in rural areas—in particular, to help shops such as The Hollies Farm Shop in my constituency, which has three business lines and 2 megabits of speed?

Mr Gauke: My hon. Friend highlights the fact that digital must be key to improving productivity. That is why a £1 billion package was announced in the autumn statement. There was also specific help for rural areas through rural rates relief. Our ambition is clear: to provide the best digital infrastructure we can for urban and rural areas.

Rachel Reeves (Leeds West) (Lab): In table 4.21 of the OBR's report it forecast that the Government will underspend on infrastructure by £15 billion in the next

five years—two thirds of the additional money announced by the Chancellor last week. Why should the public have any confidence in the ability of the Government to deliver on their promises when their own watchdog clearly does not?

Mr Gauke: The OBR has always taken a cautious view on delivery of infrastructure, but let us remember that we have already delivered 3,000 projects. We have set out an ambitious plan for delivery of infrastructure improvements in the course of this Parliament, and that is exactly what we will deliver.

UK Exports

10. **Ms Tasmina Ahmed-Sheikh** (Ochil and South Perthshire) (SNP): What fiscal steps he has taken to help increase levels of UK exports since the UK's decision to leave the EU. [907548]

The Economic Secretary to the Treasury (Simon Kirby): The Government are committed to ensuring that exporters receive world-class support. That is why the autumn statement announced the doubling of UK export finance capacity.

Ms Ahmed-Sheikh: Last week the OBR reduced its trade forecast, stating that this is

“due to the loss of trade that the OBR judges will result from the UK leaving the EU.”

We all know that this Government would like to have their cake and eat it, but changes to export finance alone will not bridge the gap between ambition and reality. Do the Government seriously expect to meet their own target of doubling exports without continued membership of the single market and without a comprehensive plan to do so? Do the Government stand by their exports target?

Simon Kirby: We do, and it is interesting to note that the Federation of Small Businesses, for example, welcomed the doubling of export finance because it felt that it would help small and medium-sized enterprises reach new markets. It is also interesting to note that the Scotch Whisky Association highlights the importance of exports, and it has seen an increase of 3.1%, to 531 million bottles. Perhaps the hon. Lady might remove uncertainty in Scotland by stopping banging on about a second referendum.

Mr David Nuttall (Bury North) (Con): Does my hon. Friend agree that the best thing the Treasury can do to help British business export is to allow it to keep more of the profits it earns by continuing to cut corporation tax?

Simon Kirby: We have legislated for corporation tax to be reduced to 17% by the end of this Parliament—one of the lowest rates in the G7—and we will do all we can to help businesses grow and thrive in this country.

John McDonnell (Hayes and Harlington) (Lab): Last week's autumn statement should have been about providing answers to meet the challenges of Brexit and at least information on the options available. Instead, it appears that the only information we can glean is from photos

snatched of the notes of a senior Conservative official in Downing Street. We know now, in the light of that leak, that many of the Chancellor's senior colleagues in the Government are reluctant to pursue the transitional deal being called for by businesses when we leave the EU. Will the Minister now provide some clarity by inviting the Treasury and the Office for Budget Responsibility to undertake a full assessment of the public finance implications of the range of policy options associated with Brexit, including access—or not—to the single market, being in or out of the customs union and the potential for transitional arrangements?

Simon Kirby: I have to tell the right hon. Gentleman that that is a normal part of what we do on a very regular basis, and he really should not believe all he reads in newspapers from researchers or Back Benchers—it is hardly Government policy.

John McDonnell: I take that as a no.

Last week, we learned in the OBR report that the OBR was denied any information in respect of assurances provided to Nissan. The OBR said:

“On this occasion we asked specifically whether any contingent liabilities had been created in respect of assurances provided to Nissan and the Treasury declined to say.”

This level of opaqueness on an existing deal undermines the certainty businesses need to invest in any future deals. Will the Chancellor now provide the OBR with the information it has requested, so that it can provide a more accurate forecast, rather than being left in the dark or, as it put it, “none the wiser”?

Simon Kirby: Perhaps we should welcome the jobs to start with. However, in answer to the right hon. Gentleman's question, it was, unfortunately, not possible to confirm this to the OBR in time to feed into the drafting process. Her Majesty's Treasury therefore provided the same answer as it would to any query on contingent liability.

Public Infrastructure Spending

11. **Kirsten Oswald** (East Renfrewshire) (SNP): What steps he is taking to increase the level of public infrastructure spending. [907549]

The Chancellor of the Exchequer (Mr Philip Hammond): In the autumn statement, as I have said already, I announced the creation of a new national productivity investment fund to provide £23 billion of additional investment. That is on top of the £150 billion that is already baked into the baseline, and it is focused on the key areas for boosting productivity—housing, infrastructure and research and development.

Kirsten Oswald: I welcome the £800 million in Barnett consequential, which the Scottish Government will invest on top of the £100 million they have already announced for capital projects, but what further steps will the Chancellor take to address the almost 10% cut to the Scottish capital budget since the Tories came to office?

Mr Hammond: The Scottish Government will have a full share of infrastructure spending through the Barnett formula, and we will work with the Scottish Government and all other devolved Administrations and regional

entities, as we work to raise the UK's productivity game. That is about infrastructure investment—both public and private. It is about raising skills. It is about raising management capability, and we announced that we would fund the Charlie Mayfield initiative to disseminate best management practice across small and medium-sized enterprises. It is about doing all these things to ensure the UK is match-fit to prosper in the global economy in the future.

Philip Davies (Shipley) (Con): May I ask the Chancellor not to blindly hand over any extra infrastructure spending in West Yorkshire to the Labour-dominated West Yorkshire Combined Authority for it just to pump money into the Labour heartlands, and instead make sure that money can be spent in other parts of West Yorkshire, including on a Shipley eastern bypass, which would benefit the local economy and the economies of my hon. Friends the Members for Pudsey (Stuart Andrew) and for Keighley (Kris Hopkins), too?

Mr Hammond: I am grateful to my hon. Friend. I did not know that Labour had any heartlands left, so that is an interesting comment. I will pass on his concerns to my right hon. Friend the Transport Secretary and ask him to take them into consideration when he makes his allocations.

Topical Questions

Several hon. Members *rose*—

Mr Speaker: Order. I remind colleagues that topical questions are supposed to be sharply shorter, and the same goes for the replies. We made remarkably slow progress in the first session this morning, and we really need to do rather better.

T3. [907531] **Mary Glendon** (North Tyneside) (Lab): If he will make a statement on his departmental responsibilities.

The Chancellor of the Exchequer (Mr Philip Hammond): My principal responsibility is to ensure the stability and prosperity of the economy. In the current circumstances, I judge that that requires a combination of near-term measures to ensure resilience and longer-term measures to manage the structural adjustment as the UK transitions out of the EU and to address the UK's long-term productivity challenge. The package announced in the autumn statement last week delivered on both requirements.

Mary Glendon: So far the Chancellor has disregarded Members' requests to give justice to the WASPI—Women Against State Pension Inequality Campaign—women. Will he now listen to bodies such as North Tyneside Council, which, under our elected mayor, Norma Redfearn, has written to the Government to ask for a fair transition of the state pension right for all these women?

Mr Hammond: I understand the concerns, but this issue was debated extensively during the passage of the Pensions Act 2011, when the Government made concessions to this group of individuals worth £1.1 billion.

T4. [907532] **Ben Howlett** (Bath) (Con): As the Chancellor will know, this Saturday marks Small Business Saturday across the country. I will be heading out in Bath to do

some Christmas shopping at some of the small businesses and encouraging them to join my Best of Bath business awards. Will he join me in encouraging my constituents, and hopefully my neighbours' constituents, to come into Bath and shop local?

Mr Speaker: I am sure the hon. Gentleman will be wearing that excellent pullover as he does so.

Mr Hammond: This is year four of Small Business Saturday, and the campaign continues to get bigger each year. Small businesses and entrepreneurs are the backbone of the British economy. The Government will continue to support Small Business Saturday this year with events across the country. I encourage right hon. and hon. Members in all parts of the House to be in touch with their local enterprise partnerships and their local branch of the Federation of Small Businesses to find out what is going on locally and to get out there and support it.

Rebecca Long Bailey (Salford and Eccles) (Lab): Last week, we saw the accumulation of six wasted years of failed economic policies supported by both the Chancellor and the Prime Minister. Following last week's autumn statement and the publication of the Office for Budget Responsibility forecasts, can the Chancellor confirm how much worse off a pensioner on the state pension will be by 2019-20 as a result of the OBR's downgrades to wage forecasts?

Mr Hammond: I am slightly mystified by the hon. Lady's question, because the downgrades to wage forecasts will not be the driver of the circumstances of a pensioner on the state pension, given that we have introduced a triple lock that guarantees pensioners an increase in line with inflation, in line with earnings, or 2.5% as a minimum. However, I am happy to look at the specific question and to write to the hon. Lady with a calculation.

Rebecca Long Bailey: Let me inform the House that the forecast is this: a pensioner on the state pension will be £429 worse off by 2019-20, with only the triple lock preventing an even worse decline. After claiming in the autumn statement that the triple lock will now be subject to review, will the Chancellor end the uncertainty and worry he has caused older people and join me in committing to preserve the triple lock throughout the lifetime of the next Parliament?

Mr Hammond: Well, this was worth waiting for: we have a firm commitment by the Opposition to run the triple lock through the lifetime of the next Parliament. I wonder whether the hon. Lady knows how much money she has just spent, without knowing the fiscal circumstances the country will face. What we have said, and the only responsible thing to say, is that all the commitments we have made for the duration of this Parliament we will review at the spending review before the end of the Parliament, and we will decide then which ones we can afford to renew and which ones are appropriate to renew. I think this tells us everything we need to know about the Opposition: three and a half years out, they are willing to spray around commitments without any idea of what it is going to cost them.

T9.[907537]**Mr Steve Baker** (Wycombe) (Con): Casework in Wycombe continues to illustrate calculation and communication errors around tax credit payments. What steps will the Government take to reduce those errors?

The Financial Secretary to the Treasury (Jane Ellison): My hon. Friend is right to point to the fact that we inherited a complex system in that regard. Her Majesty's Revenue and Customs has enhanced its online services. There will be an online service, for example, for people making new claims for tax credits starting in April 2017. The use of real time information through pay-as-you-earn has really helped to pick up potential errors in claimants' income, and it is making a difference.

T5.[907533]**Christian Matheson** (City of Chester) (Lab): Chester's status as a centre for the financial services industry, particularly FinTech, is under threat from continuing problems with retention by businesses, which cannot get staff to come to the area. Staff cannot get there, because our infrastructure is not good enough. Instead of gloating about the Oxford to Cambridge corridor, can we have some news about when money will be spent on the M56 to upgrade it to a smart motorway?

The Chief Secretary to the Treasury (Mr David Gauke): I will take that as a representation and make sure that my right hon. Friend the Transport Secretary is aware of it. The hon. Gentleman will be aware that we are already setting out an ambitious programme for road spending over this Parliament. In addition, my right hon. Friend the Chancellor of the Exchequer made announcements last week about putting in more funding to improve our road network across the country. I am happy to look at the case that the hon. Gentleman raises.

Suella Fernandes (Fareham) (Con): I recently visited ASV Global in Portchester, an innovator in unmanned and autonomous marine technologies. In just six years, ASV has designed 70 new products, which it has delivered to 10 countries and 40 customers. What further support for research and development is available to companies such as ASV to boost job creation and wealth?

Mr Philip Hammond: We have done two things. Within the £23 billion that I announced last week to raise the UK's productivity game is a significant increase in public R and D investment. We also said—we will do this before the Budget—that we would carry out a review of the way that tax support for privately funded R and D works, with the objective of ensuring that the UK is the most attractive place in Europe to do private R and D work. I will report at Budget 2017.

T6.[907534]**Patrick Grady** (Glasgow North) (SNP): The autumn statement shows that, as gross national income falls, so will the total projected official development assistance budget. Can the Chancellor assure us that, within that, the Department for International Development budget will be maintained as much as possible and that, if ODA has to contract, cuts will have to fall on other spending Departments before DFID?

Mr Hammond: No, not necessarily at all. We spend our ODA in different ways, and different Departments have relatively small pools of ODA. Of course, the great majority of it goes through DFID. Where GNI contracts and the ODA budget needs to be trimmed accordingly,

we will look to take away the lowest-value ODA spending. I think that that is the way the taxpayer would expect it to be done.

Mrs Anne-Marie Trevelyan (Berwick-upon-Tweed) (Con): Further to the Chancellor's answer to my hon. Friend the Member for Fareham (Suella Fernandes), could he set out how QuestUAV in Amble, a manufacturer of mapping and survey drones, and other high-tech north-east businesses will be able to access the R and D funding that he talks about?

Mr Hammond: Public R and D funding will take two principal forms. There will be further funding to the science base in our universities, and there will be funding through Innovate UK, which is accessible by companies to support innovation. We already have an excellent base in basic science. What we need to do now is to up our game in innovation and the application of that science.

T7. [907535] **Fiona Mactaggart** (Slough) (Lab): A feature of the modern gig economy is that more and more people are sticking together mini jobs, in most of which they earn below the national insurance threshold. HMRC manages to add together that money to tax it, but it does not manage to add together that money to make sure that those people have pensions. What is the Treasury going to do to make sure that older women, in particular, get access to pensions when they have mini jobs?

Jane Ellison: The right hon. Lady and I have recently spoken about this issue, and as she knows, there has been some work done to look at the broader issue. It is complicated, but I undertake to look at it again and respond to her. Of course, some of the broader aspects of the gig economy will be covered during the Taylor review.

Kevin Hollinrake (Thirsk and Malton) (Con): According to the Library, infrastructure spending per head is 2.5 times greater in London and the south-east than in the regions. Does the Chancellor agree that now is the time for a fairer distribution of investment spending across the UK?

Mr Philip Hammond: The Government are committed to investment in all the regions of the UK. We have delivered more than 500 infrastructure schemes in the north since 2010, and more than £13 billion of spending is planned on transport in the north during this Parliament. In Yorkshire, this includes new trains on the east coast main line, the trans-Pennine railway upgrade and bringing the A1(M) up to motorway standard for its full length. I would just say to my hon. Friend that figures for London and the south-east are distorted by the effect of the strategic Crossrail project, with a cost of £14.8 billion.

T8. [907536] **Martyn Day** (Linlithgow and East Falkirk) (SNP): I am pleased to note that the Chancellor has finally scrapped the arbitrary target for a budget surplus, which would have cut billions more than necessary, but concerns remain about his attitude towards borrowing and debt. Will the Chancellor tell us on what date his charter will come before the House, so that it can be fully scrutinised properly?

Mr Hammond: I cannot give the hon. Gentleman a precise date, but I have discussed this with the business managers. The rules of the House mean that 28 days must elapse before the charter is laid. I think that that will put it in the second half of January, but we will have the debate as soon as we can after the statutory period.

Kit Malthouse (North West Hampshire) (Con): As other Members have mentioned, there is growing alarm about the impact of making tax digital on small business people, of whom I am one. Will the Chancellor confirm that, in time, quarterly tax returns will also apply to Members of Parliament?

Jane Ellison: As my hon. Friend mentioned, we touched on this earlier. Making tax digital is an important reform. I have mentioned already that some important concessions were made during the summer, by taking many very small businesses out of making tax digital, but it has much to offer small businesses. I am looking carefully at all the responses that have been made, and as he knows, I have listened carefully to the points that he has made on a number of occasions.

T10. [907538] **Ms Margaret Ritchie** (South Down) (SDLP): Will the Chancellor confirm that the devolution of corporation tax, which is conditional on the Northern Ireland Executive's finances being on a sustainable footing, is not a vehicle for the Treasury to interfere in Northern Ireland's devolved policies?

Mr Gauke: It is not a vehicle to interfere, but we have been clear from the very beginning that if the Northern Ireland Executive wish to reduce corporation tax rates in Northern Ireland, they need to do so in an environment in which we can be confident that the public finances are on a sound footing in Northern Ireland.

Martin Vickers (Cleethorpes) (Con): When I met the leader of North East Lincolnshire Council yesterday, he emphasised to me that one of the major challenges facing our coastal community is that many people retire there and put additional strains on the adult social care budget. Will Ministers assure me that that will be considered when allocating departmental budgets?

Mr Philip Hammond: Yes, demographic trends are of course at the heart of our considerations when budgets are allocated.

Marie Rimmer (St Helens South and Whiston) (Lab): With just one in six people with autism in employment, would it not have been better to invest in improving the Work and Health programme, rather than cutting it, to assist people to gain employment and thereby save on benefits? They want to work.

Mr Gauke: The reforms that we have announced will enable us to spend £330 million on practical support to ensure that people in the work-related activity group can work. May I point out that, over the past three years, the number of disabled people in employment has increased by nearly 600,000?

Richard Fuller (Bedford) (Con): The key insight of the Government's productivity plan is that value can be unlocked through more timely implementation, so will

the Chancellor have a word with the Transport Secretary to see how he can speed up the completion of the final part of the Oxford to Cambridge link from Bedford to Cambridge?

Mr Philip Hammond: I will certainly have a word with my right hon. Friend. This is partly about smart delivery, but it is also about having certainty and a pipeline that allows contractors in the supply chain to plan ahead.

Dame Rosie Winterton (Doncaster Central) (Lab): Does the Chancellor realise that if he tries to push the funding gap in social care on to local councils, it will be grossly unfair for areas such as Doncaster, where a 1% increase in council tax would raise 21% less than it would for the council in the Prime Minister's constituency? Will he commit to funding social carefully?

Mr Hammond: As I said on Wednesday, with the additional social care precept and the better care fund, we have measures in place that will make £3.5 billion of additional funding per annum available for social care by the end of this Parliament. But we recognise that local authorities have a challenge in the profiling of that money. My right hon. Friends the Health Secretary and the Communities Secretary are very much aware of that and are in discussions about it with health bodies and local authorities.

Scott Mann (North Cornwall) (Con): I welcome my right hon. Friend's announcement in the autumn statement of £1.7 million of LIBOR money going to Sea Sanctuary to help with mental health provision in Cornwall. Does he agree that that will be a huge help for people all over Cornwall who in the past have had to travel many hundreds of miles to access such services?

Mr Hammond: I am very pleased that the money will deliver that effect in Cornwall. It is always good to see fines levied on the appalling behaviour of the few making such a positive difference to the many.

Tulip Siddiq (Hampstead and Kilburn) (Lab): To follow on from the question from my right hon. Friend the Member for Doncaster Central (Dame Rosie Winterton), the demand for social care services in my

constituency is set to rise by 10% in just one year, so will the Chancellor take the opportunity today to commit to additional funding for social care?

Mr Hammond: No, these are not the occasions when we commit to additional funding. We have a funding settlement in place and substantial increases in social care funding will become available by the end of the Parliament. But as I have said, we recognise that some authorities are facing some challenges on the profiling of that funding, and my right hon. Friends the Health Secretary and Communities Secretary are discussing that issue with local authority leaders.

James Morris (Halesowen and Rowley Regis) (Con): Does the Chancellor agree that one way to improve productivity in the west midlands economy is to agree a more ambitious second devolution settlement, building on the success of the devolved settlement agreed with the West Midlands Combined Authority?

Mr Hammond: I agree with my hon. Friend. As I said on Wednesday, the Government continue to discuss with west midlands authorities the possibilities for further devolution in the west midlands. The other way to get the west midlands economy motoring is to elect a mayor with genuine business experience, like Andy Street.

Ian Murray (Edinburgh South) (Lab): The Scotch whisky industry is the largest net contributor to the UK's balance of trade and goods. In the light of Brexit, what options is the Chancellor examining to make sure the industry can keep that privileged position of exporting?

Mr Hammond: We will have discussions with the Scotch Whisky Association, as we do with many trade associations. Without getting into a technical discussion, I should say that dutiable goods are less likely to be adversely affected by a change in the way we trade with our European neighbours than many other goods, because there is already a specific regime for dealing with them that is unlikely to have to change as a result of Brexit.

Several hon. Members *rose*—

Mr Speaker: Order. I am sorry to disappoint remaining colleagues, but I have extended the envelope as far as I felt it in any way reasonable to extend it.

Historical Sexual Abuse (Football)

12.37 pm

Dr Rosena Allin-Khan (Tooting) (Lab) (*Urgent Question*): To ask the Secretary of State for Culture, Media and Sport what the Government are doing to support victims of historical sexual abuse in football, and what steps are being taken to help to ensure that there is no repeat of it.

The Secretary of State for Culture, Media and Sport (Karen Bradley): Nothing is more important than keeping children safe. Child sex abuse is an exceptionally vile crime, and all of Government take it very seriously indeed, as I know this House does.

Children up and down the country are able to play football thanks to the dedication of thousands of adults, many of them volunteers. The vast majority have no stain on their character. However, where people who work with children betray their trust, the effect is devastating.

I pay tribute to those who have summoned up the courage to speak out. It is vital that they know that their voices will be heard, whether they are speaking about historical crimes or about anything that is happening currently. Coaches and parents have a duty of care to children—indeed, everyone does—and must also speak out where they suspect abuse.

My Department, the Home Office, the Department for Education and the Ministry of Justice all have responsibilities in this area. Recent allegations of sex abuse are currently an operational police matter, so Members will understand that I cannot comment in detail.

As soon as this news broke, I spoke to the chair of the Football Association, Greg Clarke, and the chief executive of the Professional Footballers Association, Gordon Taylor. I made it very clear that the Government will support them in addressing these issues head-on.

The National Society for the Prevention of Cruelty to Children has set up a hotline, supported by the FA, which anyone can call if they want to talk to someone in confidence. That will help to build a picture of the potential scale of both historical and more recent abuse to inform next steps. The number is 0800 0232642.

The FA has instructed independent leading counsel Kate Gallafent QC, an expert in child protection, to deal with its review of the allegations. The internal review will look at what the FA and clubs knew, and when, and what action was or should have been taken. Alongside that, the child protection in sport unit, which assists the FA in relation to its safeguarding procedures, will carry out an independent audit of the FA's practices. Today, the Minister with responsibility for sport, the Under-Secretary of State for Culture, Media and Sport, my hon. Friend the Member for Chatham and Aylesford (Tracey Crouch), will write to all national governing bodies to ask them to redouble their efforts to protect children who play their sports. Additionally, I have spoken to Chief Constable Simon Bailey this morning, the national police lead on child abuse. We have agreed that I will convene a meeting with him, the FA and others to discuss the situation.

It is important to say what measures we have in place today to prevent abuse. The child protection in sport unit was founded in 2001 to work with UK

Sports Councils, national governing bodies, county sports partnerships and other organisations to help them to minimise the risk of child abuse during sporting activities. The unit helps organisations to identify adults who are a threat to children and young people, and to develop safeguarding knowledge and skills among all staff and volunteers. Since 2002, the Disclosure and Barring Service, previously the Criminal Records Bureau, has provided a mechanism to request criminal record information relating to people working or volunteering with children.

The first duty of any Government is to protect its citizens, and the first duty of all of us is to protect children.

Dr Allin-Khan: I thank the Secretary of State for her response. I begin by paying tribute to the members of the Chapecoense football team and all those who lost their lives in the tragic plane crash earlier today. Our thoughts and prayers are with them and their families.

We must pay tribute today to former footballers who have shown unparalleled bravery in sharing their stories and in bringing this issue into the public light. I met some of them on Friday morning and expressed that in person. In the light of recent allegations of historical sexual abuse in football, the Professional Footballers Association has said that six football clubs have been named by victims; that more than 20 former players have now come forward; that five police forces across the country are opening up investigations; and that FIFA is monitoring the situation closely.

I welcome the NSPCC opening up its hotline. It received more than 50 phone calls in the first two hours of opening. What else are the Government doing to ensure that victims have a safe place where they can speak out confidentially, which is vital?

The FA, in conjunction with regional associations, needs to ensure that the message goes right through our game, from Sunday league to premier league. What are the Government doing to reassure parents, who will no doubt be worried about these claims? This situation has the potential to seriously damage the reputation of football in our country. I welcome the FA announcement that Kate Gallafent QC will lead the investigation. Let us remember that 99.9% of coaches and volunteers have children's best interests at heart—an overwhelming majority want the best for them.

We need representatives from the FA, the Government, schools and relevant organisations to work with the police not only to ensure that any historical claims are fully investigated, but also to ensure that abuse is stamped out, and that our young players have a safe and confidential way to report incidents. Will the Secretary of State tell the House what steps the Government are taking to ensure that all the relevant bodies work in conjunction to ensure that victims are supported? As more victims come forward, and as the number of named clubs grows, the police investigation will undoubtedly get bigger. Is there a plan in place to ensure that the police have all the resources they need, and how is the DCMS team looking across the sports sector to ensure that such cases do not happen again in any sporting environment? We have a cross-party duty to protect our children and young adults. Upon this I am sure we can all agree.

Karen Bradley: I join the hon. Lady in sending my condolences to the victims of the plane crash today. Such events remind us how fragile human life is and how important sport is to people. This tragedy has affected people greatly.

I concur with what the hon. Lady said about the unparalleled bravery of the victims and survivors. In my previous role in the Home Office, I met many survivors of child sexual abuse, as the Under-Secretary of State for the Home Department, my hon. Friend the Member for Truro and Falmouth (Sarah Newton), who is here today, continues to do. It never ceases to amaze me how brave and profound somebody is who comes forward and talks with such honesty about their experiences.

The hon. Lady asked about the support available, and of course we have talked about the NSPCC helpline. The NSPCC and its helplines stand ready to support any victims of child abuse from whatever walk of life. The PFA also reassured me last week that it stood ready to support victims. It is happy to take calls from victims of historical and non-recent abuse so that it can support them and make sure that appropriate measures are taken.

The hon. Lady is right that the vast majority of coaches and volunteers are honourable and working in the best interests of children, but it is true that parents and others must remain vigilant, as in any walk of life, and make sure that our children are not left vulnerable to abuse. We must take those necessary steps and remain vigilant, no matter what the activity, be it sport, music, dance, creativity or anywhere children might be with people who might wish to hurt them.

The hon. Lady is right that we need to work together, and I welcome her cross-party support for what we are doing. As I said, I spoke to Chief Constable Simon Bailey prior to coming to the Chamber, and he reassured me about the work of Operation Hydrant, the long-standing cross-force police investigation into all allegations of non-recent abuse. He has assured me that there will be a single policing lead for each of the investigations to make sure that all the information coming in is treated appropriately and that all intelligence is shared. It is incredibly important that we bring perpetrators to justice.

Finally, the hon. Lady asked about other sports. As I said, my hon. Friend the sports Minister is writing today to all national governing bodies and regularly meets them, as do I, to make sure that the safeguarding measures in place are as robust as possible. We need to learn all lessons and continue to be vigilant.

Damian Collins (Folkestone and Hythe) (Con): Does the Secretary of State agree that the FA's internal review must be a properly resourced investigation looking at the culture within football that allowed abuse to take place for so long and to go unreported and un-investigated for so long? Furthermore, does she agree that if the report is to have credibility, it must be published in full and in public so that we can all learn the lessons of football's problems and make sure that children are safeguarded properly in the future?

Karen Bradley: My hon. Friend is right that the review needs to be properly resourced, and the FA has assured me that that will be the case. When I spoke to Greg Clarke, he made it absolutely clear that it would be transparent in every way. No good will come from

anybody trying to cover anything up. We need to know exactly what happened, how it happened and what went wrong, and to make sure that those mistakes are not made again.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): On my behalf and that of the SNP, I echo the comments by the Secretary of State and the shadow Minister about the tragic plane crash in Colombia this morning.

The allegations of sexual abuse are abhorrent and deeply tragic. Anyone who abuses a position of trust to prey on young people and children must be brought to justice. Stereotypes of masculinity in football and society in general can make it extremely difficult for men and boys to come forward and speak out as victims of abuse. The players that have come forward have shown immense courage in doing so, and we hope any other victims will be able to do the same.

The Scottish Football Association has backed the dedicated NSPCC helpline, and remains in contact with the NSPCC and is working with it to respond appropriately if more victims come forward. The SFA has also set up a dedicated email address—childrenswellbeing@scottishfa.co.uk—for people to get in touch confidentially. If anyone in Scotland has been affected, we urge victims to come forward and seek help and support using this email address or the NSPCC helpline. May I ask the Secretary of State what structures her Department will put in place to ensure a joined-up approach across the UK in supporting any victims who come forward?

Karen Bradley: I start by congratulating the Scottish Football Association, which has done joint safeguarding work with UNICEF. I believe that to be a very positive step and I offer my congratulations on it. My hon. Friend the Minister for Sport has been in contact with the SFA this morning, as she has been with other football governing bodies from other parts of the United Kingdom. We want to make sure that we work together on this matter. I congratulate the hon. Gentleman on wearing his white ribbon. I am fiddling in my pocket, but I do not seem to have mine there. The white ribbon campaign is a fantastic one, demonstrating that we all stand against abuse. I appreciate that the white ribbon campaign deals specifically with violence against women and girls, but the fact that men are standing up against that abuse as well is incredibly important.

The hon. Gentleman mentioned the bravery of the individuals coming forward in a very masculine world, and I think we live in a changed environment in this respect. I think there is more opportunity for people to come forward nowadays. I listened to an interview on Radio 5 “Sportsweek” on Sunday, and I was impressed by the honesty with which an individual victim spoke. It was incredibly brave. It is very difficult, but I urge all victims and survivors to come forward.

Andrew Bingham (High Peak) (Con): The revelations about football are shocking, and I applaud the fact that the Minister for Sport is going to write to the governing bodies of other sports. When it comes to the monsters who perpetrate these disgusting acts, in times gone by there was a chance that they would have looked at the possibilities in other sports as well. What else, then, are we going to do, other than write to the governing

[*Andrew Bingham*]

bodies, to ensure that there is a proper investigation into other sports to make sure that this was not going on elsewhere?

Karen Bradley: I understand that my hon. Friend is particularly concerned about this issue. He, like me, represents a constituency that is close to where the allegations took place. As a constituency MP, I pay particular attention to what has happened to my constituents. I urge both my and my hon. Friend's constituents to come forward in this respect. The Minister for Sport will write to all governing bodies, as I have said, but this is an ongoing process, and we continue to work with all sports to make sure that safeguarding efforts are as robust as they possibly can be.

Clive Efford (Eltham) (Lab): We have to pay tribute to Andy Woodward for starting this process. He took an extremely brave step. I concur with the Secretary of State that we need to encourage others to come forward and speak in confidence in the first instance to the helplines that are available. Simon Bailey has said that he expects other institutions to be brought into this, which might result in other sports' governing bodies having in effect to investigate themselves. There must be some sort of independent oversight, so will the right hon. Lady tell us what discussions she has had with colleagues in other Departments? What are the Government going to do to ensure that this House and the public can be reassured that there is independent oversight of the investigations into these sports' governing bodies?

Karen Bradley: I agree with the hon. Gentleman about the bravery of Andy Woodward. I understand that during the time I have been on my feet, over 250 reports have been made to the NSPCC helpline, of which 51 are in Cheshire alone.¹ It is also important to make sure that the police have the time and space they need to carry out proper investigations and inquiries, ensuring that they obtain all the evidence. We want to see perpetrators brought to justice wherever possible, and we need to make sure that the police have time to do that. I understand from the Under-Secretary of State for the Home Department, my hon. Friend the Member for Truro and Falmouth, who has safeguarding responsibilities, that the independent inquiry into child sexual abuse will look to establish whether it is appropriate for this issue to be covered as part of its overarching work to understand what happened with historical child abuse and the failings in the system.

Anna Soubry (Broxtowe) (Con): Before I was elected to this place, I worked as a criminal barrister for 16 years, so I have defended more than my fair share of paedophiles. It undoubtedly takes huge courage for someone to come forward and explain how they were abused as a child. It is also an unfortunate part of the particular wicked perversion of a paedophile that they should be cunning and deceitful. Does my right hon. Friend agree that although we do not want a witch hunt, we do need to be sure that everybody involved with children in sport understands the nature of these wicked horrible people? That is why it is so important to put in place rigorous measures to safeguard our children and keep them safe.

Karen Bradley: I agree absolutely with my right hon. Friend, who has huge experience of the criminal law and of this particular area. In my previous Home Office role, I met a number of sporting bodies regarding DBS and other checks, and this included the FA, which I know takes this matter incredibly seriously.

Tim Farron (Westmorland and Lonsdale) (LD): I associate myself with the remarks of others about the hideous and tragic crash in Colombia earlier today.

I pay tribute to those who have come forward and initiated the national discussion that we are now having. It takes immense courage, but the impact on others who might have suffered is huge, encouraging them and strengthening their resolve to come forward. Last weekend, I stood on the touchline watching my son play for Milnthorpe Corinthians against Kendal Wattsfield. Tens or even hundreds of thousands of children play football every weekend. It is our national game. I thoroughly respect what the FA is doing with its investigation. What I am saying is in no way an attempt to undermine or criticise the FA, but given that this is the national game and the potential scale of the problem, will the Secretary of State ensure that there is independence in the investigation and that resources are put into it? We must not simply allow the sport to investigate itself.

Karen Bradley: The hon. Gentleman speaks about the huge enjoyment that children get from grassroots sport. In common with him, I enjoy seeing my children play in grassroots sport. I do not think any of us should ever forget the massive benefits that come from children's involvement in sport—being part of a team, being outdoors, getting into the routine of turning up for practice and the general camaraderie of it all. That is incredibly important. When it comes to grassroots sport, we should take the same approach as parents as we do with any other situation that we put our children into. We make sure that we are confident that we trust the people whom we allow to make contact with our children. We must trust and respect them, and ensure that they go through the appropriate safeguarding checks.

On the issue of an independent inquiry, it is important to remember that the inquiry led by Professor Alexis Jay is looking at a variety of matters. For example, it has taken the reports of Dame Janet Smith from the BBC, and it is important that the inquiry is given the time to look at institutional failings. Even more importantly, we must allow the police the time and space they need to carry out their investigation.

Tom Purslove (Corby) (Con): All Members share a sense of horror about what we have heard in recent days. Will the Secretary of State thus confirm that all the appropriate resources are in place, so that these matters can be thoroughly investigated. Will she also undertake to ensure that this will be kept under constant review?

Karen Bradley: Yes, and I think our record as a Government stands firm. We could look at Rotherham, for example, and the extra resources that were put in there to make sure that the survivors of child abuse had the confidence to come forward so that cases could be brought. Yes, the Government stand ready to provide support.

1. [*Official Report*, 30 November 2016, Vol. 617, c. 5-6MC.]

Diana Johnson (Kingston upon Hull North) (Lab): Many parents might be shocked to know that, under changes brought in by the previous coalition Government, there is no requirement for volunteers, such as a football coach, to have a Disclosure and Barring Service check if they are being supervised by someone in regulated activity. This was raised many times when the Bill went through the last Parliament. Will the Secretary of State consider looking further at that to give the reassurance to parents that their children will be kept as safe as possible?

Karen Bradley: I think the hon. Lady should recognise the need to ensure that safeguarding takes place in an effective way. DBS checks are required for people who may be left alone with children. We must ensure that those checks are maintained, and that the DBS is allowed to do its job. Of course, if there are found to be failings as a result of these inquiries, I will stand ready to work with other Departments to ensure that safeguarding takes place as robustly and appropriately as possible.

Jason McCartney (Colne Valley) (Con): These really are shocking allegations, but do not many of us here know inspirational coaches in our communities who inspire our children to play sport not just for the sake of achievement and winning medals, but to get fit and to experience that sense of team spirit, togetherness and camaraderie? I fear for the volunteers who give up their time, come rain or shine, to work with young people and encourage them to become involved in sport. Will the Secretary of State work with all sports governing bodies, including the Professional Footballers' Association and the Football Association, to ensure that those who give up their time to volunteer will continue to do so?

Karen Bradley: My hon. Friend has made a point that I have been attempting to make. We must ensure that those inspirational coaches—volunteers who give up their time because they genuinely want to help and work with young people, and who have no intent to hurt those young people—are allowed to do their job. We must ensure that we have appropriate, robust safeguarding that gives parents the comfort that they need and protects our children, but we must also ensure that volunteers come forward and those inspirational coaches are allowed to do their fantastic work.

Helen Goodman (Bishop Auckland) (Lab): I have had extended conversations with the right hon. Lady's Department, with the Department for Education, and with Sport England. What my hon. Friend the Member for Kingston upon Hull North (Diana Johnson) said is true: there is a big loophole. Indeed, there is a loophole when sports do not have governing bodies, and there is also a loophole when the people involved are self-employed. Will the Secretary of State undertake to look into that, given that it will also be affecting music tuition?

Karen Bradley: I invite the hon. Lady to meet my colleague the Minister for Sport, who would be happy to discuss those matters with her.

Mr Philip Hollobone (Kettering) (Con): I congratulate the hon. Member for Tooting (Dr Allin-Khan) on tabling the urgent question, and on the way in which my right hon. Friend has responded to it. In a place like Kettering,

football is 95% a voluntary activity for the players and coaches. Basically, the dads are the coaches and the mums wash the team kit. [*Laughter.*] In the vast majority of cases, the dads are the coaches and the mums wash the team kit: that is what life is like in middle England. I think that they would want me to ask the Secretary of State to ensure that the judges get the message that when these people are caught, exemplary sentences must be handed out to make clear that such behaviour is totally unacceptable.

Karen Bradley: I think I ought to put on the record that it is quite clear that not all coaches are male. My hon. Friend the Minister for Sport is a grassroots football coach, and an extremely competent one at that. I also know of many husbands who are very good at washing the dishes and making the food. I am sure that my husband, if he is watching the debate, would be concerned if I did not put that on the record. However, my hon. Friend's point about the sentencing of offenders is very important, and I can tell him that I work with the Ministry of Justice to ensure that appropriate sentences are available.

Graham Jones (Hyndburn) (Lab): Given the growing number of professional clubs that are allegedly accused of being somehow involved in this affair, is it not time that the Government concentrated on football governance again? For six years we as a Parliament have dragged our feet, and the coalition and this Government have done nothing about it. Corporate governance and the "fit and proper persons" test should be involved in deciding who runs football clubs, so that those at the bottom, our children, can be assured that they are being looked after by those at the top, and that there is responsibility.

Karen Bradley: As the hon. Gentleman will know, the Government published the new governance codes for sport on 31 October, and I hope that he welcomes the work we have done to ensure that all sport is subject to proper and appropriate governance. It is important for us to be certain that we can have confidence in our sports governing bodies.

Ian Murray (Edinburgh South) (Lab): I pay tribute to the courage and bravery of those who have exposed this dreadful act. I know that we are talking about historic football abuse, but will the Secretary of State tell us what strategy she has to work with the Department for Education, the devolved Administrations and, indeed, all the governing bodies of all sports to reassure parents that their children are safe when playing sports, and also to reassure the coaches who give up their time, mainly voluntarily, to provide the sporting infrastructure that enables children to participate?

Karen Bradley: I hope the hon. Gentleman will be reassured to know that that is exactly what we are doing. We are writing to the governing bodies of all sports, and working across Government to ensure that we have a co-ordinated response.

Liz McInnes (Heywood and Middleton) (Lab): What is being done to ensure that those who are under suspicion in relation to the 1980s and 1990s are no longer involved in our national game, or indeed in any other sport?

Karen Bradley: I can reassure the hon. Lady that the police are making inquiries, and that the DBS checks would ensure that those with criminal convictions would not be given disclosure certificates allowing them to work with children. They would also probably be barred from working with children.

Alan Brown (Kilmarnock and Loudoun) (SNP): Football, by its very nature, is a transient sport. Children move from club to club, and, obviously, professional football players move from club to club and even from country to country. Can the Secretary of State confirm that enough resources will be made available to ensure that victims are positively identified, rather than our relying on self-referral to the helpline? We need to understand how many victims there are if we are to assess the scale of the problem and offer support where it is needed.

Karen Bradley: It is important to look at patterns of behaviour to establish whether players may have been exposed to perpetrators, as would happen in any other investigation of this nature, regardless of what the background of the contact between the perpetrator and the victim might have been. It is also important for victims to come forward. While I accept the hon. Gentleman's point about the need to go out and actively seek those victims, we will not find any unless some are prepared to come forward. Once again, I pay tribute to the bravery of the victims and survivors who have come forward and told their stories in such an honest way, allowing the police to obtain the evidence that they need so that we can bring the perpetrators to justice.

Corporate Governance

1.7 pm

The Secretary of State for Business, Energy and Industrial Strategy (Greg Clark): With permission, Mr Speaker, I shall make a statement about the Government's corporate governance Green Paper, which we are publishing today.

Successful businesses are the backbone of our society and our economy. They are the reason why ours is the fifth largest economy in the world. They create employment opportunities, and they contribute significantly to the funding of our country's public services. There are many reasons why Britain is a reliable place in which to do business: for instance, our legal system and framework of company law have long been admired around the world. The Government are proud of our thriving industries, and we want to build on those strengths and enhance our competitiveness even further.

One of our biggest strengths is our record on corporate governance. It is already highly regarded around the world, especially for its combination of flexibility and high standards. Despite that record, however, our strong reputation can only be maintained if Government and business regularly review and upgrade those standards. We want to guarantee not only that Britain is an excellent place in which to do business, but that it is where business is done best.

I am privileged, in my position as Secretary of State, to meet regularly not just those who run successful businesses, but their employees and customers. I have discussed with company heads the way in which their corporate governance is an integral part of their success. It inspires confidence among investors, loyalty among employees, and trust among customers. Ordinary working people who work hard for their living deserve to feel confident that businesses act responsibly and fairly. When an individual business or businesses lose the confidence of the public, faith in business generally diminishes, to the detriment of us all.

There is no conflict between good corporate governance and profitability; indeed, poor corporate governance is a prelude to financial disaster. This Government are unequivocally and unashamedly pro-business, but we also hold business to a high standard. It is right to ask business to play its part in building an economy that works for everyone. Over the last few years, there have been a number of proposals, from both the Government and those representing business, to update our corporate governance framework. In some cases these have been made in response to concerns about the actions of a very small number of businesses which have undermined the reputation of British business generally, whose standards are among the highest in the world. Today, we are launching a discussion paper on how corporate governance could be reformed. I will, as is usual, be placing a copy of the Green Paper in the Libraries of the House.

The paper considers three aspects. First, it asks for opinions on shareholder influence on executive pay. Members of the House will be aware that executive pay has grown much faster over the last two decades than pay generally and at times is not in line with corporate performance. The document seeks views on this issue, and in particular on strengthening shareholder voting

rights with a view to making them binding, encouraging shareholder engagement with executive pay, and promoting greater transparency over pay.

Secondly, the document asks whether there are measures that could increase the connection between boards of directors of companies and their employees and customers. It asks whether the establishment of advisory panels and the appointment of designated non-executive directors to take formal responsibility for articulating employee, customer and other perspectives is the right way to proceed. We are not prescribing how this should be done; it would be whatever is most appropriate for the business.

Thirdly, our discussion paper asks for views on whether some of the features of corporate governance that have served us well in our listed companies should be extended to the largest privately held companies.

These are issues about competitiveness, and creating the right conditions for investment, as much as they are, importantly, also about fairness. This Green Paper is designed to frame that discussion, so that we can move quickly to consider which changes are appropriate at this time. We want to hear from as many people as possible about how best we can increase confidence in big business and achieve better outcomes for our economy. This does not mean the imposition of regulation when other avenues are open. One of the strengths of our system of corporate governance has been the use of non-legislative standards adopted by business itself.

We are determined to make Britain one of the best places in the world to work and carry out business. This review will help us achieve that aim and the views of businesses, investors, employees, consumers and others with an interest in successful business are warmly welcomed. I commend the statement to the House.

Clive Lewis (Norwich South) (Lab): It is a shame that the Secretary of State did not share the statement with us in advance; presumably we are now expected to get first sight of Government policy through a long lens on Whitehall. But after weeks of press briefings, at least they have finally decided to come to this Chamber, because we have heard a lot about the Prime Minister's policy on corporate governance, but the more they said, the less we have actually known.

When the Prime Minister launched her leadership she said she wanted a change in the way big business is governed. She said:

“later this year we will publish our plans to have not just consumers represented on company boards, but workers as well. Because we are the party of workers.”

But it seems there has been a change of mind because just weeks ago we heard it was not about putting workers on boards but about finding a model that works for everyone. Perhaps it is the same model as for Brexit: to have their cake and eat it.

When we debated in the Chamber last month the fate of Sir Philip Green I said that the most shocking thing about the whole affair is that everything he did was legal. A key question today is whether anything that has been proposed would change that: do these proposals pass the BHS test?

Bringing private companies into the PLC rule book is a move so targeted at a particular series of events that I expect it will come to be known as the BHS law, but had

the proposals outlined today by the Secretary of State been in place six months ago I am not wholly convinced we would have avoided the corporate governance scandals that have plagued the last summer. To force private companies to abide by the corporate governance code will do little unless the code is tightened. BHS may have been a private company, but Sports Direct is not, and we all know what has gone on there.

Similarly, to strengthen the power of boards to give oversight on how companies are run or their remuneration structures will change little unless the make-up of those boards is also shaken up, yet we all know what has happened to the Government's commitment to put a diversity of voices on boards. It is a weakness of too many discussions of corporate governance, and a weakness reflected in this Green Paper, that they are dominated by high-profile scandals.

For too long our economy has suffered from an inherent short-termism—a short-termism that sees the long-term health of a company being sacrificed for a quick buck, and that all too often obscures the link between rewards and long-term performance. In 1970, £10 in every £100 went on dividends; now, it is between £60 and £70. It is employees and investment that have lost out from this shift. We see that in our pitiful investment and productivity rates. Britain now languishes 33rd out of the 35 OECD countries on investment rates. Seen in this light, it is no surprise that it takes British workers five days to produce what German workers produce in four—and we see this in the yawning gap between top pay and average pay: in the 10% increase in executive pay when workers are suffering 10 years of stagnant wages.

Our damaging short-termism is also seen in corporate takeovers that occur against the public interest and the company's interest—takeovers that have instead served as a means to asset-strip, as when Kraft took over Cadbury with hedge funds buying up 31% of the shares and selling Cadbury short.

When the unacceptable face of capitalism surfaces, as it has in the last few months with the scandals in BHS and Sports Direct, what we are witnessing is the extreme manifestation of these broader problems, and that is what makes today so particularly disappointing. Corporate governance reform is not just about improving the image of our corporate sector or placating our innate sense of injustice at the lack of proportionality between the salaries of directors and their employees; nor is it just about fulfilling the wishes of the six out of 10 members of the public who, as TUC figures show, want to see workers on boards. These things matter, of course, but corporate governance reform is also about changing the way our companies, and therefore our economy, work.

The recasting of how our economy works is key to Britain's success. Without more long-termism in our corporate practices, we will not be able to address the problems—

Mr Speaker: Order. The hon. Gentleman has had his five minutes. I do not know whether he was then proposing to put questions, but I gently say to Members that in these matters there is a form to be followed—a procedure to be adhered to—and although I have listened to the hon. Gentleman with great care and attention, he has contributed in the manner of a debate rather than a response to a statement. Ordinarily, I would be very

[Mr Speaker]

happy to hear his questions, but Members cannot make a long preamble and exceed their time, and then almost as an afterthought get around to some questioning. So I think we will for now have to conclude that the hon. Gentleman has concluded his contribution. But I am sure the Secretary of State will find in the commentary some implied questions, using the great intellectual dexterity for which he is renowned in all parts of the House.

Greg Clark: I am grateful to you, Mr Speaker, and I apologise to the hon. Member for Norwich South (Clive Lewis) for not getting the statement to him earlier; we started a bit sooner than we were expecting, but—

Mr Speaker: Order. As I have mildly castigated the hon. Member for Norwich South (Clive Lewis), I should say that it must be admitted that that would have been helpful.

Greg Clark: You are absolutely right, Mr Speaker, and I apologise.

I hope the hon. Gentleman will contribute to the consultation. It is clear that he shares an interest in improving the standards of corporate governance, which we have done from time to time in this country over many decades. We have a good reputation for corporate governance, and it is important to record that the rest of the world looks, and has looked, with admiration at the British economy, the rule of law and the non-legislative aspects involved. I hope he will agree that the examples of poor corporate governance he mentioned are blemishes on a very strong overall record of responsible corporate behaviour in this country. We should put on record our recognition of the importance of business and our support for the job creators, the risk takers, the innovators and the investors—the people who, through their profits, generate the taxes that sustain our public services.

It is reasonable to have a constructive discussion on this matter through the consultation, and that is what we intend to do. The hon. Gentleman said that executive pay had been escalating. Perhaps he would like to reflect on the fact that the biggest rise in chief executive pay was actually in the period from 1998 to 2010, when the average rose from £1 million to £4.3 million a year and the ratio of chief executive pay to full-time employees' pay rose from 47:1 to 132:1. He is a reasonable and generous man and I know that he will concede that, under the years of Conservative leadership, the average pay for chief executives has fallen from £4.3 million to £4.25 million a year and that that ratio has fallen from 132:1 to 128:1. So we are moving in the right direction and these further reforms will take us further.

The hon. Gentleman mentioned the proposals to have workers and consumers on boards. The Prime Minister has been very clear on this, and it is testament to her leadership that she set out her intentions right at the beginning of her term of office and that we are now coming forward with these proposals. She made it clear that we would have not just consumers but employees represented on company boards, and these proposals will allow that to happen and encourage the practice to be taken up.

The hon. Gentleman mentioned the relevance of our reforms to the more high profile sources of controversy. Of course, one option is to extend the good provisions for public companies to our very largest private companies. He will know that the Financial Reporting Council's governance code requires extensive monitoring of risk levels for PLCs over and above the requirements placed on limited companies. He mentioned cases involving listed companies, and I hope he will agree that having a greater connection between employees and directors is a step in the right direction. Conservative Members are unashamedly and unequivocally pro-well-run business, and I hope that he shares our view. Consistent with that, it is important to work with business, employees and other groups from time to time, to look at what we can do to stay ahead of the pack. That is what this consultation does.

Sir Desmond Swayne (New Forest West) (Con): Will any of these proposals result in a diminution of the pile of cash on which corporate Britain is sitting, and of the practice of companies buying up their own shares?

Greg Clark: We are encouraging a greater role for shareholders in driving behaviour in the boardroom, because this is a matter of concern. It is connected to the point that—to be fair to him—the hon. Member for Norwich South made about long-termism. We want to see a more patient form of capital sustaining businesses that have the capacity to grow, and I hope that this will come out as part of the consultation.

Callum McCaig (Aberdeen South) (SNP): May I start by giving a cautious welcome to the Secretary of State's announcement? It represents some progress, but there are aspects missing and more clarity is required in some areas. There is general consensus that the pay gap between executives and employees is too large, and we firmly believe that addressing that by properly valuing and investing in employees is a key part of addressing the productivity problem. Companies need to be transparent about pay. If their pay for executives is justifiable, they must justify it to their staff and to their shareholders. In particular, the move to give shareholders greater control and a binding vote on executives' pay is welcome. Indeed, it is incredible that such a situation does not already exist. What is the timescale for the entire process, and when will the changes be implemented?

More needs to be done about boardroom diversity. I was given very short notice of the statement, and it remains unclear what is to be done about diversity in the boardroom. Will the Secretary of State expand on that aspect of the proposals? I think we would all like to see boardrooms reflecting society more completely. That would be good for business and it would send a clear message to everyone across the country that business is a place for them.

Let me turn finally to the question of workers on boards. In the Prime Minister's party conference speech, she said:

“Too often the people who are supposed to hold big business accountable are drawn from the same, narrow social and professional circles as the executive team.”

From my reading of the proposals and from what the Secretary of State has said, it appears that that will remain the case, but with one person from those same

narrow social and professional circles designated to speak to the employees or consumers. That does not go far enough; it is a missed opportunity. When the Prime Minister said, “We are the party of workers”, was that post-truth or was it never true at all?

Greg Clark: I am grateful for the way in which the hon. Gentleman started his remarks, at least. He struck the right tone in welcoming the proposals as a sensible way to proceed, as I believe all business organisations, consumer groups and others have done. I hope that he will contribute to the consultation. He made a point about the value of transparency, and that is very much what we are proposing. We do not want to specify the appropriate pay for a chief executive—I do not think he does either—but it is right that companies should justify their decisions to shareholders and to employees. They should make their case for the level of pay and the package that they are choosing to offer.

The hon. Gentleman asked about the timing of the consultation. It will close in three months’ time, in February, and we will respond as soon as possible after that, depending on the number of responses. He also asked about diversity on boards and remuneration committees, and he will see that both questions are addressed in the Green Paper. It is important that remuneration committees are advised by and have a greater connection with the workforce, and that they should be less insular in their approach. There has been some criticism that the overlap of remuneration committees in public companies has excluded outside voices. The consultation refers to particular reviews of gender and ethnic diversity on boards, and it is important that we continue to make progress in that regard. We have further to go. Finally, the Prime Minister was very clear that we should have consumers and workers represented on company boards and that is what the proposals will do. This is a big advance and it has been warmly welcomed. I hope that the hon. Gentleman will support it too, when he makes his response to the consultation.

Several hon. Members *rose*—

Mr Speaker: Order. I would like to accommodate the substantial interest in the statement, but if I am to do so, given that there are two notable pieces of business to follow, pithiness will be required from those on the Back and Front Benches alike. That pithiness is first to be exemplified by Mr Michael Gove.

Michael Gove (Surrey Heath) (Con): I congratulate my right hon. Friend on his statement today. We all know that the dynamic growth on which our future depends will be secured only if there is public support for the free market system that generates such growth. To that end, what more can he say about ensuring that we have working-class representatives at the heart of decision making in our great companies, and about effective curbs on executive pay when pay follows failure?

Greg Clark: As ever, my right hon. Friend makes his points powerfully. It is important that all the talents are represented in our boardrooms, for that is how we will achieve corporate and industrial success in this country. It forms part of the case we make in the Green Paper. Pay is appropriate when it is to attract the best talent

and to reward success, but what is not in the interests of the company or confidence in industry is when pay does not reflect performance.

Mr David Winnick (Walsall North) (Lab): The pay of top executives, bosses in particular, has been scandalous, and some of these people are not keen to pay their taxes and use tax havens. The most effective way for working people to defend themselves in their place of work is to belong to a trade union and for that union to be recognised. Time and again, when the worst exploitation is exposed the cause is often a lack of trade union representation.

Greg Clark: I hope that the hon. Gentleman will congratulate the Government on their reforms over the past five years that have increased the scrutiny and moderation of executive pay. I hope that the trade unions will contribute to the consultation. I met Frances O’Grady last week, and trade unions have an important role to play in our economy.

Several hon. Members *rose*—

Mr Speaker: I observe in passing that there is an undiluted sea of men seeking to catch the eye of the Chair. If a female Member were to stand, she would be called, but at the moment she is not, so she will not.

Victoria Atkins (Louth and Horncastle) (Con) *rose*—

Mr Speaker: If that was a serious bid, I call Victoria Atkins.

Hon. Members: Hear, hear!

Victoria Atkins: I welcome this statement. Will my right hon. Friend assist the House by saying how the plans tie in with the need to ensure that business owners comply with not only the letter of the law, but the spirit? I am thinking in particular of the Companies Act 2006 and corporate governance failures that have led to prosecutions—something that may be relevant when the hon. Member for Norwich South (Clive Lewis) talks about BHS.

Mr Speaker: She is not a barrister for nothing.

Greg Clark: My hon. Friend makes an excellent point. There are two complementary elements of corporate governance. One is the law and statutory requirements—it is important that they are enforced with vigour—but it is also true that the culture and practices of companies should reflect the high standards that we enjoy in this country and that contribute to business’s high reputation. I hope that we can further increase that through the measures that we are proposing.

Tim Farron (Westmorland and Lonsdale) (LD): I thank the Secretary of State for his statement, and we welcome many of its suggestions. Does he accept that fairness in salaries must also sit alongside fairness in opportunity? Would he therefore consider going further and requiring companies to report on the training and opportunities available to employees for career progression? Would he also accept that alongside the bad practice, on which we must clamp down, there is much good

[Tim Farron]

practice in governance to learn from? I commend to the Secretary of State the innovative forms of employee participation in so many small and medium-sized enterprises, particularly in new start-up companies and particularly, of course, in Cumbria.

Greg Clark: The hon. Gentleman makes an important point. Outside of family and education, work offers some of the principal opportunities for progress and making use of people's talents. The best businesses recognise that spotting and promoting talent is a sure way to corporate success. That is not part of the consultation, but he makes a reasonable point and will have the opportunity to respond to the section that asks whether other areas should be considered.

David Rutley (Macclesfield) (Con): I welcome today's statement. At a time of uncertainty, it is vital that we have greater confidence not only in free enterprise as a principle, but in the listed businesses and privately held companies that operate in our free market. What support has my right hon. Friend received from the business community in favour of the Green Paper, in particular the concept of greater shareholder scrutiny of a company's activities?

Greg Clark: Business wants to enhance its reputation and it is much in its interest collectively to do so. This morning, the Institute of Directors, the CBI and the Investment Association, which represents those who invest the funds that the pension funds of ordinary working people put into British business, all welcomed not only the content, but the approach that is being taken. I am pleased and grateful for that support.

Clive Efford (Eltham) (Lab): Last week, the Chancellor adopted Labour policy on fiscal investment to stimulate the economy. This week, the Secretary of State is adopting Labour policy on worker representation on boards—
[*Interruption.*]

Michael Gove: Come over!

Clive Efford: No, you're coming over here I'm afraid.

We need consistency from the Government. I have been advocating for years that football supporters should be represented on the boards of professional football clubs, but the Government have consistently said that that is not appropriate, so what has changed the Secretary of State's mind?

Greg Clark: There are two Labour Back Benchers here. If one compares that with the number of my hon. Friends who are in the Chamber, there is scant evidence of Labour's enthusiasm for these reforms. The hon. Member for Norwich South (Clive Lewis) tried to imply that Labour is the party of working people, but the difference in interest in this statement between the parties shows the opposite. I hope that the hon. Member for Eltham (Clive Efford) welcomes the measures that the Prime Minister and I are proposing to give not only employees, but customers a voice in the boardroom. The hon. Gentleman is a big football fan and a fan of

greater involvement of enthusiasts in football, and I hope that he will contribute positively to the consultation and back our proposals.

Mr Andrew Tyrie (Chichester) (Con): Good pay structures encourage wealth creation, but the financial crisis showed that poorly constructed remuneration schemes contribute to catastrophic failures in corporate governance. In response, the Parliamentary Commission on Banking Standards recommended, among other things, longer deferral for bonuses and clawback for serious misconduct in some cases. Has the Minister examined whether those recommendations have any relevance to his Green Paper and whether they may, with particular regard to large firms, have a bearing on ways to militate against serious harm to customers, employees and the wider public?

Greg Clark: My right hon. Friend is right that good corporate governance can stop corporate failure and the effects of contamination that his commission was set up to investigate. The commission made some valuable recommendations, many of which have been enacted. When he comes to look at the Green Paper, he will see further proposals for how incentive schemes for executives can be better aligned with the long-term interests of the company and made more transparent.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The statement represents a welcome step forward, but if the UK Government are serious about tackling income inequality in companies, they should go a step further and introduce fair pay structures whereby the remuneration of those at the top and bottom are linked. That would be a way of ensuring that the economy works for all.

Greg Clark: I do not agree with that approach. It is right to have transparency and right that companies engage with their employees and make the case both to shareholders and to the workforce for the choices that they make. However, given our diverse range of companies and industries, it would be a mistake that would be bound to hamper their success if we, in the Government or in this House, were to specify precisely what people should be paid.

James Cartlidge (South Suffolk) (Con): The second question that the welcome document asks relates to improving links between workers and boards. One possible route would be to encourage more employee share ownership. The evidence shows that that encourages productivity and, at a time of pension and housing crises, it would give people a stake in the future and a saving. Above all, it would make them feel that they are part of the business for which they are working.

Greg Clark: I completely agree with my hon. Friend. The times when we had very high levels of shareholder participation were ones when there was an enhanced understanding of the importance and role of business. I will take his recommendation seriously and take it forward.

Philip Boswell (Coatbridge, Chryston and Bellshill) (SNP): I urge the Minister to consider that corporate governance leans too much in support of shareholders

and dividend, and the protection thereof. The focus of any good corporate governance initiative should be: supporting workers' rights; driving towards a fairer pay distribution, an issue much covered by colleagues here, and away from inflated corporate management remuneration; and the reinvesting of any funding in research and development, and good protective governance for employees and management, as well as job creation and job security.

Greg Clark: When the hon. Gentleman reads the Green Paper, I think he will welcome our proposals, which address some of the points he is making to ensure that the pay of the top management is aligned with the long-term success of the company, and to require a greater connection between the workforce and the management, as well as customers and other groups. That is a step in the right direction and, as my colleagues have pointed out, business has warmly welcomed it. This is a timely and useful upgrade in the standard of corporate governance in this country.

Mr Stewart Jackson (Peterborough) (Con): Untrammelled corporate greed is no more one of our party's values than untrammelled trade union power is, so this is an authentically Conservative statement, which I welcome. May I press my right hon. Friend specifically on how he will ensure adequate scrutiny of institutional investors who are discharging their role in respect of corporate governance?

Greg Clark: My hon. Friend is absolutely right; Conservative Members believe in competition and that it provides the best possible environment which has benefits to consumers, employees and taxpayers. That is very much our watchword. The Green Paper contains proposals on how we can encourage institutional investors, who, as I said, invest the money from pension funds to which many people in this country contribute, to be more active in exercising their stewardship of the companies in which they invest.

Nigel Huddleston (Mid Worcestershire) (Con): The Secretary of State is right to point out that British corporate governance is already admired around the world, but will he be looking in this consultation at best practice from around the world, particularly in those countries where women have better representation on boards?

Greg Clark: I will indeed. It is important that we maintain and extend our reputation for being the place in the world where business is done best. We have been able to make that proud boast over the years. The representation of women on boards is of great importance, and we are looking at how we can best encourage companies to move in that direction.

Rebecca Pow (Taunton Deane) (Con): I welcome this report on corporate governance, but is not one way of improving corporate governance on boards to encourage more women to get on to those boards?

Greg Clark: Yes, it is, and I hope my hon. Friend will welcome the proposals we are making.

Mr Peter Bone (Wellingborough) (Con): The Minister must give credit to some of the Opposition parties today, as one eighth of the Liberal Democrats are here, one third of Plaid Cymru are here and one 50th of the Scottish National party are seeking to take part, so people are taking this seriously. Does he agree that the whole House should be available to take part, and it is unfortunate that now only one Labour parliamentarian who took part in this statement is in the Chamber?

Greg Clark: I share my hon. Friend's surprise and dismay that there is so little interest in the Labour party in extending the rights for working people to have a say in the way companies are run. My disappointment with the Opposition is only matched by my pleasure at seeing so many of my Conservative colleagues, including my hon. Friend.

Jeremy Quin (Horsham) (Con): Alongside other hon. Members, I investigated BHS, a company where corporate governance went seriously awry, so I warmly welcome the extension of stronger corporate governance to large private companies. However, I also hope that as part of the consultation there will be no risk of any ambivalence on or questioning as to what private company directors are expected to do in those roles and where their obligations lie. There are a range of stakeholders to whom they owe those obligations.

Greg Clark: There are indeed, and the range of stakeholders has long been recognised in company law, as my hon. Friend knows. The question is: in a world in which there are now more very large privately held businesses that do not have a full stock market listing than was the case in the past, is this the appropriate time to extend this measure to those businesses?

Jason McCartney (Colne Valley) (Con): Will the Secretary of State join me in acknowledging the good point made by the hon. Member for Walsall North (Mr Winnick) about trade unions? A decade ago, as a union representative, I led industrial action against our then fat cat boss, who was making poor business decisions, cutting jobs and having a pay freeze while still getting his multimillion-pound bonuses. Of course I am now a Conservative MP, and he is now a Labour peer.

Greg Clark: That is a useful parable, which just goes to illustrate further the point I was making about the commitment we have on the Conservative side of the House. I know that my right hon. Friend the Member for Surrey Heath (Michael Gove) is also a veteran of industrial action, showing that my hon. Friend the Member for Colne Valley (Jason McCartney) is not alone in this shared history.

Oliver Dowden (Hertsmere) (Con): The self-serving practices of many executives have done much to undermine popular capitalism in this country, but does my right hon. Friend agree that although it is important to review company law in this fashion, that is no substitute for basic morality, which has been sadly lacking in many recent cases?

Greg Clark: My hon. Friend is right in what he says, and I think Conservative Members would not regard legislation as being the way to cure all ills. I would take

[Greg Clark]

issue with him to this extent only: in general, the standards of both governance and behaviour are very high in this country, and most employees have good jobs in successful businesses. We should be proud of the standards that we have, while taking action against those who depart from them.

Chris Philp (Croydon South) (Con): Does the Secretary of State agree that giving shareholders more power has a good chance of curbing corporate excess, including excessive pay, and that in Sweden the use of a shareholder committee to control both the appointment and removal of directors, and to approve executive pay, has had extremely positive effects in both those areas?

Greg Clark: I am delighted to see my hon. Friend in this place. When he reads the Green Paper, he will see that the proposal he made in a very well-written paper for a think tank to suggest a shareholder committee in this way is one option we are consulting on. I congratulate him on his influence on this debate and look forward to the responses to it.

Mr Alan Mak (Havant) (Con): Family-run businesses, and small and medium-sized enterprises, are well-known for their good governance and values, so will my right hon. Friend join me in encouraging more of them to come forward in the review and the consultation so that we can get the complete picture of corporate opinion?

Greg Clark: I will indeed. I would like to thank the Federation of Small Businesses, which has helped contribute to the shaping of these proposals, through some work it has been doing on corporate governance. Small businesses are very important. Small Business Saturday is coming up, and I think Members on both sides of the House will be paying tribute to and celebrating the vital contribution that small businesses make to this country.

Mr Philip Hollobone (Kettering) (Con): People in Kettering will be pleased that after years of Labour excess the gap between the highest-paid executive and the lowest-paid employee is narrowing under Conservative leadership. May I suggest to the Secretary of State that he go further, because a big problem is taxpayer subsidy for low-paid employees who are working in companies that make big profits and have big executive pay? May I suggest the use of a ratio: the profit after tax, before dividends, per employee, to the proportion of the workforce on working-age benefits? That would wheedle out the fat cats who are exploiting employees.

Greg Clark: I will look at my hon. Friend's proposal carefully. It is in all of our interests, including those of our constituents, that people should be able to have jobs in which what they contribute and what they produce is of sufficiently high value that they are able to have a prosperous future. Part of our reforms, which have come through the industrial strategy and what the Chancellor said in his statement last week, were to raise the earning potential of people right across the country.

Simon Hoare (North Dorset) (Con): We all know that small and medium-sized enterprises are, in essence, the backbone of British employability and our corporate world. In welcoming the Green Paper, may I invite my right hon. Friend to confirm this afternoon that, throughout

the whole of this process, he and his ministerial team will ensure that we do not add to any burdens of either reporting or officialdom for those vital SMEs?

Greg Clark: I can confirm that. We had it in mind that small businesses will be the beneficiary of these reforms, because, as suppliers to big companies, they are a group whose important voice should be reflected. That point was made in our conversations with small business organisations, which is why small suppliers are specifically referenced in the proposals on which we are consulting.

Richard Fuller (Bedford) (Con): A common theme at British Home Stores and Sports Direct was that someone who was directly or indirectly a dominant shareholder also acted as chief executive officer. In the corporate world, Mike Ashley and Philip Green are outliers-become-outcasts, but the risk remains in those situations. Will my right hon. Friend, in his review, pay careful attention to that combination of dominant shareholding and chief executive powers?

Greg Clark: I will indeed. The Green Paper considers matters such as that. The responsibility that companies have through the privilege of limited liability status extends to employees, customers, pensioners and others, and that is part of the understanding under which good businesses operate to ensure that they are good for all of those groups.

Tom Pursglove (Corby) (Con): Wider community engagement is often very important in relation to these matters. Does the Secretary of State agree that one contribution that businesses can make is to try to help provide more role models for our young people, as, obviously, we want to see them go into business in greater numbers?

Greg Clark: My hon. Friend is absolutely right. One reason why Government Members are unambiguously pro-business is that the opportunities that that gives to people not only to earn a good living so that they can support themselves, but to achieve their potential and go on to make full use of their talents is an incredibly inspiring way in which people can blossom. That is why we want to see flourishing businesses in this country.

Mark Pawsey (Rugby) (Con): The Secretary of State has already referred to the important role of small businesses in which the relationship between owners and their employees is very different from that in larger organisations. Will he say a little more about the level at which the proposals he has announced today will be introduced?

Greg Clark: In the consultation, we asked what the cut-off should be. Clearly, there is no intention to capture small businesses in the disclosure requirements that are more appropriate to large businesses. That is something that we will consider as part of the consultation, and I hope that my hon. Friend will contribute to it.

Kevin Hollinrake (Thirsk and Malton) (Con): May I first declare my interest as a non-executive chair of a listed public company before I offer warm support for these proposals? I also echo the comments of my hon.

Friend the Member for South Suffolk (James Cartledge) that employee share ownership schemes have had a transformative effect both in our workplace and on our business success. I ask the Secretary of State to look even closer at those schemes, with the aim of making them easier for businesses to implement.

Greg Clark: I will indeed. I am delighted that we have had two suggestions from my hon. Friends for this route. I will take them up, and take them seriously. Hopefully, I will be able to make further statements to the House in the future.

BILL PRESENTED

ACCESS TO RADIOTHERAPY BILL

Presentation and First Reading (Standing Order No. 57)

Tim Farron presented a Bill to make provision to improve access to radiotherapy treatment in England; to define access in terms of the time that patients are required to travel to places providing treatment; to specify 45 minutes as the maximum time patients are to travel; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 24 March, and to be printed (Bill 102).

Statutory Nuisance (Aircraft Noise)

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

1.54 pm

Dr Tania Mathias (Twickenham) (Con): I beg to move,

That leave be given to bring in a Bill to amend Part 3 of the Environmental Protection Act 1990 to make noise caused by aircraft a statutory nuisance; and for connected purposes.

When I talk about noise caused by aircraft, I am not talking about the level of noise that some Members of this House would have heard this morning walking over Westminster Bridge. If they were walking over the bridge and saw and heard an aircraft, doubtless they would have been able to hear the busker also on the bridge and their companion's conversation. I am not talking about that level of noise. I am talking about the level of noise that would have prevented Members from hearing the busker on the bridge and their companion's conversation. That is the level of noise experienced by residents in my constituency—and by residents in other constituencies judging by the cross-party support that I have for this Bill.

Such is the level of noise that residents are unable to hear the television in their own living rooms when aircraft go over. They cannot hear the radio or have a conversation when aircraft go over. Indeed, I have residents who are unable to go to sleep at 11 o'clock at night when aircraft operate at this level of noise. I also have residents contacting me at—yes—4.30 in the morning because they have been woken up by aircraft making this level of noise. Babies cry and pet animals even show fear.

Official data from the airport near my constituency—it is called Heathrow airport—put the noise level at 83 dB. A food mixer operates at around 80 dB and an electric drill at 95 dB. That is why this level of aircraft noise should be considered a statutory nuisance. There are playgrounds in some schools in Greater London where, to try to alleviate some of the medical problems that come from this level of aircraft noise, the children go into what are called “adobe” huts.

If Members look at part 3 of the Environmental Protection Act 1990, they will find a list of statutory nuisances—they have to be a nuisance or prejudicial to health—which include fumes, smells, dust, artificial light and model aircraft. If Members then look at Government websites about noise from model aircraft, they will find that it is considered a nuisance, especially if it takes place outside the hours of 9am and 7pm on a weekday and 10am and 7pm on a Sunday. Residents in my constituency are experiencing aircraft noise—not model aircraft noise—within and outside of those times. Aircraft noise is not only a nuisance, but prejudicial to health.

Since the 1990 Act, we have compiled more medical evidence. I am sure that Members are aware of many of the studies on aircraft noise and health. There is the well-known RANCH study—road traffic and aircraft noise exposure and children's cognition and health: exposure-effect relationships and combined effects—which looked at 2,844 children around Heathrow, Amsterdam and Madrid. It found that children's memory and reading comprehension is affected by aircraft noise—there is a linear relationship.

[Dr Tania Mathias]

Members might also be aware of the HYENA study—Hypertension and Exposure to Noise under Airports—which looked at 6,000 people between the ages of 45 and 70 and found a relationship between hypertension and aircraft noise. Just a few years ago, *The BMJ* reported an American retrospective study of 6 million people over the age of 65 that showed a relationship between hospital admissions for blood pressure and cardiovascular problems such as ischaemic heart disease and heart attacks, and, yes, aircraft noise.

Now that we have evidence, we also need better monitoring, more data and more meaningful penalties so that if aircraft noise becomes a statutory nuisance we have best practice. The Secretary of State for Transport admits already that some planes flying over my constituency fly lower than others and there are records of the so-called quieter aeroplanes reaching 83 dB levels around homes and school playgrounds.

I am asking through this Bill for us to update the 1990 Act. The World Health Organisation gives levels for noise that is considered to be moderate and severe; Members will notice that they are well below the levels encountered by my residents. We have the medical evidence. Many of us have evidence from our residents that this is causing a serious nuisance, so I suggest that we amend part 3 of the Act to take notice of medical and nuisance problems caused by noise from aircraft.

Question put and agreed to.

Ordered,

That Dr Tania Mathias, Tom Tugendhat, Andy Slaughter, Sir Alan Haselhurst, Jim Shannon, Ruth Cadbury, Dame Caroline Spelman, John Cryer, Caroline Lucas, Adam Afriyie, Paul Scully and William Wragg present the Bill.

Dr Tania Mathias accordingly presented the Bill.

Bill read the First time; to be read a Second time on 20 January 2017 and to be printed (Bill 101).

Commonwealth Development Corporation Bill

Second Reading

2.2 pm

The Secretary of State for International Development (Priti Patel): I beg to move, That the Bill be now read a Second time.

The Bill will raise the limit on the total cumulative level of financial support that can be provided to the CDC, the UK's development finance institution. The CDC was founded by Clement Attlee's Labour Government in 1948 and is the world's oldest development finance institution. It is wholly owned by the UK Government, and does not have private shareholders. Its mission is to tackle poverty by creating jobs and driving inclusive economic development for people in the poorest countries in Africa and South Asia.

The CDC exists to help to address what economists call a "market failure": the desperate shortage of investment in the world's poorest countries because, in part, of a misperception of the risks of doing business there. It addresses that market failure by providing investment capital to support the building of businesses throughout Africa and South Asia. Its explicit mandate is to drive labour-intensive growth by creating jobs and opportunities for working people. Since its creation, the CDC has been supported by all successive Governments—Labour, coalition and Conservative—because of its core purpose of tackling poverty through sustainable economic growth. I present the Bill in the hope that that spirit of cross-party support will continue. I look forward to colleagues across the House offering the fullest possible scrutiny, and I welcome the opportunity to constructively address any points that Members raise.

In recent years the UK has led the world in efforts to eliminate extreme poverty. The previous Labour Government made an important contribution, for example, in relieving the unpayable debts of the world's poorest countries. Under David Cameron's leadership, the UK became the first G7 country to meet its promise to spend 0.7% of our gross national income on international development. The current Prime Minister has made it clear that the Government will honour that commitment, and intensify our leadership on key global issues such as tackling modern slavery.

The Government have also rightly made clear and bold manifesto commitments to tackle poverty directly.

Keith Vaz (Leicester East) (Lab): I warmly congratulate the Secretary of State on her appointment to the Cabinet in this very important job—I know that she has been doing it for a while, but this is my first opportunity to do so. Later, she will meet the officers of the all-party group on Yemen. Will she confirm that the refocusing of funds in support of the CDC will not affect the Government's commitment to the provision of emergency and humanitarian aid that she and her Minister of State have spoken of and given to Yemen over the past few years, as did her predecessor, the right hon. Member for Sutton Coldfield (Mr Mitchell), who is also in the Chamber?

Priti Patel: I thank the right hon. Gentleman for that welcome and for his remarks. He is right: successive British Governments have been very clear not just about

their commitment to the CDC but about our collective focus on humanitarian need at times of crisis. I look forward to seeing the delegation from the all-party group later today, when I will of course speak more about the work that the Government are doing in Yemen, where we are seeing the most awful and horrendous catastrophe. I will speak to the right hon. Gentleman later in more detail about the type of interventions and the support we are providing to those trapped in that dreadful conflict.

By 2020, we will save 1.4 million children's lives by immunising 76 million children against killer diseases. We will help at least 11 million children in the poorest countries to gain a decent education, improve nutrition for at least 50 million people who would otherwise go hungry, and help at least 60 million people get access to clean water and sanitation. We will lead the response to humanitarian emergencies. We will lead a major new global programme to accelerate the development of vaccines and drugs to eliminate the world's deadliest infectious diseases while investing to save lives from malaria and working to end preventable child and maternal deaths. We will also continue the inspirational leadership of my predecessor, my right hon. Friend the Member for Putney (Justine Greening), on women and girls.

Those commitments stand, along with our commitment to human development and directly meeting the needs of the world's poorest, which is absolute and unwavering. Indeed, the first major decision I took in my role as Secretary of State for International Development was to increase the UK's contribution to the Global Fund to Fight AIDS, TB and Malaria from £800 million to £1.1 billion. That will help to save millions of lives in the years ahead.

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): The Secretary of State is outlining a long list of the Department for International Development's achievements and her plans for the future, and she is praising her predecessors. Can she explain what has happened since she called for the Department to be scrapped and since she told the *Daily Mail* this year that most of our aid budget was being "stolen" and "squandered"? Those are her words.

Priti Patel: The hon. Gentleman has just heard not only what DFID has done in the past under two outstanding Secretaries of State—my predecessors, my right hon. Friends the Members for Sutton Coldfield (Mr Mitchell) and for Putney—which is a legacy that we will stand by in our manifesto commitments, but—*[Interruption.]* If the hon. Gentleman wants an answer, he should listen to my response.

I have already said that we will lead on major global programmes to accelerate the development of vaccines and drugs to eliminate many of the world's diseases. The hon. Gentleman has also heard me respond to the right hon. Member for Leicester East (Keith Vaz) on the question of humanitarian crises, and many of the immediate needs to which we are responding. Indeed, the hon. Gentleman will be aware that the very Select Committee of which he is a member is witnessing at first hand how aid is being spent in crisis situations, in refugee camps, and providing opportunities and, frankly, a lifeline, to people around the world who are suffering. That is exactly what my Department is doing and what I

am doing as Secretary of State, and I am disappointed that the hon. Gentleman—*[Interruption.]* This is not about briefing the press, and, if I may say so, I think the hon. Gentleman's remarks do a huge disservice to the international development community. He is sitting there smugly smiling, but it is an international community that comes together—*[Interruption.]*

Madam Deputy Speaker (Mrs Eleanor Laing): Order. The hon. Gentleman knows that he should not make remarks from a sedentary position, but if he is going to make remarks from a sedentary position, he should not use the word "you" because he should not be accusing me of anything.

Priti Patel: It is not just in times of crisis that the international development community comes together. My Department is championing economic development and investing in people and human capital. I appreciate that the hon. Gentleman may not like that and may disagree with it, but that is the core purpose of the Department.

Stephen Doughty: The Secretary of State is making some very strong statements. Of course I do not deride the work of the Department; I think it is doing a fantastic job. She has outlined many of the positive things it is doing and the humanitarian aid it is providing to refugees, but why did she say that most of the Department's budget was being stolen and squandered, without any justification?

Priti Patel: As the hon. Gentleman knows from my appearances at the Select Committee, I have clearly stated that I will drive transparency and accountability in the Department. There have been examples. I am sorry that on an issue as important as not only saving lives but transforming lives and investing in people, he chooses to take such a narrow focus.

Tom Brake (Carshalton and Wallington) (LD): On the subject of the Bill, does the Secretary of State recognise that there are concerns that the CDC is not in fact targeting the poorest countries? Although private sector investment is very welcome, surely it needs to be just as targeted and as effectively monitored as investment in non-governmental organisations and other ways of boosting aid.

Priti Patel: I thank the right hon. Gentleman for his comments. It is right that the focus is on development impact and on outcomes. That has been shown by many of the reforms that the CDC has undertaken since 2010. Yesterday a National Audit Office was published which showed exactly that.

Richard Fuller (Bedford) (Con): Will my right hon. Friend please be reassured that her efforts to ensure that we have accountability and transparency in all aspects of public expenditure, but particularly in the area of international development, are a key part of maintaining public confidence behind the 0.7% target?

Priti Patel: My hon. Friend is absolutely right. We owe that to those who contribute to the taxes which enable the Government to make these important decisions about international development, and in particular our

[Priti Patel]

humanitarian responses and how we spend and invest that money. As I will go on to say, there are many examples around the world of lives being transformed, and that is something that our country can be very proud of.

Fiona Bruce (Congleton) (Con): Does my right hon. Friend agree that with regard to the concerns expressed about the CDC, the gravest relate to the period when the Opposition were in government—for example, the excessive levels of pay to CDC staff? Has the Conservative Government not got a grip of that, and is the CDC not much more efficient following the review in 2012 by the then Secretary of State?

Priti Patel: I thank my hon. Friend for her comments and observation. As I outlined at the beginning, the CDC is an established organisation that we should all be proud of. Clearly, there was a period before 2010 when the management of the CDC was, to put it mildly, not doing what it should have been doing. There were concerns about excessive pay and the lack of focus on development outcomes. Since 2010, when DFID led the way forward in working with the CDC, we have seen great progress.

Tom Brake: Will the Secretary of State give way?

Priti Patel: I must make progress.

As I mentioned earlier, contrary to some of the reports that we have seen in the past week, the future of the CDC will absolutely not come at the expense of DFID's existing work on humanitarian support, human development and directly tackling what might be called the symptoms of poverty—disease, hunger and preventable suffering.

We all have a deep responsibility to tackle the underlying causes of poverty. That is why successive Governments have rightly focused increasingly on helping countries to grow, lifting the poorest out of poverty forever. That means creating jobs for the world's poorest people, and driving the structural economic change that will end poverty permanently. To do this, we need to build the broadest possible coalition to fight poverty.

That includes NGOs and civil society organisations from the UK and from developing countries, which do such vital work. DFID's recent civil society partnership review clearly stated the Government's desire to work even more collaboratively with them in pursuit of these objectives.

Eliminating poverty also means working in partnership with multilateral agencies such as the Global Fund, with other bilateral development agencies, and directly with Governments in developing countries.

Mark Menzies (Fylde) (Con): An example of that was the event that I and the Minister of State, Department for International Development, my hon. Friend the Member for Penrith and The Border (Rory Stewart) went to last week with His Royal Highness the ambassador of Saudi Arabia. DFID is working with wealthy donor countries in order to unlock enormous potential across the middle east. If not for the leadership shown by DFID, some of that work would be undone.

Priti Patel: I thank my hon. Friend for his comments. As he knows, a great deal of work is taking place with other Governments, helping them to develop their own capacity for aid so that they can work more effectively bilaterally and with multilateral agencies. At a time when we see a great deal of conflict in that region, we are working on an agreement with some countries in the Gulf and the middle east on what their own development bodies and agencies can do to support humanitarian relief as a result of crises taking place on their doorstep.

Today I want to explain why CDC is a vital partner in our efforts to end poverty, for it is widely recognised that aid on its own will not eliminate poverty. No country can defeat poverty and leave aid dependency behind without the prospect of a functioning economy, sustainable economic growth, jobs, trade and investment. Development investments via CDC complement our other work, and allow us to fight the scourge of poverty on all fronts. In the world today, faltering economic growth and rising young populations have exposed the chronic need for jobs and better opportunities. At present most developing countries are not growing fast enough or industrialising fast enough to leave poverty behind.

The additional financing needed to achieve the UN sustainable development goals by 2030 is estimated at \$2.5 trillion every year, but current investment levels are less than half of that. As the UN and many international development banks have made clear, much of this finance will need to come from the private sector. The chair of the OECD's development assistance committee, Erik Solheim, has stated:

“There is no longer a dispute about the need for private sector involvement in development. The role of DFIs”—

that is, development finance institutions—

“is to connect development aid with private investment, and explore how we can employ market forces in the world's most challenging places.”

Dr Dirk Willem te Velde, head of the international economic development group at the Overseas Development Institute, writing in the *Financial Times* yesterday, said:

“Statistical evidence to be published by the Overseas Development Institute soon suggests that a £10bn increase in exposure of DFIs in Africa would raise average incomes and labour productivity by a quarter of a per cent, which is actually slightly above the average impact of aid overall. Most jobs are created by the private sector, and working with the private sector to create jobs is vital for inclusive growth.”

We know that that will be difficult in the poorest, most fragile and conflict-affected states. These are the hardest markets, where businesses will not go on their own because it is perceived as too risky, yet it is in those very places that jobs and economic opportunities are so desperately needed. CDC does exactly that by creating jobs, stimulating growth and supporting local business.

There are currently only a few investors in the world with the skills and risk appetite to create jobs and opportunities in the most difficult frontier markets. CDC is one of those investors. CDC uses its expertise and capital to support over 1,200 businesses in more than 70 developing countries to grow and create jobs. It is a great British success story that has a long history of creating jobs in the developing world.

This is not just about abstract numbers; importantly, it is about investing in people. The life-changing impact of CDC's investments can be seen in countries such as Sierra Leone, where the UK has supported businesses

to get up and running to drive forward the country's recovery following the devastating Ebola crisis, which killed thousands and damaged the economy. In the words of Henry Macauley, Sierra Leone's Energy Minister, whom I met just three weeks ago:

"CDC has played an important role in supporting key businesses during the Ebola crisis and continues to do so in Sierra Leone as the economy now recovers. They are an increasingly important investor in the nation's power sector and I've found them to be a great and promising private sector partner."

The life-changing impact of the CDC's investment can also be seen through people such as Yvonne, in Uganda. Thanks to a CDC-supported loan, she could buy a vehicle, a scrubbing machine and a vacuum cleaner for her cleaning business and attend training courses. In just 10 years, she had expanded her business from one person to providing jobs for 175 people. It is people such as Yvonne who we should have in our minds as we debate the Bill.

In the past, legitimate concerns were raised about some aspects of the CDC's performance. That is why, in recent years, the CDC has modernised and transformed its approach. In 2010, DFID undertook a public consultation and an extensive review of the CDC, and began moving the CDC in a new direction, including by bringing in a new board and chair and hiring a new chief executive. Under its new leadership, the CDC has transformed itself. Before 2011, it operated a financial-return-first strategy, with no screening tool to help filter out insufficiently developmental investments.

Keith Vaz: The Secretary of State may have answered this question, or she may be coming on to answer it, but there were concerns about some of the salaries paid to senior officials at the CDC and about the monitoring of administrative costs. Given that we support this organisation, which is moving in the right direction, is she satisfied that there is proper monitoring of that aspect of its work?

Priti Patel: That is an important point. Back in 2009, the CDC's then chief executive was criticised quite extensively for the level of their salary and other pay, which stood at £970,000. The current chief exec's total remuneration is now limited to a maximum of £300,000, and that is because the remuneration policies have changed dramatically since 2012. It is also important to reflect on the fact not only that pay across the organisation has been reduced by over 40%, but that compensation is no longer benchmarked, as it was prior to the changes in 2012, against the private equity industry. This is not a private equity firm at all. The CDC is now benchmarked against other development finance institutions, and any bonuses are based on the CDC's development performance and returns, whereas, previously, they were based solely on financial performance. That has now changed.

James Duddridge (Rochford and Southend East) (Con)
rose—

Stephen Doughty *rose—*

Priti Patel: No, I will not give way.

Under its new leadership, the CDC has transformed itself. As I said, it operated a financial-return-first strategy before 2011. It has now introduced dual objectives to

deliver development impact and financial return. It has developed completely new ways of assessing and measuring development through job creation and of screening prospective investments for development impact. It is an innovative and intelligent investor with a core mission of fighting poverty. That was recognised in yesterday's NAO report, which stresses that DFID's oversight of the CDC led to

"important, positive changes...a significant departure from the previous strategy".

Following new objectives agreed with the UK Government, the CDC now invests only in Africa and south Asia, where 80% of the world's poorest live, and where private capital is scarce. The CDC focuses now on the sectors that create the most jobs and on sectors that create environments for other businesses to thrive, such as infrastructure and financial services. In the last year, CDC-backed businesses have helped to create over 1 million new jobs, and they have paid over \$7 billion in local taxes in the last three years. That is money that Governments can use to invest in vital services, such as health and education.

As yesterday's NAO report recognised, the CDC has addressed Parliament's concerns about pay, and salaries have been cut, as I have just outlined. The whole ethos of the organisation has changed and, importantly, strengthened, with oversight from DFID. The CDC of today is a different, and much improved, organisation from the one it was many years ago. Some of the media coverage in recent days has not properly reflected that important shift, and I urge all Members to look carefully at the facts rather than some of the reporting.

Of course, there is more to do. Therefore, as part of the Bill, my Department will work to improve the transparency of the organisation further and to strengthen further the assessment of its development impact. As the NAO recognised, my Department has commissioned several independent evaluations of the CDC's impact. Just last year, a team from Harvard, reviewing the CDC's investments from 2008 to 2012, concluded that they had been "transformational", creating hundreds of thousands of new direct jobs and billions of pounds in increased earnings. We are currently in the design stages of a complex new study to generate even more detailed data on the wider market impacts of CDC investments. We are the first Government ever to conduct such an in-depth study into their development finance institution.

There is no question but that the CDC offers value for money. Over the last five years, we have seen significant returns from it. Every penny of profit generated by the CDC is reinvested into businesses across the world's poorest and most fragile regions, making every taxpayer pound invested in the CDC go further. The NAO further concluded that the CDC now has

"an efficient and economic operating model"

with low costs, compared with other development finance institutions. CDC salaries are covered by the returns the CDC makes on investments, not from development budgets.

Wherever possible, the CDC invests in countries, and it uses neutral jurisdictions only when it is absolutely necessary to do so, to protect taxpayer moneys from being lost to weak legal systems and to bring confidence to other global investors in the hardest-to-reach markets. However, the CDC uses only financial centres that are

[Priti Patel]

compliant with international tax transparency standards, as monitored by the OECD's global forum on transparency and exchange of tax information. There are no exemptions.

Far from hiding investments, the CDC was one of the first development finance institutions to make public investment information about every single investment. In fact, with DFID's support, the CDC is now a global leader on transparency. It has signed up to the international aid transparency initiative and has an online searchable database on its website, allowing users to access information on every investment and fund in the CDC's portfolio. I can assure the House that my Department will continue to be an active and engaged shareholder in the CDC, ensuring that it continues to deliver for the world's poorest and the UK taxpayer.

Richard Fuller: My right hon. Friend is outlining a strong case for what she proposes for the CDC. However, on the issue of probity, there are tremendous resources in the City of London, which could provide support for some of the businesses the CDC invests in as they look to get to the next stage of growth capital. Is there any element in the Bill, or are there any DFID proposals, to encourage City of London firms to provide that support for DFID goals?

Priti Patel: It is important to acknowledge the City of London and the great expertise that exists there when it comes to not only investment in some of the most challenging parts of the world but transparency. Through the work the Government have done on tax and transparency, the City of London has moved incredibly far. My Department is working across the City of London on a range of issues, such as insurance. We are also looking at how we can do more on transparency and accountability, and that is absolutely right.

We will shortly be setting out a new investment policy for the CDC, covering the next five years. That will include a new reporting framework to better capture the broader impact of investments on development, beyond job creation and the tax revenue generated. We will ensure there is maximum transparency so that CDC investments can be scrutinised and, importantly, so that their impact on combatting poverty is made clear. As I stated, the CDC has a strong and transparent track record on which to build. With our support and oversight, we want the CDC to do more, and that is why we need the Bill.

The Commonwealth Development Corporation Act 1999 set a £1.5 billion limit on the overall amount of Government financial assistance that can be provided to the CDC. That limit was reached in 2015. The need to raise the CDC's capital limit was clearly signalled in the UK aid strategy back in 2015. The Bill builds on the economic development objectives of Clare Short's 1999 Act and should be seen not as a new political direction, but as a logical continuation of the cross-party approach that has been in place for decades.

Any money given to CDC will meet the internationally agreed rules about which spending counts as aid. Raising the limit by £4.5 billion to £6 billion and introducing a delegated power to raise the limit further via statutory instrument to £12 billion over time will enable the UK to accelerate the CDC's growth so that the UK can

deliver on its international development objectives. Let me stress that this £6 billion is not an annual spend; it is a cumulative figure and a limit placed on the total amount of financial assistance that a Government could provide to the CDC over a period of time before coming back to the House to seek a further increase via statutory instrument.

James Duddridge: I fully support what my right hon. Friend is saying. This is a progressive, cross-party movement, and this is not a radical piece of legislation. Decisions have not been made to spend the full £6 billion straight away, but if the Department did commit to spend right up to that limit and fund it each year up to 2020, it would still represent only 8% of the Secretary of State's budget, so 92% of aid would be spent in a more traditional way. This is a progressive move, not a radical change.

Priti Patel: I thank my hon. Friend for his comments. He is absolutely right about the 8% figure. It is also worth pointing out, putting this into context, that total aid spending over the course of this Parliament is likely to be £60 billion.

Some inaccurate reports have suggested that this Bill somehow paves the way for the entire aid budget to be given to the CDC in perpetuity. That is clearly not the case. Increasing the capital limit does not guarantee that we will use our resources in this manner, or commit us to any increases in capital. My priority is to ensure that we achieve maximum value for money with UK aid. The provision of any new capital to the CDC will require a full and detailed business case that will show how further investment will continue to achieve value for money, have a clear development impact for the poorest, and deliver in the UK's national interests. Furthermore, it is worth noting that because CDC investments generate a return, any additional money we give to the CDC is not spent once and then lost; it contributes to the CDC's capital, which is continually reinvested now and in future years. Importantly, therefore, it remains an asset that ultimately belongs to the UK taxpayer.

This Bill is fundamentally about people: improving life prospects by helping individuals to find work and earn money so that they can feed their families, send their children to school, and put clothes on their backs; empowering girls and women to determine their own future; and giving people in the poorest and most marginalised places hope so that they do not feel the pressures to migrate or turn to some of the extreme causes that we see around the world. The CDC is just one part—a relatively small part in the context of overall development spending—of our crucial investment in developing countries. We will continue to invest in our life-saving, life-changing health, education and sanitation programmes, meeting our manifesto commitments. Ultimately, though, this is about jobs, growth and enterprise that will defeat poverty for good. It is right that Britain leads the world to tackle poverty across the world given that we still have more than 1 billion people living on less than a dollar a day. The UK Government are playing a leading role in building a more prosperous world. This Bill is the right thing to do for the poorest people in the world and for British taxpayers, and I commend it to the House.

2.33 pm

Kate Osamor (Edmonton) (Lab/Co-op): The vast majority of Members of this House support the UK's guarantee to spend 0.7% of gross national income on international development. This view is supported by the people of this country, who understand that our aid programme makes a significant contribution to creating peace and economic sustainability around the world, and to building a more secure and stable international community. Our aid budget makes a huge difference to the lives of hundreds of thousands of the world's poorest people. Underpinning the faith that the British people have in our aid programme is the knowledge that the money that is spent in developing countries—taxpayers' money—is transparent; that the funds are provided for projects that have clear objectives and tangible outcomes; and that the money goes directly to source, with no middlemen, no creaming off the top, and no profiteering from people's poverty.

We will always welcome any measures that aim to improve the quality of life of those less fortunate than ourselves. This Bill, with the right safeguards, could achieve that. The job of Opposition Members, and of the whole House, is to ensure that some of the previous excesses and failures of the Commonwealth Development Corporation are not repeated. I say that as a friend of the CDC. It was the post-war Labour Government of Clement Attlee who created the forerunner of the CDC. Much of the work of the CDC is vital, and we should of course work to strengthen its ability to support businesses and create jobs around the world.

However, we have a number of serious reservations about this Bill. Since the Government are proposing up to an eightfold increase in the amount it can contribute to the CDC, it is right that we ask questions. Let me begin with executive pay at the CDC. While we would all acknowledge the steps that have been taken to curtail the excesses of the past, what guarantees have the Government received that we will see no repetition of the eye-watering salary hikes that people awarded themselves in the past? It would be fundamentally wrong for the extra money proposed in this Bill to be used to fill the bank accounts of the executives of the CDC instead of going to those who need it the most.

James Duddridge: Does the hon. Lady accept that no one is considering going back to those bad old days? While I do not want this to be a partisan issue, because I think there is a wide degree of consensus, the original deal with the chief executive was signed off by Clare Short, and the new deal, which reduced the salary by a third and placed a cap on the maximum, was signed off by my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) when he was Secretary of State. There is no going back to those bad old days; this is about working together on the new framework.

Kate Osamor: I thank the hon. Gentleman for his intervention. I am concerned that we learn from the past. I am not here to pull punches: this is about learning from the past and ensuring that we move forward in the correct, transparent way.

The second question the Government must answer is on the priorities of the CDC. Recent history is not kind to the CDC and the decisions it has made on the allocation of its funds—UK taxpayers' money. In recent

years, the CDC has become a more commercial organisation. In 2004, the CDC created the private equity arm, Actis. In a deal that raised serious concerns on the governance of the corporation, 60% of the equity firm was sold to managers at the CDC at a bargain basement price. In the space of a few years, they had turned the CDC from an aid agency into a cash machine. With the focus turned to maximising profits, mainly for those who worked at the CDC, the traditional areas of financial support that the CDC had focused on for nearly 60 years were being abandoned. Food security through agriculture programmes went, safe and clean water projects were cancelled, and transport and infrastructure projects were abandoned. Poverty reduction—surely key to any development objectives—withered on the vine of self-interest and, I am afraid to say, earning a fast buck.

It is worth comparing the principles and values on which the CDC was founded to achieve its aims with the realities of its present-day operation. In 1998, the CDC spent 50% of its budget on agribusiness in Africa. That investment had two virtues: first, it helped to feed people in those countries, where starvation and hunger were rife; and, secondly, it enabled communities to become more self-sufficient, created jobs, and was a step on the ladder out of poverty. Today, funding for agribusiness has dropped to just 5%.

We see similar patterns in the CDC's infrastructure programme. For people to live healthy lives, and to enable communities to thrive, not simply survive, we need to help create a solid infrastructure as part of our development priorities. Dirty water and poor sanitation robs the lives of over 300,000 people each year. Infants and young children are especially susceptible to diseases because of their immature immune systems. Their young bodies simply do not have the right immune system to cope with waterborne diseases. According to UNICEF, over 40% of medical facilities in Africa do not have access to clean water. Dirty water and a lack of good sanitation do not just rob people of their lives; they make a country less productive. A recent study estimated that there was a \$150 million shortfall for water and sanitation projects in sub-Saharan countries, while the World Health Organisation estimates that we need £535 billion in investment to achieve universal access. I accept that those are huge sums of money, but look at the benefits. It is estimated that every dollar spent on improving water quality and sanitation delivers \$4 in increased productivity. With such overwhelming evidence for the health and economic benefits, the case for investing in infrastructure programmes should be beyond doubt.

Mr Jim Cunningham (Coventry South) (Lab): Another dimension, when we are talking about health, is the pharmaceutical industry and the products that it sells to some African countries. Surely, the Government should be looking at this area and trying to make pharmaceuticals a lot cheaper for those countries.

Kate Osamor: I totally agree with my hon. Friend. We need not only to look at the health of poorer people but to make sure that they can access water and sanitation.

It is surprising, if not shocking, that the CDC reduced infrastructure support for water, sanitation and roads from 35% of its budget in 1999 to just 8% a decade later. If the money is no longer going to support agribusiness

[Kate Osamor]

or infrastructure, where is the CDC spending it? Let us begin by looking at some of its recent investments, such as Xiabu. I do not know about you, Madam Deputy Speaker, but I am partial to a takeaway on a Friday night—so, it seems, is the CDC, because it has provided thousands of dollars to the Chinese fast food chain Xiabu. That may be a good commercial investment, but is it the best use of the CDC's resources? Can the Secretary of State set out what guarantees she has obtained that the UK's increased contribution to the CDC will not go towards such projects?

While the Secretary of State is here, I would like to hear from her that the Government will seek assurances that in Africa the CDC will put more emphasis on food security than it puts into funding the building of new shopping malls at present. I have no doubt that the people of Accra are grateful for their brand new shopping mall, but what strategic role it plays in increasing life expectancy in Ghana is a mystery to me.

James Duddridge: The people who were employed in the construction of those shopping malls in Accra—I have seen them recently—would disagree with the suggestion that that has not helped families in Accra and in nearby villages. Less than 1% of the CDC budget has gone on shopping and infrastructure, which provide a lot of jobs. Agriculture, which the hon. Lady talked about earlier, is incredibly important, but it is less important than it used to be in the modern economy in Africa, where there is a greater degree of diversification and urbanisation.

Kate Osamor: I thank the hon. Gentleman for his intervention. I know that he went around Africa in his previous role as a Minister, so he knows a lot about Africa, but there are parts of Ghana where there is no electricity and parts of Ghana where there is no water. Yes, middle-income families may enjoy going to malls, but while many people are living in poverty I do not think that a mall is the best use of CDC resources and money.

The examples that I have given lead me to my third and fourth questions for the Secretary of State. The Government propose to increase funding from £1.5 billion to £6 billion, with the option for the Secretary of State to raise it to £12 billion at a future date. But it seems she is putting the cart before the horse. As yet, the CDC has not published its investment strategy for 2017 to 2021. In the absence of an investment strategy outlining how the additional resources would be spent by the CDC, the Government are essentially proposing that we provide the CDC with a multibillion-pound blank cheque. In 2015, the coalition Government gave the CDC a cash injection of £735 million, and the Secretary of State published the business case for that increased funding at the time. Will the Secretary of State place in the House of Commons Library the full business case for the increase to £6 billion of funding to the CDC? Will she assure the House that if the Government wish to extend that to £12 billion, a business case will be brought to the House?

Keith Vaz: My hon. Friend was in the House when the Secretary of State gave me a very welcome assurance concerning Yemen, which we appreciate. Does my hon.

Friend agree that it is so important that emergency and humanitarian aid should be ring-fenced, and that any resources to the CDC—whatever they may be, after the business case has been prepared—should not take money away from that emergency and humanitarian aid, which is important in Yemen and in other parts of the world?

Kate Osamor: I thank my right hon. Friend for his intervention. Yes, humanitarian aid is paramount. In times of crisis, we need to know that that money will be ring-fenced to ensure that those who need it most will be able to get it.

During proceedings on the Bill, we will be setting the Government six questions, which we hope they will be able to address and gain our support. I began my response to the Secretary of State's opening speech on Second Reading today by setting out the key principle that should guide us on international development funding—transparency. Indeed, the lack of transparency over the CDC's work has created considerable scepticism about its activities and some of its investments. When spending taxpayers' money on international development in an age of austerity, the Government are beholden to do all in their power to reassure everyone that their money is being spent properly and effectively. The Secretary of State would alleviate some of the concerns felt by Opposition Members—and, I am sure, in the country at large—if she were to insert a transparency clause into the Bill, which would meet the Government's stated aim and their commitment to transparency, value for money and tracking development results.

That is particularly important when it comes to the issue of the CDC's use of tax havens for its investments. It is extraordinary that the CDC has routed its investments through tax havens. The CDC and DFID have a moral duty to adopt the highest ethical standards if they are to have moral authority as the UK's leading development actors. We should not be rewarding tax havens with UK taxpayers' money, and the Government could and should lever the CDC away from the use of tax havens. That means that not a penny of the proposed £6 billion should find its way to a tax haven, and the Bill should be explicit in enshrining that principle.

Providing any organisation with £6 billion—and potentially £12 billion—is a significant step, and that is particularly true of an organisation with such a chequered recent past. The House would welcome a clear sense from the Secretary of State of how her Department has evaluated the costs and benefits of providing the CDC with such a significant sum of public money. There is a clear need for the Minister to set out how DFID's investment plans for CDC have been informed. Has that been achieved by assessing other options for investing these resources. Has it been achieved by comparing their value for money and the potential for development impact?

There are two issues that the Secretary of State should address to demonstrate the Government's commitment to transparency. At present the CDC is not subject to the scrutiny of the Independent Commission for Aid Impact. That is an anomaly, and it should be rectified immediately. Will the Secretary of State insert into the Bill a provision to enable ICAI to scrutinise and audit the effectiveness of the CDC, particularly given the significant increase in the CDC's funding proposed in this Bill? Secondly, I would like an assurance

from the Government that the CDC will not be sold off or privatised during this Parliament. It would, surely, be wrong for this House to provide billions of pounds of taxpayers' money, only for the CDC to be handed over to a private equity firm or suchlike company.

When the Colonial Development Corporation was established in 1948, it had bold ambitions. For much of its life, the CDC has achieved those ambitions, first as the Colonial Development Corporation and then as the Commonwealth Development Corporation. Lives have been saved and lives have been improved as a direct result of the CDC. Sadly, the CDC has lost its way in recent years. The ethos and values that drove its inception six decades ago have been lost, sacrificed on the altar of fast-buck economics. We are beginning to see some welcome reforms to the CDC, but history has taught us that we must remain vigilant.

As I set out at the beginning of my speech, the Opposition firmly believe in the principle of aid as a vehicle for improving the life chances of millions of people. The question the Government must answer before they gain our full support for the Bill is: will they provide the assurance and the guarantee to deliver what we all seek, which is a CDC that truly lives up to its mission

“to support the building of businesses throughout Africa and South Asia, to create jobs and make a lasting difference to people's lives in some of the world's poorest places”?

To achieve this, the Government must place the right safeguards in the Bill in Committee. If they do, and the Bill achieves the twin objectives of supporting the people who need it the most and of making the funding fully transparent, the Government will have our support.

2.50 pm

Mr Andrew Mitchell (Sutton Coldfield) (Con): I draw the House's attention to my outside interests, which are listed in the Register of Members' Financial Interests.

This is an extremely good Bill, and I hope it will be welcomed in all corners of the House. During my brief remarks, I very much hope to be able to satisfy the hon. Member for Edmonton (Kate Osamor), who leads for the Opposition, on the perfectly fair questions that she posed. The fact that the Government are able to bring the Bill before the House today shows the success of Britain's development policies in general, and specifically the success of the CDC reforms that we introduced in 2010 and 2011. Today's Bill is the fruit of those reforms.

It is worth reflecting a little further on the history of the CDC. As has been said, it was founded in 1948. It was the first development finance institution—another British lead—and an early example of Britain's generosity and of recognising the importance of the private sector and of job creation. The CDC made a huge contribution in the years after the war to agricultural development in the poorest parts of the world with which Britain had a close connection. By 1997, the formula had become a little tired, and the Commonwealth Development Corporation, as it had become, was losing money, which was hardly a good example of private sector entrepreneurialism for poorer countries to emulate.

In 1997, the Blair Government considered privatising the whole of the CDC. That would have been a huge mistake, since the whole point of the organisation is to complement the private sector, not to compete with it. In the end, the Labour Government privatised the management, while leaving the capital in the public sector.

The then Government turned it into a fund of funds: it invested in other people's funding vehicles, while the private sector did what it is supposed to do, which is focusing on making money.

When I travelled as the shadow International Development spokesman, other countries' development finance institutions would say to me that the transformation of the CDC after 1997 was a warning to other development finance institutions of what not to do. When I travelled in countries where in the past the CDC had generated enormous good will, people used to say to me, “Whatever happened to the CDC? It has simply disappeared.” Of course, that was right. As the CDC was investing in other people's funds, it had simply disappeared.

In 2010, the coalition Government said that the CDC, this former great development finance institution, had lost its way. The CDC was under regular attack in the press—particularly in *Private Eye*—and my judgment, as the Secretary of State, was that the attacks were largely valid. It had been turned from a somewhat sleepy development corporation that was losing money into a city slicker private equity business. It was mostly staffed by the same people, who saw their civil service salaries soar to the exotic levels normally populated by very successful hedge fund managers and private equity investors. The central aim of the coalition was to re-inject the CDC once again with its distinguished development roots without losing the ability to earn a commercial return. Our aspiration on entering government in 2010 was that just as DFID is undoubtedly the leading development ministry in the world, so the CDC should become the envy of all other development finance institutions—the best Government-owned DFI anywhere.

We had three key aims. First, we wanted to regain control of investment expertise by bringing the responsibility for investment back into the CDC. In other words—Labour Members may care to take note—we decided to reverse the Blair Government's privatisation by bringing the expertise back into the public sector. Secondly, we wanted to broaden the toolkit of financial instruments by which the CDC could achieve this. Thirdly, we wanted to shift the geographical focus of the CDC on to the poorest and most difficult parts of the world—Africa and south Asia. The CDC had previously focused on a loose collection of geographical locations in a very undifferentiated way. Of course, capital in such circumstances naturally gravitates to the areas of lower risk and higher return. That was exactly what we did not want it to do, because for the CDC and development, those are the areas of least value.

It was with dismay that I read in the *Financial Times* of all newspapers—it has a reputation for outstanding financial journalism, and should therefore know better—a rehash of a past that the CDC has long left behind completely. A moment of research would have shown *Financial Times* journalists that they were completely out of date. The *Financial Times* said that

“the government should place the CDC under the same broader level of public scrutiny as DfID.”

The CDC is overseen by DFID, the Treasury, the shareholder executive, the International Development Committee, the Public Accounts Committee and, as yesterday's report shows, by the NAO. Perhaps in a rather better researched piece, those *Financial Times* journalists could explain who might be added to this already extensive list.

[Mr Andrew Mitchell]

Contrary to the *Financial Times* view, the CDC is now well on its way to achieving a reputation as the best DFI in the world. The reforms that we introduced inevitably confronted vested interests, and involved an area of expertise that we did not of course have any right to expect within the civil service. We wanted the CDC to provide both pioneer and patient capital. We wanted pioneer capital because we wanted to show the reach of the private sector at its best in promoting economic activity, jobs, decent working practices, and the provision of key goods and services to the poorest in the most difficult places in the world. We wanted patient capital because it can take a longer view of the financial return and can therefore complement the private sector by adding what is often the key ingredient to the mix—funding that would not otherwise be available to generate jobs, whether in the power sector or in infrastructure—in, once again, the poorest places. All of that had the additional benefit of delivering value for money and a return for the British taxpayer, while having a substantial impact on poverty alleviation.

The Bill is part of the proof that these reforms have worked and that this new approach is succeeding. I do not think it is fanciful to believe that in 50 years' time, the CDC rather than DFID will be seen as the embodiment of the UK's strong support and success in helping the world's poorest and most excluded people. The flow of CDC-type investments made by the developed world in the poor world is now overtaking, in quantum, the level of aid. I believe that the work the CDC is carrying out should command everyone's support from the far left of the Labour party to the development-sceptic press.

To achieve this position, the CDC has faced the need for and delivered radical change. This would not have been accomplished without the high quality of leadership at the top that has prevailed throughout. We were successful in hiring Diana Noble as the chief executive. Diana Noble will retire next year, and the taxpayer and the development community owe her a great debt of gratitude. She has changed a passive organisation by recruiting outstanding new talent. People tell me that the spirit in the CDC has been transformed. She inherited an organisation of 50 people, a figure that was subsequently reduced to 40 but now stands at approximately 220.

Those extraordinary changes would not have been accomplished, either, without the skills and commitment of Mr Jeremy Sillem, a senior and experienced City financier who served as an adviser to DFID and was subsequently a non-executive director of the CDC while the reforms were implemented, and of Graham Wrigley, who now provides his expertise as the CDC's chairman. That team, above all, has delivered those changes and deserves the gratitude and thanks of Parliament and the taxpayer. Their personal reward will be the transformation of the lives of very large numbers of extremely poor people.

Our reforms turned the CDC from a one-product business—a fund of funds—into a multi-product one. I am not a golfer, but if I may use a golfing analogy, the CDC was traversing the golf course of international development with only one golf club, that of investing in other people's funds. We have now equipped it with a full variety of golf clubs, including equity and debt,

direct investments, trade finance, and infrastructure lending. We have also regained control of the golf swing rather than delegating it to others—I have probably pushed the metaphor as far as I should.

Inevitably, operating in markets such as Afghanistan, Pakistan, Sierra Leone, the Democratic Republic of the Congo and Ethiopia is accompanied by considerable risk. Along with development impact, the CDC considers whether it is truly bringing additional funds that are unavailable elsewhere to each investment. It always seeks to avoid the lurking dangers of corruption that are ever present in development. It is a young business that will not always get it right, but for a young banker starting out in the financial world, as I did in 1979, there are few more exciting places to aspire to work across the financial world than the CDC, whose employees deploy their financial skills in an area where they have the power greatly to elevate the social condition of some of the poorest people in the poorest areas of the world. By the way, salaries have been sharply reduced, and are well below what the staff at the CDC would earn in the commercial world.

Mark Field (Cities of London and Westminster) (Con): I am just being slightly mischievous, but will my right hon. Friend confirm that all those interested in a career in the CDC cannot expect to spend too much time on the golf course, either on a Friday afternoon or on any other day of the week?

Madam Deputy Speaker (Mrs Eleanor Laing): Order. Before the right hon. Member for Sutton Coldfield (Mr Mitchell) replies to that intervention, may I just say to him that those of us who do not understand cricket are absolutely delighted to have had a golfing metaphor? It is so much simpler.

Mr Mitchell: I do not play golf, but I assure my right hon. Friend the Member for Cities of London and Westminster (Mark Field) that the staff in the CDC work phenomenally hard, including on Friday afternoons.

There are only a few investors in the world with the skills and risk appetite to undertake such difficult but vital investments, doing the hardest things in the hardest places. In 2014, in response to the Ebola crisis in Sierra Leone, the CDC partnered with Standard Chartered bank to support lending to local businesses and help the country's economic delivery. In 2013, the CDC made an investment in Feronia, an agricultural production and processing company in the DRC, which is one of the most difficult countries in the world in which to invest. That investment would help people to lift themselves and their families out of poverty and provide much needed support to local agriculture, a sector that the hon. Member for Edmonton quite rightly mentioned. It should never be forgotten that the overwhelming majority of jobs are created by the private sector, not by Government, and having a job—being economically active—is how people all around the world lift themselves out of poverty. Of course, inevitably not all those investments will succeed.

Since 2011 the CDC has focused its attention intensively on quantifying development impact. For example, this year it invested in a power plant at Virunga park in Matebe that is providing 96 MW of clean energy, creating around 100,000 jobs and boosting economic development.

It is the first investment by a DFI in that region of the DRC since the 1980s. In 2015, the CDC invested in the largest independent power producer on the continent, Globeleq Africa, also bringing in Norfund, Norway's development finance institution. That will add thousands of megawatts of electricity generating capacity over the next 10 years, addressing a massive gap. In my view, the CDC is the only DFI with the vision or appetite to undertake that type of work, including changing the whole strategic direction of the company and replacing the senior team and board.

The Bill ensures that the CDC can receive from the taxpayer the capital injection it will require to carry out the development work with which it is tasked. Many Governments are channelling development funding through DFIs such as the CDC because they use capital injection to address market failure, as the Secretary of State pointed out, and invest funds on a revolving basis in business in developing countries. The extent of the success of the CDC's development investment means the Bill is required.

In its report published yesterday, the National Audit Office said:

“Through tighter cost control, strengthened corporate governance and closer alignment with the Department's objectives, CDC now has an efficient and economic operating model”

with “thorough” governance arrangements. It also said that the CDC's

“current portfolio of investments reflects the strategy it agreed with the Department in 2012...CDC has met the target for financial performance it agreed with the Department.”

Finally, the report made it clear that the CDC measures its effectiveness through financial return and development impact targets—targets that it has met. Measuring development impact is extremely difficult, partly because it is so long term. But above all it is about job creation. It is likely that the CDC is currently involved in investments that will create more than 1 million jobs. In any event, it is to be congratulated for the steps it has taken to quantify development impact, and to be encouraged to go further.

For now, my advice to my successors in Government is to leave the CDC to grow and deliver on the objectives we have set it, and to hold it to account for what it does. However, probably the most anxiety-inducing statement the CDC team ever has to face is, “Government officials are coming round to interfere today in what you are doing.” When we hired the current CEO, Diana Noble, who has done such a brilliant job, I remember promising her that Ministers and officials would set the course for the CDC—as the shareholder properly should—but would then leave her to get on with the job and to deliver. I trust my promise is being honoured.

3.7 pm

Patrick Grady (Glasgow North) (SNP): I hope, Madam Deputy Speaker, that before I begin my remarks on the Bill, you and the House will allow me to note that today marks the third anniversary of the Clutha tragedy, when a police helicopter crashed into the Clutha bar in Glasgow, killing 10 people. We remember them and pay tribute to them and to the first responders on the scene that night. We hope that, in due time, families and friends will get the closure they require and the answers they seek through a fatal accident inquiry process.

Madam Deputy Speaker (Mrs Eleanor Laing): Order. I am sure that the whole House joins the hon. Gentleman in remembering those who lost their lives that day, and their families and friends.

Patrick Grady: Thank you very much, Madam Deputy Speaker.

The Bill is a rare piece of DFID-led legislation—the first in this Parliament, I believe—so I take this opportunity to welcome the new Ministers to the Government Front Bench and the shadow Ministers on the Opposition Front Bench. Lots of Scottish National party spokespeople seem to have been doing that in recent weeks and months, so at least there is consistency from our Benches.

Today's debate gives us the opportunity to look in detail at the Government's specific proposals on increasing the funding they can provide to what was the Commonwealth Development Corporation, now more regularly known as CDC Group or the CDC. In doing so, it is worth exploring how the Bill fits into the broader context of the UK's aid spending and the direction the Secretary of State is setting, and how those fit with the global framework and consensus on poverty reduction.

Aid works. It has saved and transformed countless lives around the world. I have had the privilege of witnessing that with my own eyes in places such as Malawi and Zambia, and of meeting people from all over the world whose lives have been transformed by aid, when they have travelled to Scotland and the rest of the UK to share their testimony.

SNP Members happily give credit to the UK Government for meeting, in recent years and after 40 years of delay, the 0.7% of gross national income target for overseas development assistance spending. Despite the progress made in recent years, the need for aid spending has not gone away. As many analysts and institutions have said, including the International Development Committee, aid flows will need to continue to grow from the billions to the trillions if we are to meet the sustainable development goals—they are also known as the global goals—that have been agreed at the United Nations, and if we are to tackle the challenge of climate change. The Secretary of State spoke about market failure. Lord Stern once upon a time described climate change as the biggest market failure of all, and that must be at the forefront of our minds.

I give credit to the Government for their leadership in negotiating and building consensus on the sustainable development goals, but the task is to continue to show leadership as the world works towards meeting them to end poverty and hunger, achieve universal education and gender equality, eliminate preventable disease, and empower communities around the world. The first and most important question we must ask of the Bill is how it will help to meet those goals. What assurances can the Government give us that, in their agreements with the CDC and in setting policy direction, the investments that the CDC makes will be geared to the achievement of the global goals?

As a number of hon. Members have said, the Bill is tightly focused, which is perhaps a missed opportunity, because there is a chance to make more explicit in the Bill or the Commonwealth Corporation Act 1999 that poverty reduction is as much a duty of the CDC as it is of the Department for International Development.

[Patrick Grady]

It is not clear in the Bill how much scope there is for amendments, but who knows how creative hon. Members will be in Committee?

Such a reassurance from the Government would help to make a stronger and clearer case for the role of development finance and for that specific development finance institution. The CDC is rightly proud of being the oldest such institution in the world. As a pioneer, it has had numerous successes, as we have heard, but it has also learned a number hard lessons over the years. To maintain support in the House, it will need to continue to do so. Stories of lavish expenses and inflated salaries, of channelling funds through tax havens, and of investing in luxury hotels and shopping malls, will not inspire confidence among the aid community or the public at large. As we have heard, the National Audit Office yesterday raised a number of concerns about transparency and impact measurement. Despite the progress and reforms of recent years, in 2013 still only 12% of new investments were made in the least developed countries of the world.

Since the Secretary of State's appointment, she has made great play of seeking value for money for the taxpayer and increasing aid spending transparency. Will she commit to holding the CDC to the same standards as other stakeholders and recipients of DFID funding? She said in her speech that transparency would happen as part of the Bill, but I do not see it in the Bill, so how can we have those transparency guarantees? The right hon. Member for Sutton Coldfield (Mr Mitchell) asked who else could scrutinise the work of the CDC. The hon. Member for Edmonton (Kate Osamor) rightly suggested that the Independent Commission for Aid Impact could continue to have a role. Perhaps that provision should be in the Bill.

Mr Mitchell: The hon. Gentleman is right that ICAI should have a role, which it has because it can follow all official development assistance expenditure. He can rest assured that I should have added ICAI to my list.

Patrick Grady: I am happy to take that reassurance from the former Secretary of State, but I hope to hear it from current Ministers.

Fiona Bruce: As chair of the sub-committee of the International Development Committee that scrutinises the work of ICAI, perhaps our sub-committee could be added to that list.

Patrick Grady: DFID and the other bodies rightly face considerable scrutiny, which is as it should be, but we must ensure that it is extended and applied equally to all DFID stakeholders and all the resource that is spent. Perhaps there was an opportunity for the Bill to go further and to place statutory duties on the CDC to report on all its spending to the standards set by the international aid transparency initiative. I wonder what creative amendments might appear in that respect.

Let me be clear that I am not objecting in principle to the concept of development finance. There is a role for the private sector to play in stimulating the economies of developing countries and helping people into work—if carefully managed, it can support innovation and

diversification. The Secretary of State's letter to Members in advance of the Bill gave the example of the CDC's early investment in the African mobile phone operator that eventually became Celtel. The investment was made when the technology was unproven and the market barely existed. I have seen first hand the impact that mobile phone technology makes in improving people's lives across sub-Saharan Africa. Indeed, I have been a customer and user of Celtel services on many occasions.

The Scottish Government recently launched their own development finance initiative as part of their international development strategy. The Minister for International Development and Europe, Dr Alasdair Allan, announced in October £1 million of Scottish Government funding to help Malawian businesses over a three year period, which will be match-funded by private investors, providing £2 million in total to invest in Malawi. Those investments will be managed by a new Scottish company, the African Lakes Company Ltd, which has been registered as a limited company for that purpose. The African Lakes Corporation was originally established in Glasgow in 1878 to develop trade as an effective way of displacing slavery in Malawi. More than a century on, that mission has been revived with a contemporary view to investing in Malawi's future. Through their support for that venture, the Scottish Government aim to show that responsible investment can help Malawi and similar countries to reduce dependence on aid, support the growth of existing businesses and create sustainable livelihoods.

The question is therefore less about the principle of development finance, and more about how it is managed and how it fits within the overall picture of aid spending. The Scottish Government commitment of £1 million over three years represents just under 4% of their annual development fund budget. The figures proposed in the Bill are of a far greater order—the Bill proposes the quadrupling of the funding cap from £1.5 billion to £6 billion, which would take the total amount that DFID can invest to the equivalent of around half the annual aid budget. I take the Secretary of State's point that that will not necessarily be invested in one go, but if my understanding of the Bill is correct, it could be invested in one go in principle, which is a concern to some of us. The new maximum, which will be decided by statutory instrument, could be £12 billion, which is approximately the total annual aid budget. It is therefore worth asking, as the hon. Member for Edmonton did, where those figures came from and how they were arrived at. Why £6 billion and not £5 billion or £7 billion? Where is the needs analysis behind that figure?

As we heard in Treasury questions today, total aid spending is very likely to fall as a result of a slowing economy. The 0.7% target is by definition a proportion of total GNI. With further economic uncertainty on the horizon, there is no guarantee that the current figures will remain stable, let alone increase. Would it have been more sensible for Ministers to express the funding limits in the Bill as a percentage, or through some kind of formula that relates to the total amount of aid funding, to make investment in the CDC relate more clearly to the total aid budget at any one time? Although making the cap a proportion recognises the importance of development finance, it also recognises that it is only one small tool in a box, as the Secretary of State said.

We have been presented with the Bill, which incidentally was not mentioned in the Queen's Speech, without seeing the long-promised policy statements in the shape of the bilateral and multilateral aid reviews. We therefore have no real idea exactly how the increase in the investment cap fits with DFID's broader policy direction and goals. The Secretary of State has said that no disbursements will be made to the CDC without a robust business case. Will she assure us today that such business cases will have poverty reduction and the sustainable development goals, and people rather than profit, at their heart? As I asked earlier, has she given any consideration to the opportunity for building that into the Bill as a statutory duty on the CDC? *[Interruption.]* If the Secretary of State is not here, I hope that at least one DFID Minister can answer those questions at the end of the debate.

I and many other Members are keen to explore in Committee and other stages the question of how that significant scaling-up of DFID finance to the CDC fits into its broader policy goals and the wider global aid agenda. If satisfactory answers are not forthcoming, and if the Government are not willing to offer the reassurances and amendments we suggest, we reserve the right to oppose the Bill in its entirety on Third Reading.

Greater clarity is urgently needed from DFID and the Government as a whole on the purpose of their aid budget and how they will achieve that purpose. A global consensus framework exists, which this Government, or at least the Government elected in May 2015, helped to negotiate and write in the shape of the sustainable development goals. I said last week in Westminster Hall that, despite what may be read in some of the gutter and right-wing press, there is still public and political consensus in the UK on the importance of aid and the need to tackle global poverty.

The Secretary of State talks increasingly about making aid work in the national interest, but that raises the question: what is the national interest and how is it different from the goal of poverty eradication? Surely meeting the global goals in and of themselves is in the national interest, otherwise there is the implication that previously aid did not work in the national interest or that we have a deeper interest in its effectiveness beyond what the SDGs aim to achieve. If that is the case, what is that interest? What better or more noble purpose is there than the eradication of poverty and disease and the building of peace and equality for all? Surely a global community where everyone's basic needs are met, where education allows people to thrive and where health and wellbeing contribute to more peaceful societies is by definition in our own interests, as well as the interests of those we are seeking to help.

That is why the goals must be at the heart of the work of the CDC. Ending poverty should not be a happy or convenient by-product of profitable investments; it should be the other way around. If investments that create jobs and provide services that lift people out of poverty go on to make surpluses that can be reinvested in more of the same, all to the good, but it should not be assumed, especially in the context of fragile and developing countries and economies, that generating a return on investment will of itself provide a rising tide that floats all boats. Old-style aid-for-trade and trickle-down investment have left us with a world where we still need a 15-year

timetable to meet the global goals, after 15 years working towards their predecessors, the millennium development goals; yet we live in a world of plenty with the knowledge, resources and capacity to meet and exceed all the targets in the goals. What is lacking is the political will. The Government must show they understand that and that their support for the CDC is but one small and proportionate intervention in the struggle for a fairer, more just and more peaceful world.

Every penny that the Government invest in the CDC is a penny not invested in traditional, proven methods of aid delivery, so they have to show why each of those pennies is not better spent on gender empowerment, nutrition, farming, education or any of the other programmes working in partnership, on a non-profit basis, with specialist and grass-roots organisations on the ground in developing countries. If they want to maintain the consensus in the House on the use and purpose of aid, the Government must show willingness in the coming stages of the Bill to engage on the points that I and others have raised. I look forward to continuing that debate in the coming days.

3.22 pm

Marcus Fysh (Yeovil) (Con): I draw the House's attention to my outside interests, among which are some financial interests in developing nations.

The scale of the development problem facing us is largely to do with the projected world population growth over the coming years, so it is right that the CDC focus on Africa and south Asia, as they are key areas of population growth. Twenty African nations are posting fertility rates in excess of five children per woman, and in some that figure is over seven. Africa is predicted to account for 80% of world population growth, quintupling its 1.2 billion population to add around 5 billion to the global population this century, while the number of Africans aged 15 to 24 is expected to nearly double by 2050 to 452 million.

These facts present some of the most outstanding challenges of our time: the impact on global warming, which we heard about earlier; environmental degradation; the impact on biodiversity and access to resources; and the potential consequences of war and migration, all of which can also have a big impact here at home. The only way to meet these immense challenges is to give people opportunities close to where they live, and that is what the CDC is helping to deliver: more job opportunities; better education so that people can take advantage of those opportunities; better health and reproductive care; and the involvement of women in the workforce. We should be helping other people to invest in these sorts of things.

The difference between the CDC and other kinds of aid is that these funds can be used to create businesses that can go on and have their own life and be recycled. Yes, some of the capital can come back to us, for us to reinvest, but, more importantly, these businesses can have a life of their own. If they are doing something well, they will be asked to do it again and again with their own capital, personnel and creativity. If we are to tackle these almost insurmountable challenges, they have to have their own life. The CDC can deliver that potential for scalability into the future and help us to cope with those challenges.

[*Marcus Fysh*]

The CDC is also great because it presents an example of good governance and an opportunity for us to lead by example—to inspire entrepreneurs, to build capital and expertise in local markets, and to develop companies and structures capable of stewarding their own capital into the future. This is about building trust in the future in nations where often a pound tomorrow is worth a lot more than a pound in just a few years, because they do not have the necessary confidence in local structures, in the enforceability of contracts or in their politics. If we can build that trust into the future through these methods, we can help to create a virtuous circle that has a great impact.

This investment can also bring us opportunities in terms of commercial information and so on. My right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) made some great points about the way the CDC works and about some of the great people involved with it. This is about creating human connections and using this country's abilities to help nations develop in a positive way, to break down the barriers to development, to tackle crony capitalism, to reduce regulation, taxes and subsidies and licences, which often favour particular operators, and to enable more rapid growth and greater flexibility in those economies. That will also give stable politics a better chance in these places. I will happily support the Bill, and I commend it to the House.

3.27 pm

Stephen Doughty (Cardiff South and Penarth) (Lab/Co-op): I have clearly touched a nerve with some of my comments about the Bill, which I am afraid I will not be giving the wholehearted support that some in the House have given it today.

The Government have attempted to portray the Bill as a minor technical matter which should go through on the nod with minimal scrutiny and to which we should all give a big hurrah. What appears to be a minor technical two-clause Bill, however, is in fact far more significant and controversial. As we have heard, it proposes an immediate quadrupling of the limits on taxpayer funding of the CDC and then suggests a further doubling at the whim of the Secretary of State and without further primary legislation.

Now the CDC expansion, which has been significant from 1999 to the present day, has required only £1.5 billion of taxpayers' money, a large amount of it in the recapitalisation that took place last year. By stark contrast, the Bill will permit an increase of up to £12 billion over an as yet undefined period, although the explanatory notes make it clear that the Secretary of State intends to "accelerate CDC's growth over the current Spending Round".

That could imply giving three times extra to the CDC—£4.5 billion—in three to four years' time than it has needed in the last 17 years. According to the explanatory notes, this is justified as a response to an as yet undefined or evidenced

"forecast market demand over CDC's next strategy cycle and in order for the CDC to play a fuller role in the delivery of the UK's international development objectives."

Ministers rarely take powers without the intent to use them fully, and the transfer of powers to use secondary legislation should always be subject to robust scrutiny. I will explore in due course whether I believe this Bill,

and the proposed increase for the CDC, meets three key tests. It is not whether it has met its plans as defined in 2012, but whether, first, it has demonstrated enough effectiveness to justify such a huge increase; secondly, whether it ensures an adequate focus on tackling poverty in the poorest countries; and thirdly, whether it acts in a coherent way with respect to the rest of DFID and indeed wider HMG policy.

Let me first suggest my own answer as to why such a huge increase has been proposed, and why now. One of the primary reasons may lie in a little noticed change to the reporting of our aid spending—official development assistance or ODA—last year, which saw the CDC's contribution to meeting the 0.7% aid target dramatically altered. Until 2015, the investment activities of the CDC could either add to or subtract from our total aid spending. Simply put, we used to look at the net benefit of the CDC to developing countries by subtracting money flowing back to the CDC from the new investments it was making. In fact, this resulted in a positive contribution to our aid spending of £228 million in 2010; £91 million in 2011; £103 million in 2012; £100 million in 2013; and £42 million in 2014.

In 2015, however, there was a significant change. Instead of reporting with the same measure, which incidentally would, according to the House of Commons Library, have resulted in a negative contribution to the aid budget of minus £9 million, DFID changed its reporting so that the capital flow from the UK Government to the CDC is scored as ODA by DFID rather than the CDC scoring its own net disbursements as ODA. Instead of a negative impact on aid last year, the UK reported the capital increase reported to the CDC as aid, which was £450 million—a stark difference. We now looking at the total money DFID puts into the CDC counting as aid, regardless of which country or sector it ends up in, let alone whether it resulted in a net flow of resources to the poorest countries.

Why does this matter and how does it relate to the Bill? It matters because it would allow the Secretary of State to classify the entirety of future capital increases to the CDC as ODA or aid, potentially diverting, and effectively privatising, up to £12 billion of our future aid via the CDC, yet continuing to count it towards the 0.7% target. This is particularly important, given the different focuses and priorities of the CDC. I acknowledge that the differences have narrowed in recent years, and I shall come on to praise the work undertaken by the right hon. Member for Sutton Coldfield (Mr Mitchell) in this area. However, the differences between the CDC and DFID's objectives, and indeed its stated aims, are still significant, not least over whether our aid is focused on the very poorest countries that most need our support or on higher-income countries where we can more easily achieve quicker and bigger returns on investment. I shall return to this point.

Fiona Bruce: The hon. Gentleman suggests that the aims are significantly different, yet 83% of the new CDC investments are in DFID partner countries and 56% of new investments are now in fragile and conflict-affected countries. Is that not in line with DFID's objectives?

Stephen Doughty: As I shall come on to explain more fully, there has been a significant change and there has been a narrowing, but there is still a significant difference.

If we look at the bulk of the spending still being in India, we see a significant divergence from DFID's priorities, as I shall come on to show. We were told that aid to India had ended, but apparently it has not.

This is also significant when coupled with an answer I received to a parliamentary question. I discovered that the amount of aid—ODA—to be spent by Government Departments other than DFID is set to increase from 18% this year to 26% in 2019. That is over a quarter of our aid spending going through Departments other than DFID. Even if we focus on the lower end of the implied proposal to spend billions extra via the CDC by the end of the spending review—let alone the £12 billion—we could be looking at anywhere from 35% to 45% of the DFID budget being spent, but not by DFID in the traditional sense. If the Secretary of State used her full power and more quickly than expected, it could be even higher. It is particularly ironic that the Secretary of State who promised us greater effectiveness, transparency and accountability in our aid spending appears to be willing to hand over billions of our aid funding to less transparent and less accountable parts of government.

James Duddridge: The hon. Gentleman seems to be implying that aid spent through other Departments is a bad thing. He is shaking his head, which is good, because far from being a bad thing, I would view it as a good thing. If we are helping education institutions in developing countries, we should use the expertise in our Department for Education. If we are looking at tackling local government, it should not be looked at through the DFID lens, but should involve our expertise. The key thing is having the same standards across those Departments and meeting the high quality that DFID deploys.

Stephen Doughty: I was shaking my head because I agreed with much of what the hon. Gentleman was saying, but my question is about the volume—the amount—and the fact that it is increasing so rapidly. It is well known that many other Departments have looked enviously at DFID's budget, and have attempted to take parts of its cash for many years. My questions are these. Is the aid being spent effectively, is it being used in accordance with the correct principles, and is it coherent across Government policy? As the hon. Gentleman will know, there are some fantastic examples of joint units involving the Foreign Office and DFID, but over a quarter of our aid budget is being spent on a massive increase, and that is a big issue.

Mr Mitchell: Surely the hon. Gentleman can be reassured by the fact that the Government have a double commitment, applying not just to the 0.7% but to the way in which it is spent under strict rules. Of course, any money that is spent by another Department is subject to the full investigation and rigour of the Independent Commission for Aid Impact, which is a very important part of the equation. All ODA expenditure is subject to review and analysis by the development watchdog.

Stephen Doughty: It is indeed. I am a member of the ICAI sub-committee, and I hope that we will look into these matters in due course, as, I understand, will the National Audit Office. That scrutiny is very important.

Mrs Madeleine Moon (Bridgend) (Lab): I have seen the NAO's report, and what concerns me is the fact that it states:

"It remains a significant challenge for CDC to demonstrate its ultimate objective of creating jobs and making a lasting difference to people's lives in some of the world's poorest places. Given the Department's plans to invest further in CDC, a clearer picture of actual development impact would help to demonstrate...value for money".

Is that not the central problem? Does it not lie at the heart of the Bill?

Stephen Doughty: Absolutely. I shall return shortly to what the NAO report actually said, as opposed to the slightly glossed-over version that we heard from the Secretary of State.

Fiona Bruce: Will the hon. Gentleman give way?

Stephen Doughty: I will give way briefly, but then I want to move on.

Fiona Bruce: The hon. Gentleman is a member of the International Development Committee. He will therefore be aware that the Committee has committed itself to scrutinising ODA whichever Department it is spent through, and that the Secretary of State has confirmed that we should have full authority, and her backing, to do so. If he had attended the ICAI sub-committee meeting last week, he would have seen that, for the first time, we had before us a witness from another Department who was scrutinising its spending of ODA.

Stephen Doughty: Indeed. I apologise for not being present at that meeting, but, as you will know, Madam Deputy Speaker, I had other commitments at the time. Obviously the hon. Lady cannot attend all the meetings of all the groups in the House at any time either; she and I are both busy people. I hope that the Committees will investigate those matters, not least because of the volumes that we are talking about, but also because of the lack of transparency when it comes to documentation and the ability to scrutinise CDC's spending, not least through its use of tax havens.

These dramatic shifts—under the cover of a "minor technical change" that we should all rush through in the House—must always set the alarm bells ringing for those of us who seek to scrutinise the Government and their decisions. I do not want to spend long on this, but we must feel additional alarm when we look at the agenda of the Secretary of State, and consider what she has said about the Department being scrapped and about money being "stolen" and squandered. She does not like some of the headlines that have appeared in the *Daily Mail*. Obviously she does not like the headlines that have appeared in newspapers such as the *Financial Times*. However, we are now seeing wild claims and accusations in the right-wing press which are clearly coming from her Department. Indeed, her special adviser has previously called for the 0.7% target to be abandoned, and in 2013 in *The Sun* described aid as an "unaccountable, bureaucratic and wasteful industry".

Why does all this matter to the Bill? I believe that, faced with the legislative and political constraints of the cross-party support for the 0.7% aid target, the Secretary of State has opted for a stealthier route, and has chosen

[Stephen Doughty]

to undermine the Department by diverting and reclassifying aid. I appreciate that others may not share my sense of scepticism, so let me now deal with three practical objections to the Bill. The Secretary of State said that she wanted facts, so let us have some.

I should make it clear at the outset that I am not opposed to the existence of a development finance institution of the CDC's nature, or to its playing its part in our portfolio of international development efforts. Nor, obviously, do I oppose the funding of private sector projects. The development of a vibrant private sector, key infrastructure, and the support of new and emerging businesses in the world's poorest countries should be a key part of any balanced portfolio of development assistance, alongside investments in basic public services such as health, education, water, and support for agricultural improvement to tackle hunger and nutritional challenges.

The Secretary of State likes to give us the impression that she is the only person ever to have realised the importance of private sector development and trade to tackling poverty and promoting economic development, but the fact is that both have been at the heart of DFID's work since it came into being, under Governments of all political persuasions. Supporting trade is crucial to international development.

James Duddridge: I totally agree with the hon. Gentleman's point that economic development has been important to DFID, but does he agree with me that successive Governments have been wholly unresponsive to co-ordinated work on economic development, whether we call it prosperity or trade? Successive Governments have not pulled that together and grabbed the opportunity, which could really help to grow continents such as Africa out of poverty. Much more should be done, and this House should be holding the Government and future Governments to account on this, and ask them to do more, not less, with the private sector.

Stephen Doughty: It is a mixed record. We had a joint DFID-DTI—as I think the Department was called then—Trade Minister, my hon. Friend the Member for Harrow West (Mr Thomas), who did a lot of good work in trying to bring those things together, ensuring investment went to key infrastructure projects, different corridors in Africa and elsewhere, but it is a mixed record and the hon. Gentleman makes an important point.

There are many CDC investments that I and others welcome, which are well run and have delivered poverty-reducing outcomes in the poorest countries. We have heard about some of them today, such as those in Sierra Leone and Uganda. Indeed we were with the National Audit Office earlier today talking about some of the projects it had visited which clearly do justify our investment.

But where is the robust business case for such a large increase of billions of pounds of taxpayer spending? Why has this Bill been published before a CDC investment strategy? In the explanatory notes, the Secretary of State describes forecast market demand as the justification for the Bill. However, she has not explained this at all there; neither has she done so today, and nor did she in answer to a parliamentary question I put to her. I asked

her to explain this concept of forecast market demand, but instead of an assessment that might justify this spending of up to £12 billion of taxpayers' money, I was given some classic development waffle, such as:

“As set out in the UN's Global Goals, urgent action is needed to mobilise”.

The answer did not go into any level of detail that we would expect on the spending of such a considerable sum of money.

Let me also be clear that, as Members may have gathered earlier, I am also critical of a whole series of actions and policies at the CDC which I am sorry to say occurred under the previous Labour Government; the sell-off of Actis was mentioned, and there was also excessive remuneration, and massive investments made in markets that already attracted foreign investors—which incidentally is still going on. These are just some of the issues that should have inspired tougher intervention. To give credit where it is due, many of the actions that the right hon. Member for Sutton Coldfield (Mr Mitchell) took in agreeing that new strategy took us away from some of the mistakes made in the past, but my question is whether they have gone far enough in justifying such a huge increase in the funding.

We should look at what the NAO said. Yesterday's report noted:

“Our previous scrutiny of the Department's oversight of CDC led to important, positive changes.”

It points to improvements in financial performance, organisation, and prospective—let us return to that issue in a moment—development impact, as well as the clamping down on executive remuneration. The NAO also agrees that the strategy set by the Department in 2012 has been met.

However, as my hon. Friend the Member for Bridgend (Mrs Moon) pointed out, the question for the House today is not merely whether the CDC has made improvements on a previous record deeply mired in controversy, or whether it is now adhering to the strategy set for it—which we can argue was right or wrong—in 2012; the question before us is whether a good enough case has been made that the CDC is performing so well and so effectively that it should receive that volume of increase in funding versus other potential outlets for that development spending.

It is common sense that asking any institution, let alone one with a history of recent problems, to take on a significant increase in its funding over a short space of time may lead to less optimal outcomes, and, at worst, failure. Were we proposing an additional £12 billion for those dangerous campaigning NGOs or the dastardly World Bank, or worse still the EU development funds, I have no doubt that the Government Benches would be crewed by the anti-aid brigade warning of the risk of our aid being “stolen” or squandered. But because it is for a more obscure part of our development finance architecture and has the words “private equity” and “private sector” associated with it, we seem to be willing to accept a lower level of assuredness.

Mrs Flick Drummond (Portsmouth South) (Con): Did the hon. Gentleman also read the bit of the report that says:

“Through tighter cost control, strengthened corporate governance and closer alignment with the Department's objectives, CDC now has an efficient and economic operating model”.

and DFID's

"governance arrangements of CDC are thorough"?

Stephen Doughty: I did; I have read the whole report. It also states:

"It remains a significant challenge for CDC to demonstrate its ultimate objective of creating jobs and making a lasting difference to people's lives in some of the world's poorest places."

It goes on to make other serious criticisms. On reporting impact, the NAO says:

"Changes in reporting development impact over the last four years have made it difficult for CDC and the Department to set out a consistent picture of what has been achieved."

It criticises the CDC's failure to deliver on the evaluation contract, which was a key part of the business case for the last recapitalisation involving more than £700 million. It criticises the CDC's claim to have created 1 million jobs, stating that

"in 2015 it reported that more than one million direct and indirect jobs had been created... CDC does not attribute these jobs directly to the investment it makes in the company. Since 2012 it has been considering how to measure job quality but has not yet established an overall methodology to do so... its progress has been slow".

Worryingly, the NAO warned that

"recruitment and retention challenges remain a significant risk to CDC's operations."

That is crucial for an organisation planning a massive financial expansion.

The CDC has indeed clamped down on excessive pay, although the CEO still takes home more than £300,000 a year, which is significantly more than the Prime Minister. However, the NAO also reports that

"the Department and CDC will shortly be negotiating a new remuneration framework".

Could we expect salaries to go back up? Particularly worrying, one would think, for a Secretary of State who thinks that most of our aid is being "stolen" or "squandered" is some of the NAO commentary on the CDC's efforts to tackle fraud and corruption. The NAO tells us that the CDC has

"only recently established systems to consolidate records of all the allegations it receives... This made it harder for it to provide comprehensive reporting to the Department."

The NAO report states that DFID's own internal audit team concluded that the figure of just four allegations of fraud and corruption at the CDC in the entire period from 2009 to 2016 was "surprisingly low". At the very least, the CDC is worthy of the same level of robust scrutiny and criticism that is levelled at other development funding outlets.

Fiona Bruce: The hon. Gentleman asks where the business case is. Has he seen the letter of 23 November from the Secretary of State? In it, she says:

"No new capital to CDC would be released without a business case subject to full Ministerial scrutiny and approval and the agreement of CDC's board."

Stephen Doughty: That might be reassuring to the hon. Lady, but it does not reassure me, not least because the CDC has not even let the evaluation contract that was a key part of the last business case.

Let me turn to the disjoint between DFID's priority countries and those in which the CDC operates. That disjoint is likely to grow even larger with such a significant

uplift in funding. Even with the refocus in 2012, the list of 63 countries in which the CDC is allowed to invest is significantly larger than the approximately 35 countries on which DFID normally focuses its efforts. The list includes many countries to which DFID has ended its bilateral funding. The CDC can invest in India, South Africa—albeit with caveats—the luxury Indian ocean islands of the Seychelles, the Maldives and Mauritius, and many countries across north Africa including Egypt. Despite their problems and challenges, those countries would not normally be regarded as among the poorest in the world.

According to the House of Commons Library, the CDC spends more in gross aid and official development assistance than DFID does in certain—often middle income—countries and regions, including some rather odd examples such as Algeria, Costa Rica, Mauritius, Morocco, South Africa and Thailand, as well as the more expected locations such as Cameroon, Niger and Côte d'Ivoire. Even if we discount the pre-2012 legacy investments in Latin America, the CDC is still investing the largest amounts in higher-income countries, according to data released to me in another parliamentary question.

At the top of the CDC investment list are India, which has received £760.5 million since 2009, South Africa with £194 million and, oddly, Egypt with £53.6 million. If we include the pre-2012 legacy investments, we find even more odd examples. India, South Africa—with caveats, as I said—and Egypt remain on the list of eligible countries for CDC investments, which is rather remarkable, given the fact that the last three Conservative Secretaries of State have made a huge meal of the fact that aid to India was ending. I find this strange. I took a long time to be convinced of the need to end our aid programme in India. There is clearly severe poverty in a whole series of Indian states. It is odd that a lion's share of the CDC's investments continue to go into a country that is not exactly the kind of frontier place for investment that the Secretary of State was talking about earlier. Is she really saying that India struggles to attract private investment capital and that we should be there at the forefront of those giving aid? I would find that hard to believe.

The House of Commons Library has found that the share of new investments in the poorest least-developed countries increased, but from just 4% to 12%, and the increase was from less than 1% to just 4% in the lower-income countries. The lion's share of the CDC's investments remained in the lower middle-income countries. The CDC's own annual report for 2015 admits that its top four highest country exposures are: India with 23%; China with 14%; Nigeria with 7%; and South Africa with 6%. It also tells us that just 6% of its investment goes into agriculture and just 6% into education. Bizarrely, those are not far ahead of real estate and mineral extraction. Focus has clearly improved, but the easiest and quickest returns for the CDC remain in certain sectors that are far removed from traditional, vital development impacts and in huge markets such as India and South Africa, not the world's poorest countries. If the Secretary of State's agenda is all about building a bilateral trading relationship with India in the post-Brexit environment and if we need to push our aid that way to sweeten deals, we should come clean about that. Many people feel that things are headed that way. Funds are not going towards the Department's original development objectives.

[Stephen Doughty]

Why does the CDC require such a potentially massive capital injection of taxpayers' money when it managed perfectly well without one until last year? It recycles 100% of its profits and has total net assets of £4 billion, which rose by 16% in the last year, and an investment portfolio of £3 billion. Why does it need additional money in such large volumes?

Turning to tax havens and coherence, the Chancellor told us in last week's autumn statement that the Government are committed to tackling tax evasion, avoidance and aggressive tax planning and today the Business Secretary told us all about Government plans to crack down on corporate governance. The Government have repeatedly claimed that they have attempted to crack down on tax havens—not least in the aftermath of the Panama papers. Yet we find the CDC's investment vehicles in those very papers. No less than 11 CDC subsidiaries are located in the Cayman Islands, 40 in Mauritius, and five in the Channel Islands. Oxfam points that three quarters of CDC investments in 2013 were routed through jurisdictions that feature in the top 20 of the Tax Justice Network's financial secrecy index. Christian Aid has also been critical of the CDC, stating that it

"has been shown to be a heavy user of secretive tax havens, which serve both to obscure what is really going on with its investments and can also reduce the amount of tax its investee companies pay in poor countries".

Even if Ministers, the International Development Committee or others wanted to scrutinise properly what is going on, the lack of transparency and detail provided by the CDC and the fancy shell companies make it incredibly difficult.

Our wider development and sustainability policies might also be incoherent. Many CDC projects are clearly coherent with DFID objectives and the sustainable development goals. We heard about electricity in Uganda and other excellent examples of investment in micro-finance, so there are clearly many high-quality projects, but there are some odd inconsistencies. The CDC apparently invests £29.2 million in GEMS Education Africa, the website of which describes a network of private fee-paying schools and education providers in "leafy, residential" locations which charge anything from around 582,000 to 1,287,000 Kenyan shillings a year—up to £10,000. The CDC also holds a 22.8% share in Rainbow Children's Medicare Private Ltd, a fee-paying private hospital group in India that the NAO visited as part of its inquiry, saying that the investment was apparently in the whole company and not even focused on improving access for the poorest, for example. The former Secretary of State, the right hon. Member for Sutton Coldfield (Mr Mitchell), mentioned Feronia Inc. in which the CDC has invested £15.1 million. The main boast on its website is of replanting 13,000 hectares of palm oil, a commodity which is linked to deforestation, habitat degradation and climate change.

Without being able to get more detail from the CDC's documents, it is difficult to know where the money is going and what it is being used for, but those are odd examples of spending going towards wonderful development objectives. The CDC continues to operate free from day-to-day policy guidance and intervention from Ministers. Oxfam points out that the CDC was assessed as poor in the aid transparency index in 2012,

but there have been few improvements since then. All who support the cause of international development and poverty eradication face a tough task in justifying that spending to the public—however small a proportion of overall Government spending it remains. I am sorry to say that the task is not helped in any way by the misleading spin put out weekly in tabloid newspapers by the current Secretary of State, which was not a hallmark of her Conservative or Labour predecessors.

I am normally able to make a case for our development spending by appealing to moral duty and our national interest, not least when it comes to dealing with countries of conflict or instability, or with the huge migration flows we see. I am heartened by those among the younger generations who care about the prospects of our fellow humans around the world. I recently visited Moorland Primary School, in one of the more deprived areas of my constituency, where children told me that they wanted me to speak to Ministers to get more money provided for education in the poorest countries, and to ensure that children are able to go to school and that they have healthcare and clean water. I will struggle to explain to those children why the Secretary of State wants to spend billions of our taxes handing money to what is, in effect, a privatised firm, that does not need this amount of money; that gives large portions of it to countries that do not need it; that pays its chief executive officer more than £300,000 a year; and that invests through tax havens. It has some laudable aims, but it is not proving its effectiveness.

In conclusion, the Bill massively increases that funding to CDC and it fails three crucial tests. The first of those is the effectiveness test; the NAO assessment simply does not provide the evidence needed to back up such a huge increase in funding—has CDC even requested it? Secondly, it fails the poverty-focus test, as CDC remains massively focused on higher-income countries and high-return sectors, rather than on those that we should be pushing our efforts into. Thirdly, it fails the coherence test, given the continued use of tax havens and projects that simply do not sit comfortably with our wider development objectives. In its current form, this is a bad Bill. That does not mean that I do not support the continuation of CDC and that I do not recognise that much of its work is good, but this level of increase is a stealthy way of diverting money away from our work in DFID, alongside the diversion to other Departments. We ought to scrutinise the Bill very carefully in Committee.

3.56 pm

James Duddridge (Rochford and Southend East) (Con): I suspect I am going to have the privilege of serving on the Committee with the hon. Member for Cardiff South and Penarth (Stephen Doughty). I will not go into this at the same length as he did, but I say to him that he should beware: we are both supporters of DFID and of the 0.7% budget, but our enemies out there will use his comments and his narrative to criticise the fundamentals we believe in. I do not want to stand in the way of proper scrutiny, but hon. Members on both sides of the House should be very careful about the tone of the language we use, because we do now have consensus going forward.

I draw attention to my entry in the Register of Members' Financial Interests and say from the outset that I am incredibly proud of our 0.7% commitment and of the

work that the CDC does. I would find it strange to find any Conservative MP standing to support the work of Clement Attlee and Clare Short in one sentence, let alone one debate, but we do stand united in this work, despite the blips over the years, many of which my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) has resolved or has at least been able to point in the right direction.

My experience of the CDC has been substantive over time. I was a young banker in a small place called Nhlanguano, one of the poorest places in Swaziland. It was CDC investment in the Shiselweni Forestry Company, my main client, that really generated wealth for that area. It put food on the table for the thousands of citizens and the hundreds of other clients that I had as a banker in that country. Over the years, Swaziland has been helped by 16 different CDC projects. The one for which I was the banker has now moved on—it is profitable and continuing, but not under a CDC auspice—but CDC is still in the forestry sector in Pigg's Peak, Swaziland.

In the Ivory Coast, I was interested in delving into a francophone country, looking beyond the Commonwealth, to see what we were doing in developing middle-income countries that can provide inspiration and trade throughout the geography of west Africa. Although I did not have any clients from the CDC, I used to work for Banque Atlantique Côte d'Ivoire, now part of the Atlantic Bank Group, in which CDC has invested. The small bank I was a member of had only about 30 employees. I am not sure exactly what has happened subsequently, but during that investment period that small bank has become much larger, with banks in Benin, Niger, Burkina Faso, Mali, Togo, Senegal and Cameroon. Those countries—a real mix of countries—are hard for British development aid to reach, but are a really good example of where the CDC can assist.

I wish to mention, as other colleagues have, the great work of Diana Noble, who took on the job at a difficult time, and who has transformed the organisation and led a very strong team. I wish her well in her future beyond the CDC.

To those who work at the CDC, I say thank you, because in many ways they are between a rock and a hard place. People involved in African private equity feel that those at the CDC are putting development before profit, and are not earning lots of money. The non-governmental organisations think that they are putting profit before development. In truth, they are in a sweet spot in the middle, and they do exactly what Clement Attlee wanted: to do good without losing money. In many ways, this is the gift that keeps on giving. Comparison has been made between a pound that goes into traditional aid, and a pound that goes into the CDC. The main difference is that the pound that goes into aid is spent immediately, which is very positive, but the pound that goes into the CDC is retained—it is an investment that grows, whether that is by the 7.8% that we have seen over the past five years, or by a slightly more modest investment target of 3%, which focuses more on the development aspect.

As a former banker, I am perhaps the only Member in the House who can get thoroughly excited about compound interest, but, over time, this is a growing pool of money. There are those who will wonder why we are talking about £1.5 billion, when the assets of the

CDC are nearly £3.9 billion. That shows the power of investment—of retaining the money. It is the gift that keeps on giving.

I, too, have looked at the investment in palm oil in the Democratic Republic of the Congo, where 9,000 workers are employed. I have dealt with places such as DRC and Burundi—other colleagues have interacted with them—and they are horrendously difficult places in which to work. They are also politically difficult for the UK Government, but the CDC, through its intermediaries, provides inspiration in those places.

The CDC also actively targets countries that are low on the World Bank's ease of doing business index, of which I am a great advocate, as a way of proving that business can be conducted more effectively if one can speed up the ease of doing business.

Celtel has been mentioned. Indorama in Nigeria is fantastic. Like Sir Paul Collier, I very much believe that the real benefits and advantages of economic development in Nigeria will come through Port Harcourt and not through the oil industry.

This is, to reiterate a point I made in an intervention, a progressive Bill. I do not share the concerns of the hon. Member for Cardiff South and Penarth that it is a Machiavellian way of diverting money. A business case will come. I do not believe that the Secretary of State will bring forward a business case to spend the full £6 billion over the course of this Parliament. Even if she does, it will still only be 8% of the overall DFID budget for those years. Obviously, the £12 billion of investment is compounded over time. It should not be compared with the slightly larger figure, which is our annual investment in the budget. We need to be careful that our enemies do not take advantage of our criticisms and use the similarity of the figures to make it look like there has been a sea-change on this Bill. If this Bill was about taking money from the poor and making money for the sake of it in India and South Africa, I would not support it.

Mark Durkan (Foyle) (SDLP) *rose*—

James Duddridge: I will not take the intervention, because I want to conclude.

I strongly support the CDC. It is the right move and it is a progressive move. I hope that Members from both sides of the House will agree to have a proper debate in Committee and to support the Bill on Third Reading to start to grow Africa in particular but also Asia out of poverty.

4.4 pm

Alan Brown (Kilmarnock and Loudoun) (SNP): It is a pleasure to follow the hon. Member for Rochford and Southend East (James Duddridge). The hon. Gentleman was very robust in saying that the CDC is a gift that keeps on giving, as the aid keeps getting recirculated, but I would gently suggest that if it was as simple as that we would not need international aid at all, because we could just have that gift keeping on giving. It is quite clear that we still need international aid and we need to protect international aid budgets.

It is clear that there is consensus across the House that the principle of the CDC is a good one; a not-for-profit private sector company that encourages growth and

[Alan Brown]

additional investment in developing countries is very welcome. We have heard that it has stimulated growth and investment with varying degrees of success over a long period of time. We have also heard that it is not infallible; it has had issues and is starting to address them in a welcome way. Yesterday's National Audit Office report shows that there are still further issues to address, so I agree we need a robust debate in Committee to try to pick up on them.

We have heard about salaries, and excessive salaries have clearly hit the news in the past. Yesterday's report welcomes progress on reducing average annual salary costs from a high of £154,000 in 2009 to £90,000 in 2015. That is still quite a decent average salary; I think most people could live off that. The report acknowledges that the CDC has expressed concern about staff attrition and difficulties in recruitment as a consequence of lower salaries, but the report also notes that the staff attrition rate has plateaued at about half of its peak in 2012. I also note that salaries have increased again year on year from 2013. That suggests that a balance has been reached between staff attrition and salaries, but we need to watch that salary levels do not keep on increasing year on year. As we have heard elsewhere, £300,000 for a chief executive is a good salary. It is higher than that of the Prime Minister or of the Secretary of State for International Development. That chief executive's salary has exceeded £300,000 for two years running now.

Mr Mitchell: Although £300,000 is a large salary, will the hon. Gentleman at least accept that in coming to take this job Diana Noble took a massive salary reduction? He should bear that in mind when considering these salaries.

Alan Brown: I note the right hon. Gentleman's comments and, yes, if she took a massive reduction in salary that is clearly welcome, and the overall salaries have reduced, which sets a marker for the future if Diana Noble chooses to move on. At least there is a lower salary peg, and she has led the way with that. I accept that, but we need to recognise that it is a substantial salary. That cannot be forgotten.

The NAO report also states that there is now a greater focus on investing in poorer countries rather than markets that already attract foreign investors. That is welcome, but according to a Library paper investment in the poorest countries has increased from 4% to only 12%, with 4% of investment in the next income tier countries. Investment in the upper middle income countries exceeds the combined total of 16% in the lower two tiers. More work needs to be done and a measurable target should be put in place to encourage investment in the lowest income countries.

The NAO report also confirms that, as regards its financial performance, the CDC's annual return on its portfolio ranges from 4% to 18% against a target of 3.5%. Normally, when a target is massively exceeded that suggests that it is too low or, as seems to be the case here, the returns are too high. If the returns are too high, either more money is being returned from the countries that have been invested in than is necessary or not enough marginal projects are being invested in. That needs to be considered. I accept that some of the

historical returns are due to legacy projects that were invested in and had much higher returns because of the hedge fund system, so I hope that that will continue to be addressed and that we will see lower returns and the right investment in projects.

Although the NAO report says that there is a robust cost basis and that the CDC is in a good place to go forward, as has been mentioned by some hon. Members, what stands out is the need for better assessment and reporting of outcomes and the planned impact of investment. A more accurate assessment of the jobs created is required, as well as

"a clearer picture of actual development impact".

That is crucial. To this end, it is clear that the NAO recommendations on performance targets and an evaluation contract must be implemented as soon as possible.

The NAO believes that the absence of a measure of additionality is a flaw, as additionality is a core principle of the investment strategy. That needs to be remedied. The Department should consider making it mandatory for the CDC to report on the four indicators outlined in paragraph 2.23 of the NAO report, which correlate to the CDC business case.

As has been mentioned, several organisations have expressed concern about the CDC's tax transparency. "Transparency" is a buzzword that has been used by both the Prime Minister and the Secretary of State. If the CDC does not lead by example, it does not encourage other investors to avoid the use of tax havens. Worse still, the use of tax havens reduces the tax take of developing countries, preventing their Governments from generating additional revenue that they could invest in capital schemes, services or revenue support schemes. As long as the CDC has a model whereby it re-invests profit, it cannot adopt the "profit at any cost" ethos of the worst of the private sector. That becomes self-defeating, and smaller returns resulting from paying its full tax dues should not be a matter for debate.

It is clear that the use of tax havens takes away from the sustainability of developing countries. It is some five years on since the International Development Committee advised that transparency is essential for the public to hold the CDC to account. At present the CDC is still some way off best practice and the transparency that the Government aspire to. The CDC scored "poor" in the 2012 aid transparency index, so for the Government to commit huge amounts of extra funding before improvements are made is not consistent with the Secretary of State's stated aim of improving transparency across the aid budget. Aid cannot work in the national interest if three quarters of the CDC's investments are routed through jurisdictions that feature in the top 20 of the Tax Justice Network's financial secrecy index. That cannot be in the long-term national interest.

Oxfam has highlighted this issue, as well as other concerns about transparency, suitable investment and the use of tax havens. In addition, Christian Aid, which is a member of the ACT Alliance, a global coalition of more than 130 Churches and organisations engaged in humanitarian assistance, has called for an end to the use of tax havens. It is clear that the practice must be ended.

The founding principles of the CDC are good. Some of its working needs to be fine-tuned, and it is important that this happens before any more Government money

is funnelled in. It needs to be explained what share of the overall aid budget this increase constitutes and what other types of aid might be reduced to make way for this investment. As others have asked, why have the Government introduced this Bill before publication of the CDC's investment strategy for 2017-21? I note that the autumn statement last week shows a net decrease in overseas development assistance of some £80 million next year and a further £210 million the following year. It is crucial, therefore, that an arm's-length company is not funded at the expense of other required aid. As the NAO report states:

"It remains a significant challenge for CDC to demonstrate its ultimate objective of creating jobs and making a lasting difference to people's lives in some of the world's poorest places."

We must not forget that. We need put in place everything that is necessary to allow that to happen.

4.14 pm

Mark Field (Cities of London and Westminster) (Con): Although this is a relatively straightforward Bill, which I had hoped would have the support of all Members of the House, it is worth examining some aspects of the strategic background to our DFID commitments.

I associate myself wholeheartedly with the wise and experienced words of my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) and my hon. Friend the Member for Rochford and Southend East (James Duddridge) when they touched on the transformation of the CDC's work over the past half-decade or so. I must confess that I did not recognise some of the rather more jaundiced views of its work, as set out in the rather long contribution from the hon. Member for Cardiff South and Penarth (Stephen Dougherty).

Fiona Bruce: Does my right hon. Friend agree that the selective quoting of the NAO report by the hon. Member for Cardiff South and Penarth, who is no longer in his place, did not do justice to its conclusion that, overall, DFID's grip on the CDC is strong and that the CDC has made radical improvements since the NAO's last report in 2008?

Mark Field: I agree with everything my hon. Friend has to say.

I am glad that the Secretary of State is now back in her place, and I wholeheartedly support her somewhat expansive approach, which has been criticised in certain quarters during the debate. She appears determined to ensure that the UK utilises all its assets, including the DFID budget, to secure an optimal deal for the nation, not just as we extricate ourselves from the EU, but in the years to come.

That must mean extending DFID's reach beyond the traditional aid referred to in the debate to broader development and infrastructure and to things such as security, but also to community sustainability and resilience across the globe. That change is long overdue, and I should like briefly to set out some of the somewhat negative ways in which DFID's culture has developed since the Department was established in 1997, which I sincerely trust the Bill will help to address.

DFID was originally seen as a key component of an ethical foreign policy, centralising in a single Department overseas aid moneys that were previously in the budgets of the Ministry of Defence and the Foreign Office.

The result was that those major Departments of State were left at that time with little or no financial autonomy on key international projects—regrettably, in my view.

Instead, a new culture of programming took hold in DFID, which managed out what was seen as inappropriate spending that could cause presentational problems for the Government of the day. Cautious mandarins became more risk averse, and DFID project money was routinely awarded to known international bodies, such as the World Bank or UNICEF, rather than to smaller, nimbler UK organisations and businesses.

That ensured that the Government would not be seen to be promoting corporate Britain abroad under the cloak of humanitarian assistance, but it also left those recognised brands to deal with any fallout, should questions be raised about the success of particular programmes. Indeed, the very respectability of those organisations tended to mute any testing questioning about the effectiveness and impact of what has become an ever-larger amount of British aid money. That shift, I fear, went hand in hand with the emergence of increasingly professional bidders, who learned to speak the language of DFID programmers to win contracts.

Too often, the result has been ponderous, expensive and wasteful programming, and I know that that culture is very much in the sights of the Secretary of State, who wants to eradicate it. In part, DFID programmers have often been overloaded with cash, which has been increasingly bundled off to the international bodies I mentioned. I am therefore absolutely delighted that the Bill increases the scope for money to be used by domestic bodies that are within the Government's control and able to enact the Government's priorities in the new world rapidly unfolding before us.

My right hon. Friend the Member for Sutton Coldfield laid out the way in which the CDC rightly operates. There is rightly oversight from not just the Government but a range of Select Committees, but we ultimately leave the organisation to get on and do the job that it is best able to achieve.

We need, above all, to ensure that DFID is not as process driven as it has perhaps been in the past, which has reduced our agility in this field and risked the benchmark for the success of our development aid being simply the amount spent, rather than the added value delivered, as has been referred to. That does not make our ongoing 0.7% commitment to overseas aid wrong—some of my right hon. and hon. Friends would probably disagree with that—and I am absolutely supportive of it, as is my hon. Friend the Member for Rochford and Southend East. Indeed, the case for extending Britain's reach in this field grows stronger every day as we are confronted domestically with problems whose roots start many thousands of miles away.

I do, though, question whether, particularly as we leave the EU, large parts of DFID's budget should not now be made available to the Foreign Office, the Ministry of Defence or the Department for International Trade, all of which should, necessarily and rightly, come under some scrutiny and oversight from DFID, but there should, none the less, be that sense of joined-up co-operation within Government. That would enable and authorise those on the ground, whether in overseas embassies, military bases, or part and parcel of our intelligence services, to spend sensibly, carefully and locally against agreed objectives rather than within the rather ham-fisted DFID programming process.

Sir Hugo Swire (East Devon) (Con): I am listening very carefully to my right hon. Friend and agree with everything he has said so far. Does he agree that there are still some savings to be made by bringing all those agents and representatives of Her Majesty's Government abroad under one umbrella? Too often we see competing officials from the different Departments who, in order to save money, should all come under the umbrella of, probably, the Foreign and Commonwealth Office.

Mark Field: You can take the boy out of the Foreign Office but obviously, when it comes down to it, you can't take the Foreign Office out of the boy. I suspect that this will be a live debate going forward. I know that my right hon. Friend feels very strongly about such matters.

Mr Mitchell: My right hon. Friend is quite right to slap down the former Foreign Office Minister, my right hon. Friend the Member for East Devon (Sir Hugo Swire), on his implied suggestion that we should go back rather than forwards and put DFID under the Foreign Office: that is basically what he was saying. We have long ago said that that is the wrong way to proceed. Let me point out that there are already pooled funds of the type that he describes. In my day at DFID—I have every reason to believe that this continues—whenever there was eligible funding under the ODA rules that the Ministry of Defence or the Foreign Office wanted to spend, they would always have access to those funds. The huge amount of DFID money that goes through the Foreign Office now bears testament to that.

Mark Field: I would like to think that I am much too diplomatic to slap anyone down, although he knows where we are all coming from.

Sir Hugo Swire: Will my right hon. Friend give way?

Mark Field: One last time, yes.

Sir Hugo Swire: Just to clarify this, I am not sure that my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) was correct in saying what I was proposing. I was certainly not suggesting that the Department should come back within the Foreign Office. I was merely saying that I saw huge synergies to be achieved overseas where we have representatives from many Departments, including the Ministry of Defence, DFID and the former Department of Energy and Climate Change, and that we should look towards making greater savings so that we can spend the money where it is needed.

Mark Field: I am sure that my right hon. Friend the Member for Sutton Coldfield was not wilfully misleading anyone on these matters. I am going to be slapped down myself by the Whips if I am not careful, because I need to make a little progress.

I hope that in further empowering the CDC, which, as has been pointed out, is 100% owned by Her Majesty's Government, we are now making way for a more cross-departmental approach, with the DIT and indeed the FCO able to access CDC funds for projects within the key Commonwealth states, particularly in Africa and South Asia.

In this very dangerous and uncertain world, the importance of integrating our foreign aid with military, diplomatic and trade commitments cannot be overstated. To prevent crime, to curb new waves of immigration, and to stop the spread of disease, our efforts can be made more effective by concentrating on the source of an issue. Hunger relief and health programmes may of course be laudable in their own right, but British people want urgently to understand how DFID money benefits them personally, and so there will no doubt be widespread support for more money being channelled through bodies such as the CDC rather than—dare I say it?—virtually unaccountable international organisations that have previously received millions of pounds in UK aid. We should also, as a matter of course, communicate how strengthening our ties with developing countries will be of huge benefit in terms of our trade, energy and security interests in this post-Brexit era. By moving away from a situation where too much of DFID's budget and powers has been placed in the hands of international non-governmental organisations, I firmly believe that we will be able better to fulfil many more of our nation's broader strategic interests.

4.24 pm

Tommy Sheppard (Edinburgh East) (SNP): It is a pleasure to follow the right hon. Member for Cities of London and Westminster (Mark Field). It is quite pleasant to be in the Chamber listening to the debate, because even though we appear to have differences over tactics and policies, there does seem to be some agreement on the overall objectives that we are trying to achieve, and I very much welcome that.

As far as I can recall this is, as my hon. Friend the Member for Glasgow North (Patrick Grady) said, the first opportunity we have had in this Parliament to discuss the wider strategic direction of the Department. I welcome the fact that the Government have achieved the 0.7% target. I commend them for doing so and providing an example to the rest of the world, particularly to our partner nations, to encourage them to do better with their aid budgets. Now that the Secretary of State is back in her place, I congratulate her and welcome her conversion to supporting her Department's aims, rather than continuing with her previous attitude.

I was first exposed to the idea of international development as a kid at school in the late '60s and early '70s, when my mum was an enthusiastic participant in Christian Aid Week. I remember her spending a lot of time trying to raise money for Christian Aid to support projects in southern and eastern Africa. That was a long time ago, when I was very young, but I thought it was remarkable that, despite the fact that many people in my community lived in straitened circumstances, there was a common decency—people understood that there were always others who were worse off, and that they had a common humanitarian responsibility to make some effort to assist, no matter how small.

Even in those days, there were critics of aid—of Christian Aid, Oxfam and all the others—who took a less selfless and more parsimonious attitude. Their criticism was twofold. They questioned whether the aid was actually going to the people in the destination countries who needed it most, and there was a continual suggestion that the people working in aid and organising the efforts were lining their own pockets.

Many of our NGOs—Christian Aid, Oxfam and others—have had to work for the last 40 years under the veil of those accusations. They make quite sure that they can counter those accusations and demonstrate that they are directly involved in projects in the countries that need it, and that they work with the people in those countries to achieve sustainable development. They have also had to make public details of their organisation and cut their administrative costs to the core so that they can demonstrate that they are delivering the maximum number of pennies per pound for the purposes for which that money was given.

I commend all those NGOs for doing so, but here is the problem with the CDC that we need to address. This does not apply to the majority of the projects in which the CDC is engaged, and it is not the CDC's objective, but in quite a few cases, and not just occasional instances, public money—taxpayers' money—has been used for purposes that people such as my mum would have difficulty comprehending. How can we justify, for example, the use of \$3.5 million to support the development of a gated community in El Salvador for the super-rich? How can we justify the development in Nairobi of the Garden City Village and the shopping malls—\$24 million, in that instance? How can we justify the development in Mauritius of the ocean village, with apartments costing a minimum of half a million dollars? It is difficult to hold those examples up and say that we are doing the right thing.

We need to make sure that that does not happen again. I have had arguments with people who justify such projects on the basis of the trickle-down theory. They say, "It may be a five-star hotel in an area of desperate deprivation, but look at the jobs that are being created." Anyone who seriously thinks that an investment of \$20 million or \$30 million to create 50 low-paid service jobs in a hotel is an efficient use of aid money needs to re-examine their priorities. Let us assume that we do not have to engage with that neo-con argument.

I am not simply talking about things not being achieved; the situation is worse than that. By spending money on such projects and making mistakes with them, we may replicate and ingrain some of the structural problems that prevent us from raising the lot of the mass of the population in the first place. We need to be absolutely clear that such projects should not be some sort of international welfare scheme for capitalism, where we allow people to get super-rich while the poorest stay where they are or, in relative terms, possibly become even worse off.

In that context, I want to mention the whole question of salaries and remuneration within the CDC. This is not to criticise or castigate any individual in any way, but I thought the Secretary of State did well to keep a straight face earlier in the debate when she talked about the chief executive's salary being reduced to just £300,000 per year. Most people would question whether it is right that someone leading an organisation whose ostensible role is to combat global poverty should get that level of reward in that job. I accept that part of the game is to play the private equity markets and to try to lever in funds, and we need to let people play such games. However, I welcome the education from the right hon. Member for Sutton Coldfield (Mr Mitchell), who described the renationalisation of a part of government that was privatised under the Blair Administration. That was right because while these people are engaged in private

equity schemes and trying to play capitalism at its highest level, they should remain public servants. Their ethos and their remuneration—how they are rewarded—should be as part of the Government operation that is working for such people on behalf of this Parliament. They should not be cut loose and allowed to pretend that they can operate like private bankers. I very much hope that we can have a solid look at the level of remuneration that operates in the CDC.

As my hon. Friend the Member for Kilmarnock and Loudoun (Alan Brown) has mentioned, yesterday's National Audit Office report says a number of things. I was struck by the fact that it says—the right hon. Member for Sutton Coldfield remarked that people working in the organisation looked over their shoulder with some apprehension when the Department's officers came to call—there is a need to clarify that the Department should not be involved in individual project decisions and should distance itself. I agree: you do not own a dog and then bark yourself. If we are to hire people to do the job, particularly where it entails taking risks, we should let them get on and do it. I accept that, but the corollary is that we need to be much more hands-on in determining the strategy within which they operate and about the objectives that they are trying to achieve with their individual decisions. I therefore think it is probably putting the cart before the horse to have a discussion on this Bill before we have seen the CDC's strategy for 2017 to 2021, which I presume is in preparation somewhere. Will the Minister tell us in his response whether we will be able to look at the strategy when it comes to the House?

The other point I want to make is about transparency. In 2013, three quarters of all the money going through the CDC's accounts went to fund projects in the top 20 least transparent countries, where we are trying to improve things. Back when we discussed the Panama papers earlier in the year, the then Prime Minister and Government were very explicit about how we would try to clean up this mess, and about how Britain would lead a campaign for financial transparency throughout the world. The absence of such transparency of course creates the conditions for illegality and for corruption in many of the target countries that we are trying to get aid to. I presume that that attitude has not changed and that we are still trying to lead a campaign for financial transparency. I therefore think it is very important, through the realm of the CDC, to make sure that when we try to lever in deals in these countries, we do so in a completely transparent way. We could start by making a commitment that the CDC will pay all the taxes due on projects in the countries in which it operates. We should also make sure that we use whatever pressure we can apply through third parties to advance the campaign for transparency.

That is pretty much all I have to say, except that we still live in a world where we have tremendous challenges and problems of extreme poverty, malnutrition, disease and illiteracy. I accept the need to play international capitalism at its own game and to try to lever in funds—to operate in the way that the CDC has been doing—but the end objectives must always be to make that situation better: eradicating poverty, combating illiteracy, eradicating disease. When we come back to look at the strategy document, we must set ourselves the challenge of making sure that everything the CDC does—every project it gets involved in—can, at the end of the day, be justified by attaining those objectives.

4.34 pm

Mrs Flick Drummond (Portsmouth South) (Con): It is a pleasure to speak in support of a Bill that will strengthen one of the world's oldest and most respected development organisations. The Commonwealth Development Corporation has always enjoyed cross-party support, and has been an important part of the transition of Britain from colonial power to leader of international development. The Bill is a sign of the focus this Government have given to the CDC and to our overseas development programmes across the board. We can be proud of our commitment to supporting overseas development in all its forms.

As my hon. Friend the Member for Congleton (Fiona Bruce) said, when this Government took office in 2010 the CDC was a byword for strategic confusion and mismanagement. Everyone from the National Audit Office to *Private Eye* could find something to object to in either its structure or its activities. Thanks to the work of this Government, initiated by my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) and followed up by his successors, the CDC and the way DFID manages it have evolved and improved. The CDC has radically transformed its approach over the past five years, following new objectives agreed with the UK Government. It targets investment where it is most needed, has the greatest impact for the poorest and delivers value for money for the UK taxpayer.

Many of the fears about the Bill and criticisms of the CDC that have been aired today belong to a different era. Some of my constituents have raised the issue of the amount of money that we spend on foreign aid. It is important that that money is spent wisely and transparently in helping countries to develop economically. A strong country will provide for its citizens, meaning that there will not be the economic migration that we have seen over the past few years.

By channelling money through the CDC, we can clearly see where it is going and where it is working. Although the National Audit Office report published yesterday identified some further room for improvement, it was very positive about the work done by DFID and the CDC, as the Secretary of State laid out. I am pleased that Members recognise the great improvements made since the 2008 NAO report and the criticisms of the CDC made by Select Committees in the 2005 Parliament.

I will focus on the reality of the CDC, the future of its work and the potential we will create with the passing of the Bill. The long-term aim of overseas development policy is to build economies and societies like our own—educated, free, and politically and economically stable. The philosophy behind the CDC has always been the same: give someone a fish and we feed them today; teach them to fish and they will eat for a lifetime. In particular, investing in women, where much of our aid is targeted, is investment in a generation, as every mother puts money towards educating their children.

The CDC currently invests in more than 1,200 businesses in more than 70 countries. Those investments supported more than 1 million jobs in Africa and Asia in 2015, almost 25,000 of which were created directly last year. As my hon. Friend the Member for Yeovil (Marcus Fysh) said, there is a virtuous circle of investment, job creation, tax revenue generation for the host Government, creation of sustainable businesses and reinvestment by the CDC at the end of the cycle.

The CDC has reached the ceiling of current Government backing—the Government's investment of £735 million last year took it up to the limit of £1.5 billion. Through the reinvestment of past profit, it has built up a bigger portfolio, standing at just under £4 billion. It is therefore clear that the CDC is able to support development and recycle the returns to support further investment. We should not be reluctant to enable the CDC to do more and unlock potential. The NAO is clear that the CDC now has an efficient and economic operating model that is working, and has improved its procedures for recording allegations of fraud and corruption.

With the clear investment strategy agreed under this Government, the aim is to make the great majority of new investment directly into businesses. If we want to achieve the global goals for sustainable development by 2030, we need to mobilise the private sector and work together. That helps the CDC in two ways. It allows it to help target its involvement at areas that genuinely meet the remit of supporting businesses that struggle to attract private sector investment. It also helps it to meet one of the goals set out in yesterday's NAO report, namely better tracking of the success rate of the CDC's investments. The CDC now concentrates on the poorest countries in Africa and Asia, where business finds it hard to attract stable and responsible investment from the private sector. It is right that the development finance institutions lead the way in those countries, and we should not be shy about it.

We invest more in aid overall than our European partners and invest less through development finance institutions. The CDC estimates the investment gap of unmet demand for capital investment in Africa to be more than \$100 billion. If we want to bring jobs and growth to the poor, we must help them to help themselves. This simple and hopefully uncontroversial Bill does that. It is not an approval or a commitment to give the CDC access to £6 billion immediately, but to give it when there is a strong, robust, accountable and transparent business case that will provide the best value that aid can provide. I hope the House supports the Bill.

4.40 pm

Richard Fuller (Bedford) (Con): Sitting through the debate and listening to so many informed contributions has been informative, even the speech from the hon. Member for Cardiff South and Penarth (Stephen Doughty). Perhaps it was a little overlong in duration and repetitive in argument, but none the less it was a valuable contribution to the overall debate. Many of us welcome his general support for the direction of travel in the Bill and his points about oversight were well made.

Although I fully support the 0.7% commitment to aid, I do not agree with its statutory underpinning, which I believe will lead to unintended consequences. One reason why I welcome the Bill is that it helps in that respect. I fully and wholeheartedly welcome the Secretary of State's introduction of the Bill for three principal reasons: it is modern; it will prove to be effective; and most importantly, it sets a tone of mutual respect between the United Kingdom and those countries and peoples who are the recipients of our DFID budget. The Bill will do that by harnessing the power of entrepreneurs around the world. It is those people who hold the key to so much in terms of the improvement of lives in less developed countries.

The CDC is an institution in which taxpayers can trust. We have talked about oversight and past concerns—as my hon. Friend the Member for Portsmouth South (Mrs Drummond) said, they are in the past. We should also recognise that the CDC has been around for 60 or 70 years. My right hon. Friend the Member for Sutton Coldfield (Mr Mitchell) spoke of his experience as Secretary of State, when he saw people’s recognition of the brand’s strength. My hon. Friend the Member for Rochford and Southend East (James Duddridge), who is no longer in his place, spoke of his ministerial experience. Trust in our DFID budget is important. It is not enough for hon. Members to say, “It doesn’t matter. Everything’s fine. We all agree.” Out there in the country, there is tremendous scepticism—it is fuelled not only by the press—about the amount of money, whether it is being spent in the right way, and whether we should continue with the 0.7% commitment. Having institutions that we can trust to spend the money wisely is important. The Bill gives us that and is a big step forward in restoring trust.

The Bill is modern. As I have said, I am not knowledgeable about DFID issues in general, but I was drawn to the 2015 speech by Bono at Georgetown University, when he said:

“Aid is just a stop-gap. Commerce, entrepreneurial capitalism takes more people out of poverty than aid...of course, we know that.”

He was correct. Through the Bill, we must counter some of the pre-scepticism about the role of the private sector in developing countries in achieving some of our development goals. We must put our foot down on the accelerator of supporting the private sector through institutions such as the CDC.

I am tempted to quote Sir Angus Deaton from Bloomberg—he is the Scottish-American economist who won the Nobel prize last year. He said:

“Aid funded projects have understandably done much good... but the negative forces are always present: even in good environments, aid compromises institutions, it contaminates local politics and undermines democracy”.

The greatest bulwark against the corruption of political institutions, and one of the greatest defenders of democracy, is the opportunity for people to have a stake in something. People having a stake in a small business can preserve and protect freedoms, as well as enhance economic wellbeing. Human happiness is not solely a matter of one’s GDP; once one gets above a minimum, other issues start to matter, such as freedom and social environment.

Having that stake is also effective. The CDC and its work as a fund of funds created a distinctive expertise in investing in first-time funds in some of the most challenging investment environments across the world. We should be proud of that track record. I am grateful to my right hon. Friend the Member for Sutton Coldfield for explaining the move to direct investment. I had been sceptical, thinking it was drawing the CDC away from a pivotal part of its success, but I now better appreciate the role of direct investment, thanks to his contribution. The CDC nurtures investment talent. Growing entrepreneurship and private enterprise is not just about entrepreneurs; it is about developing people to spot the talented entrepreneurs from the less talented, and in that the CDC does a tremendous job.

That said, I have some questions and concerns about the Bill. Will the Minister explain how, if we are to give more money to the CDC, the skills within it can be developed and monitored? As many hon. Members have said, the worst thing is to pile money in if the team investing the money does not have the skillset, capacity or capability to invest it. What will we do about the investment focus areas? Contrary to other comments, perhaps, I am keen to see the investment focus move into more modern areas that provide opportunities for companies in developing countries to trade with the UK, as well as provide domestic support. Will the CDC be able to lever investors from other countries into its fund to develop further its capital for international development? Will he comment on the likely value of the CDC in the near term, given the comments by President-elect Trump on international development and the likely impact of the rising dollar on turbulence in local currencies in many developing countries?

Finally, I support the Bill because it will create mutual respect. It is time for us to recognise that development in developing countries is a matter for many UK citizens through the diaspora. There is no imbalance in that relationship: a British Nigerian sees themselves as a British subject and, on an equivalent basis, looks to their heritage in Nigeria. The work of DFID should reflect that equivalence in its treatments. The Bill is perhaps a first step towards promoting mutual respect. Other possible measures are turning back protectionist intellectual property restrictions between developed and developing worlds, using the opportunity of Brexit to lower trade barriers, and creating more and effective ways to harness remittances between ourselves and developing countries.

This is a small but important Bill because it sets the tone in the right direction. It sends a message that this organisation, which had a long history of effectiveness, went through a period of turbulence and is now back on the right course, can have the confidence of the British people as it continues to pursue its development goal for people in the poorest countries of the world.

4.48 pm

Fiona Bruce (Congleton) (Con): On behalf of other members of the Select Committee, I inform the House that many of them are abroad on a visit to the middle east but would have spoken in the debate had they been here. It would be wrong for me to indicate how they would have spoken or whether, like me, they support the Bill, but I will put on the record one or two comments previously made by members of the Committee. As long ago as 2011, my hon. Friend the Member for Stafford (Jeremy Lefroy) said in a debate on the CDC:

“It is extremely important that the Government should continue to support CDC.”—[*Official Report*, 14 July 2011; Vol. 531, c. 169WH.]

An IDC report on jobs and livelihood in the last Parliament stated:

“We are encouraged that CDC has followed our recommendations and has refocused on job creation.”

A final Select Committee example is a recent report on the sustainable development goals, which stated:

“The Government must ensure that the work it carries out to encourage private sector investment, through CDC...is focused on developing and fragile states”.

[Fiona Bruce]

It went on to mention

“a positive impact on the achievement of the SDGs”, which the CDC had the potential to achieve. It was interesting to note that in response the Government stated:

“CDC’s mandate is aligned with achievement of the Goals”.

Before I touch on a few of my prepared remarks, I would like to deal with some of comments made by another member of our Select Committee, the hon. Member for Cardiff South and Penarth (Stephen Doughty). He mentioned his concerns about the effectiveness, the poverty focus and the coherence of the CDC’s work, and I would like to respond to these.

The hon. Gentleman said that there should be more emphasis on health and education. However, the CDC’s development impact is amplified by the billions of pounds in local taxes that are generated by the companies it invests in. These help to support the public services such as health and education in developing countries. Over the past three years alone, these companies have generated over £7 billion-worth of local tax revenue. It is important to remember the impact that these taxes can have on those kinds of essential services.

The hon. Gentleman spoke about coherence, and he and others have mentioned transparency, but DFID works very closely with the CDC to ensure that it is at the forefront of global standards of transparency in development impact. Information about all the CDC’s investments is available on a comprehensive database on its website, with details of the name and location of every investment in the portfolio. I am sure that further information would be made available if members of the Select Committee requested it. If DFID is working, as we know it is, with the CDC on a new results framework, this will result in an even better capture of the broader impact of investments on development—even beyond job creation and tax revenue generated.

Finally, the hon. Gentleman raised his concerns about investment by the CDC in a private, fee-paying hospital in India, stating that this might be at odds with DFID’s general approach towards the expenditure of UK aid. I have to say, however, that I clearly remember the Select Committee visiting a private, fee-paying school in Africa not so long ago, and Committee members agreed that DFID’s support for that school was, in fact, well spent, particularly when there was no other option for children in that area to obtain an education. I believe these issues need to be looked at in context, and I am not so sure that support for this hospital is so out of line with DFID’s general approach.

Stephen Doughty: The hon. Lady raises the issue of private fee-paying education and health. The issue is about where we focus our efforts. Does she not accept that if we continue to support the expansion of private healthcare and education as opposed to supporting public systems that enable free access to healthcare and education, we will effectively supplant countries’ ability to provide national healthcare and education systems that support all their citizens, including the poorest?

Fiona Bruce: As with so many of these cases, it is not an either/or. It is often both when the need is clearly there and the money can be well spent.

I shall move on to my few prepared remarks about the Bill. I absolutely support the Bill and speak in favour of it. It is essential to look at how to support capital investment in countries where there is a paucity of it. A 2014 report from the UN Conference on Trade and Development calculated a £2.5 trillion annual investment gap in key sustainable development sectors, so the CDC has a very important role to play. It is important to remember that the Bill will allow DFID and the British people, as the CDC’s motto states, “to do good without losing money” on an even greater scale than hitherto. I cannot believe that anyone, even aid sceptics, could really object to that.

The NAO report, published yesterday, chronicles the many positive steps that the CDC has taken, and the many improvements that it has made. We have heard many references to the report. It says that through

“tighter cost control, strengthened corporate governance and closer alignment with the Department’s objectives, CDC now has an efficient and economic operating model.”

This morning I spoke to NAO officers who had produced the report over eight months and had visited many projects, including some in Africa. They said that DFID now had a really good grip on the CDC’s work, that there were good lines of communication between the CDC and DFID, and that DFID’s in-country know-how was being utilised, while it was rightly not interfering in day-to-day management. They identified several cases of CDC investments in areas where the private sector would not have initially dared to go, but three years later private sector money had come in. Indeed, in several instances they saw the results of what they described as “catalytic” investments. They said of the 13 or 14 funds they had inspected in Africa that, with one exception, they were “transformational”. I think that we have a really positive report on which to act.

Of course, there are views about previous investments, but I think it encouraging that 98% of investments are now in Africa and south-east Asia and 82% are in one of the seven priority sectors identified in DFID’s key objectives, which were devised in 2012 following the excellent review conducted by my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell).

Without further ado, I shall end my speech, although there is much more that I would like to say in praise of the CDC.

4.56 pm

Imran Hussain (Bradford East) (Lab): It is a pleasure to follow so many distinguished speakers in all parts of the House. I thank them all for their contributions.

Let me begin by paying tribute, like many others, to the right hon. Member for Sutton Coldfield (Mr Mitchell), the former Secretary of State for International Development, for the good work that he has done. He gave us an eloquent history lesson, explaining how the CDC began. I accept much of what he said, but I think the whole House is united in accepting that his important reviews of the CDC back in 2011, and the strategies and policies that developed as a result, have left the CDC in a better place than it was in four years ago.

The hon. Member for Glasgow North (Patrick Grady) rightly reinforced the House’s commitment to the 0.7% target. He also made an important point, which has not been made enough today, about the implications

for our strategic development goals. He welcomed the National Audit Office report, as do I, but urged caution in respect of its findings on transparency and the impact of monitoring, about which I shall say more later. He rightly pointed out that we are still awaiting the important multilateral and bilateral aid reports. However, the Secretary of State has assured me that they will be published on Thursday, and I am grateful for that speedy response.

I think the whole House agrees that my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty) is a passionate advocate, and he demonstrated that again today. He made some very important points about the sheer level of funding, another issue about which I shall say more later. He also drew attention to three boxes that needed to be ticked. I agree with him that the case has yet to be made.

The hon. Member for Edinburgh East (Tommy Sheppard), as always, made a passionate speech in his own style. He made an important point about the strategy and policy investment that was not forthcoming, and, like many Members, suggested that we were virtually putting the cart before the horse.

We on this side of the House want to reaffirm our commitment to poverty alleviation, which should be at the centre of DFID's work. We recognise that the development of businesses around the world has a strong role to play in international development, through building economies by improving infrastructure and helping to put money into people's pockets at the end of a hard day's work, which is one of the surest ways of alleviating poverty. We also recognise that it has a strong role to play in the achievement of the eighth sustainable development goal promoting economic growth, productive employment and decent work. It is therefore right that during the passage of the Bill we scrutinise both the Bill itself and what it will do, or will not do, for developing countries and the ability of the CDC to deliver for them.

Despite the Bill's small size, it will have huge ramifications for the developing world and the UK's development agenda. As previously outlined by my hon. Friend the shadow Secretary of State, we have several important points that we would like to see addressed.

The first is the worrying concern about the sheer size of the increase in assistance that DFID will be able to give to the CDC. In 2015, the previous International Development Secretary committed an additional £0.7 billion of funding to the CDC, but the Bill seeks to dwarf that by a large measure, by increasing the assistance to £6 billion. Moreover, the Secretary of State seeks the power to increase the limit to £12 billion through a statutory instrument, creating unease on the Opposition Benches that the Secretary of State will easily be able to extend the limit by £6 billion just through an SI, a move we believe to be wrong in principle.

We acknowledge that the assistance limit may have been reached—a substantial limit that has stood for just as substantial a period of time—but increasing assistance to this level has the potential to result in a considerable movement of ODA spending away from DFID in the traditional sense. That is particularly troubling given that the answer provided to my hon. Friend the Member for Cardiff South and Penarth (Stephen Doughty) stated that 25% of ODA will be spent outside DFID, and that the Secretary of State repeatedly states an intention to

move DFID's focus towards trade over traditional aid and development. If the Government want to move so much of DFID funding through the CDC, we need assurances that it is not a mechanism through which they can effectively privatise development, placing more money in the hands of investment funds whose main focus at the end of the day is not poverty but profit, while at the same time moving it out of the hands of development NGOs.

This takes us on to the next issue that we have raised today: for what purpose does the CDC require further assistance? After all, the current £1.5 billion assistance limit has stood a strong test of time and the CDC's business model sees it largely self-financing, with healthy profits reinvested in projects. Therefore, if we are to support this Bill throughout its passage, we need to see updated documents provided and published by the CDC—namely, a new strategy for 2017 onwards, alongside a new investment policy for the next five years, both of which must set out what the CDC intends to do with such massive assistance being made available to it. Essentially, we must avoid a situation in which we would be putting the cart before the horse by granting funding assistance before actually seeing what purpose it will be used for.

Another area of concern raised is the scrutiny and oversight of the CDC's development impact. On this issue, we note the findings of yesterday's NAO report. The accuracy of the CDC's self-assessment through its development grid and its declaration of the development impact of its investments cannot be guaranteed, because it assesses their prospective impact rather than the actual impact. Consequently, the CDC might believe that it is having a positive impact, but the actual impact could be very different. If DFID wants to increase its assistance to the CDC, it must carry out full, frequent and regular assessments of the development impact, beyond the CDC's own measuring criteria.

We on this side of the House have raised concerns over the use of tax havens by the CDC, and our concerns are well founded. In 2013, £180 million of the £375 million given to investment funds by the CDC went to funds domiciled in notorious tax havens such as the Cayman Islands, Guernsey and Jersey. That is almost 50%. This use of tax havens denies tax revenue to developing countries, avoids capital gains tax and deepens existing governance and corruption issues in developing countries. This is happening despite the Prime Minister's recent announcement of a crackdown on the use of offshore tax havens in the wake of the BHS scandal, and it is exactly the opposite of the kind of work that the CDC has a duty to carry out.

We have outlined our substantial and genuine concerns about the Bill, and we hope that the Government will give us a genuine response to those concerns and to the six questions that the shadow Secretary of State set out earlier. We look forward to hearing their response. We will not oppose the Bill's Second Reading this afternoon, but if we do not receive adequate assurances or see positive steps being taken by the Government to address our concerns, we reserve the right to withhold our support for the Bill on Third Reading. Facilitating economic growth is of course important in the developing world, but development should always be the focus, and we on this side of the House will work to ensure that it remains so.

5.7 pm

The Minister of State, Department for International Development (Rory Stewart): I want to say a great thank you to all the hon. and right hon. Members who have taken part in the debate. I particularly praise the tone set by the hon. Member for Edinburgh East (Tommy Sheppard) and the way in which he picked up on the good atmosphere in the Chamber. I also pay tribute to the tone set by the shadow Secretary of State, the hon. Member for Edmonton (Kate Osamor) and by the shadow Minister, the hon. Member for Bradford East (Imran Hussain), and to the constructive way in which they have approached this short but quite technical piece of legislation.

Four major types of concern seem to have been raised today, and I will try to deal with them briefly, with the aim of stopping at exactly 5.20 pm. Those questions were as follows. Why are we focusing on private sector-led economic development? How do we balance the private and public inclusion in that development? Why are we using development finance institutions and, in particular, what quantity of money are we putting into them? Why are we specifically putting money into the Commonwealth Development Corporation? That last question relates to concerns that have been expressed about the governance and transparency of the CDC. I shall try to deal with those four types of challenge in turn.

The first is a general concern about the weight that we place on the private sector's role in economic development in general. That concern was expressed by a number of people today, particularly Members on the Opposition Benches. The shadow Secretary of State used the word "profiteering", and the hon. Member for Edinburgh East talked about international capitalism. The right hon. Member for Leicester East (Keith Vaz) spoke of distracting our attention away from humanitarian concerns, and the hon. Member for Glasgow North (Patrick Grady) was worried that some of the investments might be made at the cost of other potential investments. The hon. Member for Kilmarnock and Loudoun (Alan Brown) emphasised the fact that aid is needed as well, and the hon. Member for Cardiff South and Penarth (Stephen Doughty) emphasised the importance of health and education.

The way in which to deal with these generic concerns about the role played by the private sector in economic development—and with all the matters in the general portfolio of the Department for International Development—is to state that what we are talking about today is just a part, not the whole, of what DFID does. Economic development is absolutely vital—I will come on to that—but it is currently less than 20% of the Department's overall portfolio. The shadow Secretary of State quite rightly raised water and sanitation as important elements of our Department's strategy—they are—but they are not primarily delivered through development finance institutions. The £204 million that we spent in 2015-16 came from other parts of the Department's budget. As for the humanitarian concerns mentioned by the right hon. Member for Leicester East, the £2 billion that we are spending over this period on Syria alone comes from other parts of the departmental budget.

However, as pointed out by the hon. Member for Yeovil (Marcus Fysh), poverty alleviation cannot happen without economic growth, and that relies on the private

sector. It relies on the private sector for jobs, for Government revenues and for the services that the sector provides. It is not a zero-sum game. The hon. Member for Glasgow North issued a challenge when he talked about investments coming at the cost of others, but it is not that kind of zero-sum game. To take a specific example, we were criticised by one Member for some of our investments in electricity, as opposed to other forms of infrastructure, as though that was somehow at the expense of other developmental objectives. However, that electricity not only delivers jobs through the business side, but allows us to deliver our objectives in health and education. We cannot have a decent education service and get children into school if there is no electricity and they have to go 10 miles to pick up firewood. We cannot deliver decent healthcare in Africa unless there is refrigeration for immunisation drugs and unless we have the electric lighting that allows doctors to perform surgery in the clinics.

We are delivering on the STGs, particularly goals 7 and 8 on energy and economic growth. Ellen Johnson Sirleaf, who is both a distinguished international civil servant and a President of an African state, has said that poverty in Africa cannot be eliminated without private sector growth. That also reflects the demands of Africans themselves. I was taken by the statements of my hon. Friend the Member for Bedford (Richard Fuller) about mutual respect. Recent surveys conducted in sub-Saharan Africa show that sub-Saharan Africans identify energy and jobs as two of their top three priorities at a level of 80% or 90%. We should respect their wisdom and desires when we talk about the kind of development investments that we make.

The next question is how to balance the roles of the public and private sectors in delivering development. I do not want to talk about this too much, but it is clear that there are serious constraints on the public sector's ability to deliver all forms of commercial activity, partly because it often lacks the skills to ensure that those things happen. It lacks the skills to understand the market dynamics, the logistics, the productivity and the efficiency. We have all seen well-intentioned charitable and Government development projects attempt to set up businesses that have not worked. On the other hand, as Opposition Members have pointed out, the private sector cannot do it on its own—there are clear market failures. Returning to electricity in Africa as a good example, the private sector has clearly failed. If the private sector had been able to do things on its own, we would not be in a position where only 6 GW of power generating capacity has been built in Africa over the past decade. In China, 8 GW of capacity is built every one to two months.

That brings us to the question of why we are putting money into DFIs, which was the particular challenge of the shadow Minister. The shadow Minister and the hon. Members for Glasgow North, for Cardiff South and Penarth and for Edinburgh East focused on the quantity of investment. The response is that I am afraid that some people still confuse stock and flow—in other words, the annual overseas development spend and the creation of a capital fund. The second response is that it is an option, not a commitment. What we are doing is raising the ceiling for what CDC, through rigorous business cases, can request; we are not imposing this on CDC. Over a five-year period, even if the maximum

were drawn down, we would be talking about 8% of the total anticipated ODA spend, which is smaller than the amount I calculate the Scottish Government appear to be putting into a similar instrument in proportional terms. There have been challenges on strategy. The strategy will be produced in line with departmental practice at the end of this year, but this Bill is enabling legislation, so we are putting the horse before the cart. We need the enabling legislation in place—we need the ceilings to be lifted—before we can look at individual business cases that wish to draw down on that money.

That brings us to the overall question of why use DFIs at all, and I wish to pay a huge tribute to my right hon. Friend the Member for Sutton Coldfield (Mr Mitchell), who provided perhaps the most powerful explanation of why we go into these mechanisms in the first place. The answer of course is that they bring together the very best of the private sector and the very best of the public sector. They provide the discipline of the private sector in insisting on returns that produce sustainable enterprises and sustainable revenues; and they provide freedom from political interference and they provide leverage. To respond to my hon. Friend the Member for Bedford, let me say that they also allow us, as my hon. Friend the Member for Portsmouth South (Mrs Drummond) pointed out, to draw in other forms of capital behind. Some £4 billion of investment from CDC has drawn an extra £26 billion into our investments in Asia and Africa. In addition, this approach provides good value for money for the taxpayer.

Stephen Doughty: The Minister is talking about the capital that this approach has brought in, but that has not always been in areas where capital has not been available—I think of places such as India. Given that he is about to publish the bilateral aid strategy, will he consider forcing CDC to look more closely at the lower-income countries in Africa and elsewhere that need the investment the most?

Rory Stewart: I am trying to move towards my 5.20 pm conclusion, but let me deal with that quickly. As I was saying—and this partly answers the point—we are combining the best of the private sector incentives with the best of the public sector, because we are exactly able to prioritise maximising development impact. That is where our development impact grid, which, with respect, the hon. Gentleman is not providing enough focus on, answers his question. Members on both sides of the House should be aware that that grid targets explicitly countries with the lowest GDP per capita, countries where investment capital is not available and countries where the business environment is worse—that is the Y axis of the grid. On the X axis of the grid, we have sectors in which the maximum employment is generated. Every business case since 2012 has been assessed exactly against those criteria, which is why, as my right hon. Friend the Member for Sutton Coldfield has pointed out, many of the criticisms made today—the idea that somehow CDC has lost its way—are not appropriate for the CDC of 2106; they are appropriate for the CDC of 2012 or 2010.

Let me deal with a few of the objections. An investment in Guatemala was mentioned, but all investments in Latin America stopped in 2012. An investment in Xiabu Xiabu in China was mentioned, but all investments in China were stopped in 2012. The issue of pay was

raised, but, as has been pointed out again and again, the pay of the chief executive has been reduced by two thirds, to a third of its predecessor. Tax havens were mentioned, but we no longer, in any way, ever invest for reasons of tax or secrecy; we invest only in order to find secure bases for investment and to pool other forms of capital. All our investment goes simply into locations that meet the highest OECD transparency standards. On development impact, our DFID chief economist, Stefan Dercon, has worked with some of the most distinguished academics in the world, from Harvard and elsewhere, to create exactly the kind of impact that people are pushing for.

In conclusion, that is why right hon. and hon. Members should support this Bill. It is not only because of the history of the CDC, to which the shadow Secretary of State paid such good tribute to in her opening remarks: its experience of 70 years; the culture it has developed; the extraordinary brand that the institution has in Africa and south Asia; and the focus that my right hon. Friend has brought to this institution since 2010—its rigour and its narrowness of focus, which makes it very unusual among DFIs. It is one of the only DFIs in the world to be spending so much in conflict-affected states. It is accountable directly to DFID, which owns 100% of its shares. The examples of its performance today can be seen in DRC; in places such as Burundi, where off-grid power would not be built without CDC; and in its investment in energy through Global in Africa.

In conclusion, we should take pride in this institution; it is a very great British institution. In its historic evolution it has gone from a past where it was dominated in the 1950s by ex-military officers interested in building rafts and going into jungles to its current leadership under Diana Noble, a chief executive who exemplifies much of the best in development thinking and some of the most progressive intuition in the British Government. She ensures that we are delivering in Pakistan gender-based programming that affects workers' rights and that we have an institution that is today highly relevant and that faces and solves some of the greatest development challenges in this century.

Question put and agreed to.

Bill accordingly read a Second time.

COMMONWEALTH DEVELOPMENT CORPORATION BILL: PROGRAMME

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Commonwealth Development Corporation Bill:

Committal

(1) The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

(2) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 8 December 2016.

(3) The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and up to and including Third Reading

(4) Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion three hours after the commencement of proceedings on Consideration.

(5) Any proceedings in legislative grand committee and proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion four hours after the commencement of proceedings on Consideration.

(6) Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.

Other proceedings

(7) Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—(*Andrew Griffiths.*)

Question agreed to.

**COMMONWEALTH DEVELOPMENT
CORPORATION BILL: MONEY**

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Commonwealth Development Corporation Bill, it is expedient to authorise:

(1) any increase in payments out of the National Loans Fund or money provided by Parliament resulting from provisions of the Act—

(a) increasing the limit in section 15(1) of the Commonwealth Development Corporation Act 1999 to £6,000 million; and

(b) conferring power to increase that limit to an amount not exceeding £12,000 million;

(2) any increase attributable to those provisions in the extinguishing of liabilities in respect of guarantees under the Commonwealth Development Corporation Act 1999; and

(3) any increase attributable to those provisions in payments into the National Loans Fund or the Consolidated Fund.—(*Andrew Griffiths.*)

Question agreed to.

New Southgate Cemetery [Lords]

Second Reading

5.21 pm

Mr David Burrowes (Enfield, Southgate) (Con): I beg to move, That the Bill be now read a Second time.

This Bill relates to New Southgate cemetery, which serves local residents in my constituency and that of my right hon. Friend the Member for Chipping Barnet (Mrs Villiers). The cemetery is sited in my right hon. Friend's constituency. She supports the Bill, but she told me that she had a long-standing commitment and could not guarantee her attendance here at a particular time. It is excellent to see her in her place now along with other hon. Friends who have neighbouring constituencies.

The cemetery serves constituencies in the north London area. In particular, it serves the religious communities in the area, including the Greek Cypriot, Roman Catholic and Caribbean communities. It also has a unique section, which is administered and owned by the Baha'i community for their loved ones.

The cemetery was opened in the 1850s by the Great Northern Railway Company as a more cost-effective north London alternative to the better known London Necropolis Railway, which carried corpses and mourners to the cemetery. Indeed, in 1854, the largest cemetery in the world was designed to accommodate all the deaths in London for centuries to come. That has not come to pass, which is why there is a need now for this Bill. In eight or nine years' time, there will not be sufficient space in this cemetery to deal with the demand.

There is a history behind the railway company's involvement. At the time, it set different charges for first class, second class and third class burials. In fact, I am due to go to a public meeting involving Govia, which will address issues of space that will affect the railway, and it is that issue of space that we are concerned about in this Bill. I am sure that, with support from across the House, we can make good progress tonight, which will enable me to get to my public meeting and to see this Bill on its safe passage.

The larger part of the cemetery is administered and owned by the private company, New Southgate Cemetery and Crematorium Ltd, which is the promoter of the Bill. The remaining part, which is administered and owned by the National Spiritual Assembly of the Baha'is of the United Kingdom, has particular cultural importance for the Baha'is as their spiritual leader, Shoghi Effendi, is buried there. The cemetery was near the place of his death in 1957, and it therefore has particular importance for the Baha'i community. The cemetery as a whole extends over 60 acres, with well-tended sections dedicated to different faiths.

The issue at the heart of the Bill is simple: there are roughly 44,000 grave spaces in all, and 180,000 interments have been carried out in the 160 years for which the cemetery has been open, which means that there are now only 1,700 available spaces in the main part of the cemetery and a maximum of 100 spaces left in the Baha'i section. There is, however, demand for about 175 burials a year in the main part of the cemetery and about 10 a year in the Baha'i section. Space in both sections is likely to run out in nine or 10 years' time, which causes problems for the local community and for the Baha'is and other groups that use the cemetery.

Attempts have been made to address the issue, and the local authority has not been willing to go down the route of acquiring additional land, which is why there is a problem. The Bill seeks to deal with the problem by allowing the reuse of areas of the cemetery where a burial has not taken place for at least 75 years, enabling the promoters to extinguish existing rights of burial and reclaim graves that have not been used for 75 years. In addition, a method to create extra space known as lift and deepen—that is fairly graphic, but it is the term used in the trade—would also be allowed, through which graves are excavated to their deepest depth, with all the remains placed in a casket and re-interred at the bottom of the deeper grave. That creates additional space above the re-interred remains.

Dr Matthew Offord (Hendon) (Con): In the last Parliament, I asked the then Minister about the number of graves for which permission had been considered for lift and deepen. He replied that local authorities were able to do that, but none had. Will my hon. Friend please explain why we need to do this now when we have the London Local Authorities Act 2007, which permits lift and deepen?

Mr Burrowes: My hon. Friend is right. Parliament granted local authority-run cemeteries in London the power to reclaim graves in the 1970s and the power to lift and deepen in 2007. I understand that the City of London has made good use of the powers to reclaim and to lift and deepen in a cemetery in Newham without adverse reaction, while providing a sustainable future. In reality, the powers are available to cemeteries run by local authorities, but not cemeteries in the private sector. This Bill would seek to put the promoters on an equal footing with municipal cemeteries, which I would hope that Government Members supported.

Mr Christopher Chope (Christchurch) (Con): I am grateful to my hon. Friend for giving way, and I am sorry that I was not in the Chamber for the beginning of his speech. Is it not right that the 2007 legislation has not been used by any local authority other than the City of London, and that the cemetery in Newham is on consecrated land, where special rules apply? As I understand it, this Bill will not apply to consecrated land.

Mr Burrowes: I am grateful to my hon. Friend for his interest. Time will tell how many will take up this opportunity; this is a particular issue that affects London, and although successive Governments have not said that it needs to be a universal power across the country, there has been recognition of its critical importance in London. Newham has taken up the power and I understand that Kensal Rise is looking at the progress of this Bill and considering taking the powers further.

My understanding is that most of the consecrated land in New Southgate cemetery's ownership is consecrated and that the safeguards that ensure proper consultation with the diocese will apply. They will be particularly pertinent to this Bill. The difference with municipal land is not whether the land is consecrated but the fact that it is in different ownership, and we want an even hand.

The Bill is critical because the communities that the New Southgate cemetery serves do not generally choose cremation. For the Greek Cypriots it is not allowed,

and in the Caribbean communities burial is the preference of 99%. Burial is also the strong preference of Roman Catholics, who are strongly represented around the area served by the cemetery. The Baha'i community also has a requirement to bury and not to embalm or cremate.

The Bill will enable the creation of more spaces in existing graves and ensure a sustainable future. It provides adequate safeguards; it ensures that there will be notices, that objections from relatives or owners will be heard, and that Historic England and the Commonwealth War Graves Commission will be involved as regards proper respect for the heritage of those sites.

Mr Chope: The Bill does not specify the means by which old graves may be reused. My hon. Friend referred to a process called lift and deepen; is that the specific and only process that the promoters of the Bill have in mind?

Mr Burrowes: Unused graves can be reclaimed by allowing the exclusive right of burial to be properly extinguished. The alternative is through lift and deepen. If there are alternative directions from the Secretary of State, we will no doubt hear them from the Minister. It will reassure my hon. Friend to know that there are powers in clause 4(10) for the Secretary of State to provide additional direction in relation to the powers, if that is considered appropriate.

Mr Chope: My hon. Friend may have addressed this at the beginning of his remarks. The predecessors in title of the present company that owns the cemetery sold off vast areas of land that were attached to the original Victorian cemetery. If all that land had not been sold off, the issue would not have arisen. Is this not a case of a commercial organisation, having sold off a lot of its surplus land for housing, trying to use the land it has in a different way, arguing that it has not got enough space?

Mr Burrowes: My hon. Friend is trying to reach into the motivations and the history. At the beginning of my remarks I referred to the history and the involvement of the Great Northern Railway. The original aspiration was that the cemetery would serve the interests of Londoners for centuries, but that did not happen. We can go as far back in history as my hon. Friend wants, but we are where we are now. Although there is inevitably some commercial motivation for a sustainable commercial future, it is undeniably the fact that for the communities that the cemetery serves, there is an interest in ensuring that there are adequate graves available for their burials.

The consultations that have taken place have not led to any petitions. They have led to understanding and support for the in-principle situation. There needs to be a level playing field between the powers available for municipal cemeteries, which have also taken an interest in how much land is available as municipal land, and for privately owned cemeteries, which should have the proper powers available to them. I therefore commend the Bill to the House.

5.32 pm

Mr Christopher Chope (Christchurch) (Con): It is great that we are having a debate about the Bill. If I had not tabled a blocking motion, it would have gone through

[Mr Christopher Chope]

Second Reading on the nod. It is undesirable that issues such as this are not open to debate and discussion in this House.

The Bill touches on an area that successive Governments have long avoided. In 2004 the Labour Government held a consultation on the possible re-use of graves. The consultation lasted six months, and after about three years there was a response from the Government in which they said that they were definitely going to do something about it, and quickly. Nothing has happened since. A Minister in the coalition Government, the former Member for Bermondsey and Old Southwark, Simon Hughes, said that they were definitely going to do something about it, but, again, nothing has happened. Perhaps the Minister on the Front Bench today will seize the moment to tell the House what the Government's plans are in respect of the cemetery.

The issue is much bigger than is reflected in the terms of the Bill. I do not intend to divide the House on it, but in such a debate it is important to be able to ask a few questions. When my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) comes to sum up, I hope he will be able to respond to them.

The cemetery has a long and interesting history. It was originally some 200 acres. Over a period of time—this is the ninth Bill relating to this land to come before the House, and there have been eight Acts of Parliament since 1855 covering New Southgate cemetery—more and more of the cemetery has been sold off. In 1976, the Great Northern transferred the ownership and management of the remaining parts of the cemetery to New Southgate. Since then, part of the cemetery has been sold off and part has been transferred to the Baha'is.

Mrs Theresa Villiers (Chipping Barnet) (Con): Is it really unreasonable for land set aside to accommodate the dead to occasionally be sold off to accommodate the living? That does not seem an unreasonable thing for the cemetery to have done, and it is not really a reason to oppose the Bill.

Mr Chope: As I said, I am not opposing the Bill. What is unreasonable is that land retained to bury the dead was disposed of, and now the owners of that land, who profited from the sale of it, are saying, "We have not got enough space. We need special powers to reuse graves." There is a difference between reusing graves in a municipal burial ground, where a local authority is accountable to local people, and reusing graves in a private burial ground, where there is no such accountability.

What worries me is that the local authority has apparently been unhelpful in allowing an extension to this area so that there is more space for the burial of the dead. More land has been sold than is needed now, but as soon as this organisation seeks to purchase a bit more land, all sorts of problems are apparently put in its way by the local authority—the very local authority that, I suspect, developed the houses on the land that was sold to it originally.

Dr Offord: I would gently urge my hon. Friend to recognise that my right hon. Friend the Member for Chipping Barnet (Mrs Villiers), my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) and I have areas

with great religious diversity, and the pattern of burial and cremation has changed in our constituencies over the years. Between 1997 and 2009, the number of cremations in London fell from 48,275 to 36,736, and the nature of our constituencies means that many people, for religious reasons, cannot be cremated, as people would have been previously, when the land was disposed of.

Mr Chope: I take very much the point my hon. Friend makes, and it is symptomatic of the change in the character of large parts of our country and particularly, for the purposes of this debate, of London. There is now a much increased number of members of the Muslim faith, for example, living in the United Kingdom. However, that is surely an argument for the local authority to facilitate the making available of more land to meet the religious needs of this very important part of the community, rather than an argument for saying, "We are so short of land that we are going to reuse the graves of those who were previously buried in the New Southgate cemetery." I can understand why the Bill is being promoted, but I cannot understand why a sensitive local authority would not help to provide more land.

Mr Burrowes: I appreciate my hon. Friend's interest in the Bill, but the crucial point is that the promoters are not the company that sold the land before 1976, but the company that bought the cemetery to run it, as set out in the recital. The only sale that has taken place in relation to that company is to the Baha'is.

Mr Chope: As I understand it, part of the cemetery was sold to the Baha'is because one of their religious leaders died while he was visiting London in 1957, and he was buried in the cemetery. That is why it is a place of particular pilgrimage and interest to people of the Baha'i faith. However, as my hon. Friend may have said earlier, it is not just Baha'is who are buried there. Our great hero Ross McWhirter is buried in the cemetery—it is some 40 years since he was cruelly murdered by the IRA. A lot of distinguished people have been buried in this cemetery. If Ross McWhirter has now been buried there for some 50 years, under the proposals in this Bill it will be only another 25 years before his remains can be disinterred. That puts these issues into perspective. I expect that members of the Freedom Association, which was founded by his twin brother, with whom he established the "Guinness Book of Records", will still be going there for a lot longer than 25 years. It may well be that the grave of Ross McWhirter becomes a place to which people would wish to conduct pilgrimages, in the same way as, I think, many years ago, Ross McWhirter discovered in deepest France the burial site of the person who made the first rugby ball, and following that discovery, that grave itself is now visited by rugby enthusiasts.

We must not deal with these things lightly—I am not suggesting that my hon. Friend the Member for Enfield, Southgate is doing that—but there is a potential solution to this if there was more co-operation from the local authority.

Mrs Villiers: One of the reasons I support this Bill is that using our existing burial space more efficiently will relieve the pressure to create new cemeteries elsewhere in my constituency—something that is likely to encroach on green-belt land, substantially detracting from and damaging the local environment.

Mr Chope: My right hon. Friend makes a very important point. Not only in her constituency or in this area of London, but throughout the country where there is pressure on land, it is important that we have a properly worked-out policy for whether, and if so in what circumstances, graves can be reused.

As my hon. Friend the Member for Enfield, Southgate said, the London local authorities gave themselves powers in this respect that they have hardly used. With the exception of the cemetery in Newham, no local authority has started to use the powers given to them because of the sensitivity around them. That was indeed the conclusion that the Government reached when they went out to consultation on this issue more than 10 years ago. They accepted that it was a very sensitive issue and there was a lot of public concern about it, but no conclusions were reached. It was said that about 30 years' worth of land was available for burials, and more than 10 years have gone by since then, yet nothing is being done. I hope that my hon. Friend the Minister will put this in the wider context of what proposals there are to address this problem, particularly in the light of the very significant changes in the character of much of our population and the very significant increase in the number of Muslims, for whom burial is a religious requirement that cannot be substituted with cremation.

Like all these things, when one starts to lift the stones and look at a bit more of the detail, one becomes aware of gaps in the proposed legislation. This Bill is defective in that it does not specify the means by which the graves may be reused. As I said, lift and deepen is one method, but there are others that could be much less sensitive.

Under lift and deepen, the remains are removed from the existing grave and put further down in the same grave; in other words, they remain in the same location. Less sensitive methods might be the cause of some offence. Once the decision has been made in a private cemetery, there is limited opportunity for public opinion or any individual to influence what happens.

The problem does not arise with consecrated land, because such land is subject to control by the Church of England authorities. Clauses 4(11) and 4(12) give particular recognition to the status of consecrated land. Quite rightly, the Bill also makes exceptions in relation to Commonwealth war memorials.

It seems to me that a Bill such as this should be tightly drawn and subject to a lot of proper parliamentary scrutiny. My final point is that a commercial organisation is running the process, so how can we be sure that it will comply with all the requirements in the Bill to record the details of the graves that will be disturbed and the memorials that will be removed? Why has the company promoting the Bill not already recorded those details for posterity? Where will those records be kept, and who will maintain them? If this was a publicly owned activity, we might have a bit more control over it. That is why I have concerns about it.

The fact that there have been no petitions against the Bill suggests that people in the locality are content. Perhaps they are content in their ignorance; I do not know whether that is a fair comment. We should cherish the opportunity to debate the matter. The Government have always said that there was no time available to discuss it more generally, but I hope that they will be inspired by this evening's proceedings to think about the public interest in public policy making on the matter.

In the meantime, I thank my hon. Friend the Member for Enfield, Southgate for his great courtesy in dealing with the issue, and for keeping me in touch with what has been going on. I hope that some of the concerns that I have expressed will be taken on board.

5.48 pm

Mrs Theresa Villiers (Chipping Barnet) (Con): I rise to urge the House to support this Bill to give new powers to the owners of New Southgate cemetery in my constituency. As things stand, within 10 years we will run out of burial space there, or we will come close to doing so. There is now a widely held view that the only way in which the public can continue to have affordable, accessible cemeteries is if we make better use of existing burial space.

As we have heard, public burial authorities in London already have some powers to lift and deepen existing graves that were last used 75 years ago, in order to create more space. The Bill would simply give to New Southgate cemetery broadly the same rights as those already afforded by Parliament to public burial authorities in London.

Mr Chope: Can my right hon. Friend surmise why those powers have, with one exception, not been exercised?

Mrs Villiers: I surmise that it is because the pressure on burial space is not so great as to require the use of such powers, but it is important that we equip cemeteries for the pressure that they will experience in the future.

Dr Offord: I may be able to help my right hon. Friend because when I was a councillor in the London Borough of Barnet, I was responsible for cemeteries, particularly the one in Hendon. The reason why the legislation was not used when I was the responsible cabinet member is that alternative locations were used. The Victorian planners of the cemetery originally decided that that land would not be used for burial, so we used those alternative locations, as well as other parts of the cemetery that were not originally intended for burials.

Mrs Villiers: I am grateful to my hon. Friend and constituency neighbour for supplying that information from his experience in the cemetery arena.

The powers conferred by the Bill would create new space for bereaved families. They would mean that a viable and sustainable burial ground could be preserved for the long term in the heart of the community it serves in my constituency. I am sure that the owners of the cemetery would, if they could, deal with the problem by acquiring additional land. However, the adjoining space is already built up with houses or is recreational land. Rightly, Barnet council wishes to preserve its recreational spaces and would be very reluctant for such land to be sold and used for cemetery purposes.

To return to the key point I made in my intervention, unless we reuse cemetery space and use the cemeteries we have more effectively, pressure will rise for the creation of new cemeteries. I have a particular concern about the pressure for new cemeteries in the green belt. There is already a proposal to create a natural burial ground in Arkley in my constituency, which is strongly opposed by the residents. The Bill would be helpful in creating sustainable burial space in pre-existing cemeteries. It will

[Mrs Villiers]

be important in helping to protect the green belt and our local natural environment. I urge the House to support the Bill this evening. I thank my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) for his great work on this legislation.

5.52 pm

The Parliamentary Under-Secretary of State for Justice (Dr Phillip Lee): I congratulate my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) on moving the Second Reading of this private Bill.

Building on the historical tone of the speech of my hon. Friend the Member for Christchurch (Mr Chope), I am pleased to participate in what is nowadays one of Parliament's less-used procedures. Historically, this procedure has played an important role. Indeed, I understand that more than 37,000 private Acts have been passed since 1539. In the 19th century, most legislation was private business, which typically addressed issues as diverse as transport schemes, public works, permissions for divorce and the settlement of estates. These days, there is little need to use private Bills for such purposes. Like the Bill we are addressing, private Bills are promoted by organisations wishing to disapply or modify the general law in relation to their own powers.

The New Southgate Cemetery Bill does so to address an identified need for additional burial space in the cemetery. I should like to make it clear from the outset that the Government do not oppose the Bill. As has already been explained, in addition to doing so for the cemetery company, the Bill provides powers for the National Spiritual Assembly of the Baha'is of the United Kingdom. The cemetery, part of which is owned by the National Spiritual Assembly, is an important Baha'i spiritual centre, so it is appropriate that the Bill will facilitate its continued availability as a burial place for Baha'is.

Before I address the Bill in more detail, I want to mention the issue of burial space more generally. There is increasing interest in this issue in the media, in the burial sector and, indeed, among parliamentary colleagues. Burial space is running out in parts of our towns, cities and countryside, but this is not a concern in other areas. Even within Greater London, the picture is not consistent. A 2013 York University cemetery research group audit indicated that there is acute pressure on burial space in parts of London, but that is not true across all of London.

There is already private legislation that, for almost 10 years now, has enabled public burial authorities in London to reuse graves, yet very few have done so. It is therefore not yet clear that pressure on burial space is a national issue requiring central Government intervention. Successive Administrations have kept the situation under review; I and my ministerial colleagues are considering whether that position should continue. Where there is local pressure, however, it is right for local solutions to address it. The Bill addresses the needs of New Southgate cemetery, and the Government do not wish to prevent the cemetery from remaining viable and continuing to serve its communities into the future.

I move on now to Government scrutiny of the Bill. As lead policy Department, the Ministry of Justice wants to ensure that the legislation is fit for purpose,

with appropriate safeguards, and that the views of those most affected by it have been fully considered. We have therefore consulted other Departments and arm's length bodies. I am grateful to the New Southgate burial authority for agreeing amendments arising from that process, including requirements for Historic England to be notified of any proposals and a requirement for remains to be reburied in an earthen grave as opposed to a structure above ground. I am pleased to note that the burial authorities have fully engaged with faith groups using the cemetery. I am grateful for the information provided on that, and having reviewed it am satisfied that the issue has been properly addressed.

Mr Chope: Is the information to which my hon. Friend referred on the public record—is it part of the Bill—and if not, how will it be put on the public record so that people can be held to account for what they have said?

Dr Lee: As I understand it, the relevant religious groups have all been consulted, where those groups have an obvious representative to consult. I am happy to write to my hon. Friend with further details.

I have written to the Chairman of Ways and Means confirming that in my opinion the Bill's promoters have fully assessed its compatibility with the European convention on human rights and that I see no reason to dispute their conclusions. However, I have noted two points: first, that the burial authorities will be required to act compatibly with convention rights in carrying out functions of a public nature within the meaning of the Human Rights Act 1998; and secondly that I am satisfied that other methods of developing burial space have been implemented as far as is possible. I therefore agree that the Bill's powers are both justified and proportionate.

I turn now to the series of questions that my hon. Friend the Member for Christchurch raised. First, existing burial space can be maximised by something called mounding, which involves new soil being placed over existing graves to allow additional graves to be excavated; by cramming, which is where new graves are created in available spaces such as pathways; and by reclaiming unused space in existing graves. The latter can be applied only to private graves, unless under Church of England authority—so-called faculty. Outside London, only unused graves can be reclaimed. In 2007, the then Government endorsed the principle of reusing existing graves by the lift and deepen method, which saves on the cost on new land, avoids competition for new land, keeps burial local, represents a sustainable use of resources and provides a new income stream for burial authorities, in turn reducing local authorities' financial liability.

My hon. Friend also asked mentioned the issue of the cemetery's selling off of land. We have dealt with the cemetery as it currently stands throughout. There is a need for additional space now and the Bill proposes all appropriate means of addressing that need.

My hon. Friend also asked whether the 75-year period was long enough, referring in particular to the grave of Ross McWhirter. The Bill provides that graves can only be considered for reuse 75 years after the most recent interment. It also provides that relatives of the deceased can object; if they do so the grave cannot be reused for at least another 25 years. In practice, therefore, a grave in which living relatives have an interest can be protected for 100 years.

My hon. Friend also mentioned accountability. As private providers, the NSC burial authorities are not subject to the same degree of statutory regulation as local authority providers. However, that is already the case regarding their existing management of the cemetery. There is no reason to expect that, as a subsidiary of one of the UK's leading providers of cremation and burial services, NSC's standards of operation and service would not continue to be upheld.

Dr Offord: Will the Minister confirm that private cemeteries are regulated and have obligations under the technical guidance on the reuse and reclamation of graves in London local authority cemeteries, as well as in municipal cemeteries?

Dr Lee: I need to consult before I can respond appropriately and will write to my hon. Friend accordingly.

Mr Chope: Do the Government encourage the creation of more private cemeteries, and to what extent are they committed to what was said by the right hon. and learned Member for Camberwell and Peckham (Ms Harman) in a ministerial statement following the consultation? She said that it was the intention of the then Government to use powers under the Deregulation and Contracting Out Act 1994 to enable all parts of the country to have reused graves.

Dr Lee: The Government are conscious of the need to ensure that appropriate burial space is available across the country. My understanding is that need differs from region to region. We continue to consult and I expect to receive further information in the coming weeks.

On NSC accountability, the Bill provides significant recourse to users. NSC must give notice of proposals to extinguish burial rights, disturb human remains or remove memorials. Objection from the owner of burial rights amounts to a veto, and an objection from a third party is subject to directions by the Secretary of State as an independent third party. Objections from relatives to the disturbance of remains amounts to a 25-year veto. An objection from a third party is subject to directions by the Secretary of State as an independent third party. In addition, NSC has a published complaints scheme. I can confirm that the Government secured an amendment to require record keeping on the disturbance of remains and the removal of memorials.

Finally, I thank my hon. Friend the Member for Christchurch for securing the debate. I am grateful to all who have contributed to today's proceedings.

6.2 pm

Mr Burrowes: With the leave of the House, I thank everyone for their involvement in the debate, and my hon. Friend the Member for Christchurch (Mr Chope) for ensuring that the Bill is scrutinised. I very much value and support that. As he said, it is inspirational, as always, to look at things in such detail.

The Bill deals with a sensitive matter with far-reaching effects, but it is particularly pertinent, as my hon. Friend the Minister said, that we have a local solution. I am grateful for my hon. Friend's support and for the support of my right hon. Friend the Member for Chipping Barnet (Mrs Villiers) and my hon. Friend the Member for Hendon (Dr Offord). It is proportionate and in line

with other legal powers, and will be of great benefit to residents of the local area, and to many religious and cultural communities, particularly the Baha'is, who will require the availability of burial sites at the cemetery. The Bill and its powers are required, as will no doubt need to be proved in the Select Committee. I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time and committed.

PETITIONS

People of Syria

6.2 pm

Ms Margaret Ritchie (South Down) (SDLP): I present the petition on behalf of my constituents from the coastal town of Newcastle who are deeply concerned by the humanitarian crisis in Syria. The petition is supported by the hon. Member for Strangford (Jim Shannon).

The petition states:

The petition of residents of Newcastle, County Down,

Declares that the humanitarian crisis in Syria has already resulted in thousands of deaths and shows no sign of a resolution; further that men, women and children are targeted by air strikes and, if lucky to survive, are being forced to leave their homes, tearing families apart and often resulting in further deaths; further that these people do not ask and do not deserve to be in this situation; and further that a peaceful means to end the war should be sought, rather than the continuation of air strikes.

The petitioners therefore request that the House of Commons urges the Government to help protect the rights and lives of those affected by the war in Syria through the administration of aid, food and medical care to those who remain in the country as well as those who have been displaced; and further that the Government is encouraged to find a peaceful means to end the war rather than the continuation of air strikes.

And the petitioners remain, etc.

[P001985]

Visa fees for Pilgrimage to Hajj and Umrah by Saudi Arabia

6.4 pm

Keith Vaz (Leicester East) (Lab): I rise to present a petition signed by local residents. The signatures were collected by a volunteer in Leicester East, Sayeed Askari. Hajj is the fifth pillar of Islam, and travelling to participate is a vital tenet of the Islamic faith. Furthermore, Umrah is a holy passage of Muslims across to Mecca and has immense religious value. Mecca is regarded as the holiest city in the religion of Islam and is of course in Saudi Arabia. Travelling to Saudi Arabia for Hajj or Umrah for the first time is free, but visitors will now have to pay an additional surcharge of 2,000 Saudi riyals, equivalent to £450, for any subsequent visit. This represents a very large increase. Quite simply, any restriction to participating in either pilgrimages is of great concern to the Muslim community in my constituency and elsewhere, and I hope that the Saudi Arabian Government will reconsider the increase.

The petition states:

The petition of residents of Leicester East,

Declares that the Ministry of Hajj of Saudi Arabia has decided to increase the visa fees for foreign visitors to visit the country in order to complete the Islamic pilgrimage for a second time. Hajj is one the Pillars of Islam that every Muslim must complete once in their life time by visiting Mecca in Saudi Arabia. The increase in

[*Keith Vaz*]

visa fees will cause hardship to many people who wish to perform this pilgrimage for a second time, which is sometimes carried out on behalf of a family member who is unable to carry out the pilgrimage due to ill health or age.

The petitioners therefore request that Her Majesty's Government makes representations to the Council of Ministers of Saudi Arabia which is chaired by the Crown Prince Mohammad Bin Naif to reconsider the decision to increase the visa fees.

And the petitioners remain, etc.

[P001984]

Variant CJD and Surgery

Motion made, and Question proposed, That this House do now adjourn.—(*Graham Stuart.*)

6.6 pm

Sir Paul Beresford (Mole Valley) (Con): I am delighted to see the Minister in her place, and I am sure that she is delighted to be here—or at least she is trying to smile under the circumstances. She has probably been made aware of my long-term interest in, and deep concern about, this subject. I am sorry to inflict it on her this evening, but she is bearing up. I also declare a potential interest, as a very part-time dentist.

Variant CJD is a fatal neurodegenerative disease originating from exposure to bovine spongiform encephalopathy-like prions, prions being small particles of protein. Variant CJD prion infections are associated with a very long and clinically silent incubation, but when the disease strikes, it causes a fast, spongy degeneration of the brain, followed by a horrible and untimely death. It is probable, but not certain, that carriers might not produce the disease themselves, but it appears to have a potentially decades-long incubation. The long incubation period means that some will die of other causes first, but, as we live longer, we cannot be certain that in time—after decades—the disease might not strike all carriers, if they survive long enough. Carriers might also unwittingly pass on the prion through blood transfusion and via surgical instruments.

Variant CJD is an appalling disease with no cure. The number of asymptomatic individuals with variant CJD prion infection is unknown, but recent research estimates that the carriers number about one in 2,000 adults, which is a staggering number. The disease poses a risk to others, via blood transfusions, blood products, organ or tissue grafts and contaminated medical or dental instruments. The response of this and previous Governments has been bipolar. To give an exaggerated simplification, the first position of this bipolar response is that as we have not had many recent cases, there is no problem—but considering the long incubation period and some recent changes, this is a dangerous assumption. The second position is that there might be a problem so we should apply the precautionary principle in some areas. We cannot have both. I believe that waiting and an occasional application of the precautionary principle really do not hit the problem. If the Minister takes no action, I hope she will recognise that the absence of evidence is not evidence of absence.

As I have said, research says that one person in 2,000 is a carrier. The incubation period may well be decades, and some individuals appear to be more susceptible and some less so, although in time this could be proven wrong. A death from variant CJD in Edinburgh in January this year showed a potentially deeply worrying change. People are of various genotypes: they can be VV homozygotic, or MM homozygotic or MV homozygotic—and for the sake of Mr Deputy Speaker, I will not explain that. Until this case of the Edinburgh patient, all cases of variant CJD had been M M. The Edinburgh patient was the first MV patient that we have seen. It was thought that being MV or VV might offer some resistance, but this does not seem to be the case. We should bear it in mind that about 45% of the population are M V.

There is still no conclusive evidence, but there is a possibility that patients with the M V genotype may have a longer incubation period, which could lead to a second wave of variant CJD. The real point is that until recently it was hoped that M V patients might not show clinical signs, but in these early days this appears to have been put in deep doubt.

Research also shows that prions are transmissible by blood products and contaminated surgical instruments, and as the prions resist decontamination from stainless steel, we have a problem. Over the years, a precautionary principle has been applied—it is still being applied, but only partially. Much has been done slowly over many years. Leucodepletion was introduced, and synthesised clotting factors have been provided for haemophiliacs. A prion unit was set up at Queen Square. Single-patient use of stainless steel endodontic reamers was made mandatory, which I find quite interesting and will return to in a few moments. Non-UK blood supplies were sourced for those born after 1 January 1996.

What I found curious about the endodontic reamers is that if a patient requires endodontics, it is possible to use the stainless steel reamer but singly; but if the patient for some reason does not have endodontics, the tooth will have to be extracted using a stainless steel instrument that is used repeatedly, called a pair of forceps.

Very early on the Government established, through Medical Research Council funding, a prion unit at Queen Square under Professor Collinge. This unit was tasked with finding a test, finding ways of stopping or reducing transmission and hopefully even finding a cure. The prion unit with DuPont has produced a RelyOn soak, which deactivates the prion on stainless steel surgical instruments. Following the soak, there is then decontamination and a washing machine—a dishwasher-type machine—and then a full-blown steriliser, particularly a vacuum-based one. These instruments will bring about total sterilisation, from which the prion will be lost.

DuPont is no longer producing the soak, because there is no market. And there is no market simply because hospitals, clinics and surgeries in this country are not required to use it; if they were, there would be a market. That is quite extraordinary considering that this country has the greatest deposit, if I may use that term, of people carrying the prion.

In a surgery washer, the disinfectant would do the job. Recently, Professor Collinge became aware that the Department of Health had announced funds for research into prion-disinfecting stainless steel instruments. I believe the prion unit has applied and will hopefully get a grant. The problem with the wash was that it meant an extra stage, which slowed everything down in the hospital, but if DuPont or another manufacturer could produce it in the form of a tablet, a powder or a liquid that would go into the dishwasher without frothing, that step would be taken away, we would get rid of the prion and there would be no time wasted. Those instruments would be prion-free.

Incidentally, the Minister may be aware that there is some evidence that a protein may—and I stress the word “may”—be responsible for the occasional transmission of Alzheimer’s disease. If she wants a little bit of help on moving with RelyOn, I can tell her that RelyOn would disinfect instruments with this protein as well.

Another major failure relates to the sourcing of blood products. People born after 1 January 1996 who needed blood products—for instance, a transfusion—could get non-UK-sourced plasma that was almost certainly prion-free. Those born before that date would get UK plasma, and would have to pray earnestly that the donor was not the one in 2,000. As a parent, I can imagine having two children born on either side of that date. If for some horrible reason they both needed blood transfusions, one child would get the prion-free plasma and the other would take the risk, as would elderly people like us.

With a test, we could be fairly sure of excluding that one in 2,000. Professor Collinge and his prion unit team have developed such a test. They tried it out in this country and subsequently went to the United States, where they checked it with an extensive research programme to make sure that it produced no false positives. They were successful. They then returned to this country. The final stage of the research needs to be tested on a large batch of anonymised UK blood samples, but the Medical Research Council will not fund it. At least, that is the case so far.

If we had that test, blood donors who were carriers would be sorted out and their blood not used, and special measures could be taken for surgery patients who proved to be carriers. In respect of the latter line, the Minister’s Department introduced new guidance in July this year. I understand that it requires separate instruments to be used on high-risk tissues in the case of patients born before and after 1 January 1997 respectively. That is sensible reasoning, because it is thought that people born since 1 January 1997—I thought that it was 1996—have had less exposure to prions via the food chain. Those people form a group who are at lower risk of prion diseases, and thus less likely to contaminate surgical instruments with prions.

The instruction from the National Institute for Health and Clinical Excellence on a risk-reduction strategy requires every hospital and clinic to have separate pools of instruments to be used for high-risk surgery. It distinguishes between patients who were born before 1 January 1997 and those who were born on or after that date. The instruments must be kept separately, and notated. Although I consider that instruction to be eminently sensible, it will add greatly to the costs to hospitals of instrument provision, storage, and the required regular re-sterilisation. Tracing and tracking of instruments has also proved costly, and some hospitals are etching all instruments with identification numbers to ensure that they can carry out the process properly.

I have only been able to obtain one figure, but I understand that since, I think, July, observing the new guidance has cost the National Hospital for Neurology and Neurosurgery in Queen Square an extra £120,000. A little further down the road, the cost to a hospital specialising in children will be considerably higher. If RelyOn were developed so that it could be used, that difficulty would be removed.

I have three small asks of the Minister. First, we must recognise that all patients need to be treated equally in respect of blood products. As one person in 2,000 is thought to be a carrier, until we have a variant CJD test everyone should receive non-UK plasma. Secondly, rather than chasing a new product for sterilisation, the Department of Health, through whatever means, should fund the

[*Sir Paul Beresford*]

manufacturer of RelyOn to produce it in a more user-friendly form. If NICE or the Care Quality Commission made the use of such a product mandatory, there would be a market potential, which might be sufficient to persuade DuPont or some other manufacturer to produce such a user-friendly product without the need for funding, because it would be sold and used every time sterilisation pouches went through the dishwasher. Thirdly, funding the last stage of the testing of the prion unit system for prion detection would enable carriers to be taken out of the blood transfusion pool, and would also ensure a more sensible separation of surgical instruments. The cost savings would be vast.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Gentleman on making such a compelling case for those with CJD. In 2001 the Government set some money aside for a compensation scheme for UK victims of variant CJD. A trust fund was set up in April 2001 and compensation payments of £25,000 were made to the most affected families. Does the hon. Gentleman feel the Government should reconsider the compensation scheme and upgrade it for 2016 for those who, clearly from what he says, will probably fall into that category—although I hope not—in years to come?

Sir Paul Beresford: The hon. Gentleman makes a good point, but what I would really like to do is get the Government to take some action that is sitting, waiting, readily available to prevent it; otherwise, in time to come I believe we are going to have a chance of a considerable flood of variant CJD disease, but we do not know, and if this test was there we would know if the figure of one in 2,000 is right or wrong, or if we can separate patients out so that those who have it have special instruments and the rest of us are alright, and we can also start using blood products in this country, because we will only be using products that do not have the prion on board.

In effect, the Minister needs to think about this: I do not want my grandchildren to be the generation that sees the re-emergence of variant CJD and for them to turn to me, if I am still around, and say, “Why didn’t we do something about it?” That is not a very big ask.

6.21 pm

The Parliamentary Under-Secretary of State for Health (Nicola Blackwood): I congratulate my hon. Friend the Member for Mole Valley (Sir Paul Beresford) on securing this important debate on variant CJD and surgery. It is clearly an area on which he has a great deal of knowledge. I recognise that prion disease is the causative agent of transmissible spongiform encephalopathies such as variant CJD. It remains in many ways obscure and there are many aspects of these rare diseases that we are still in the early stages of researching. However, one thing I am confident about is that the UK system for ascertaining CJD case numbers has been for the past 20 years reliable and accurate. Our national CJD research and surveillance unit, which is based in Edinburgh and funded by the Department and the Scottish Government, leads pan-European work and has leadership from expert clinicians and scientists who, in 1996 following BSE, were the first to identify variant CJD as a separate form of the condition.

The Department recognises the potential seriousness of secondary—person to person—transmissions of vCJD and has since the late 1990s introduced a series of measures to reduce the risk of such spread, whether by blood transmission or by surgery. We are reassured that there have to date been no cases attributable to surgical transmission and only three cases of clinical disease attributable to blood transfusions, all of which occurred in or before 1999. However, our risk assessment models, which we use in our impact assessments of potential risk reduction measures, continue to take into account the potential for secondary—person to person—transmissions by both routes, in people with all genotypes and over potentially very long incubation periods, which my hon. Friend mentioned. This is why the scientific advice we have is that the surgical instrument measures in place are sufficient irrespective of the genotype.

My hon. Friend was right to mention the recent case. It was always anticipated on the basis of a wide body of published scientific work that following the BSE epidemic further cases of vCJD, including MV cases, might arise from time to time. We have seen that with similar diseases, such as kuru in Papua New Guinea, and studies suggest MV cases could be seen in small numbers for more than 30 years after exposure. Having reviewed the information about the case of vCJD in a patient with MV genotype, the Advisory Committee on Dangerous Pathogens has advised that no changes in the current risk reduction measures are needed at present. It advises that the measures in place are sufficient, irrespective of genotype, although of course the matter will remain under review.

It is important to stress that modern surgical equipment in the UK is very safe, and that robust guidance is in place for the NHS on procedures and practices to reduce the risk of contamination of any kind, including the use of single-use instruments where possible and of decontamination practices. Where it is not possible to use single-use instruments in higher-risk procedures, there are processes in place to track the use of specialist equipment. As my hon. Friend will know far better than I do, there is a potential risk of vCJD transmission via dental surgery, and this has been recognised by the UK’s chief dental officers. In 2007, they issued letters to all dentists to advise that endodontic root canal reamers and files should be used as single-patient or single-use instruments.

Sir Paul Beresford: I am a little worried that the Minister appears to accept that surgical procedures are as good as they can be, given that the Department is inviting research to find a RelyOn equivalent in order to improve the situation. The Department must therefore see a flaw in what we have at present.

Nicola Blackwood: My hon. Friend anticipates my next words as only an experienced Member of Parliament can do. I think it is right to say that there has so far been no evidence of any secondary, person-to-person, vCJD transmissions via surgery or dentistry. Nevertheless, we are maintaining and updating our precautionary approach. Surgical instruments guidance has recently been refreshed to support health organisations in delivering the required standard of decontamination of surgical instruments and to build on existing good practice to ensure that high standards of infection prevention and control are developed and maintained. My hon. Friend mentioned a number of these points.

The major change in this latest revision takes account of recent changes to the Advisory Committee on Dangerous Pathogens transmissible spongiform encephalopathy subgroup's general principles of decontamination. This establishes a move towards in-situ testing for residual proteins on instruments. Residual protein is important because of the potential risk of the transmission of prions, though vCJD has not been shown to have been transmitted person-to-person in this way. The guidance provides information on how sterile services departments can mitigate the patient safety risk from residual protein with the objective of reductions in protein contamination levels through the optimisation of decontamination processes.

The ambition is that all healthcare providers engaged in the management and decontamination of surgical instruments used in acute care will have implemented this guidance by 1 July 2018. However, providers whose instruments are likely to come into contact with higher-risk tissues—for example, neurological tissue—are expected to give the guidance higher priority and to move to in-situ protein detection methodologies by 1 July 2017.

The chief medical officer has also recently written to NICE supporting the need to update its guidance on patient safety and the reduction of risk of transmission of CJD via interventional procedures, to ensure that it is fit for purpose, appropriately targeted, and can command the confidence of those who use it. We would expect this to take account of available evidence including: decontamination methods that are safe and effective against human prions; the epidemiology of CJD, including data on the prevalence of vCJD infectivity in the UK population from the appendix prevalence studies; and the availability and performance of single-use instruments in high-risk specialties. We would also expect the guidance review to be considered in the context of the latest research on prevalence, particularly for those born after 1996, who are currently considered unlikely to have been exposed to the BSE agent.

My hon. Friend is right, however, to say that adopting the precautionary principle alone is not sufficient. That is why successive UK Governments have been supportive of the development of new measures that might help in vCJD risk reduction. The Department of Health has provided over £70 million for CJD-related research in the last 15 years. That research has focused on: infectivity, pathogenesis and transmission risk; decontamination of surgical instruments and the development of more sensitive methods to detect residual proteins to improve instrument cleaning; test development, treatment and diagnosis; and surveillance, screening, epidemiology and case finding.

Sir Paul Beresford: I accept everything that my hon. Friend says. However, a test solution is on the market and waiting to come through. The Prion Unit test has reached the point at which it just needs a final run to ensure that it does come through. I hope that I can count on the Minister to back me in persuading the MRC to support that last round of testing. If we could test blood, we would not have to import blood products from overseas. We could separate out the one in 2,000 or whatever the figure is and cut down on the costs of instrument storage.

Nicola Blackwood: That is one reason why the Department has continued in difficult financial times to ring-fence £5.5 million a year for CJD-related research.

We are keen to see safe, evidence-based, cost-effective measures to reduce the risk of vCJD. At the moment, however, there is no validated diagnostic blood test that can be used before the onset of CJD symptoms to diagnose whether someone is infected or incubating the disease. We will of course take advice from the ACDP and the Advisory Committee on the Safety of Blood, Tissues and Organs on the use of any potential test in any proposed Department of Health-funded research study or deployment by UK blood services, but there are established systems for applying for research funds. We have put such funds out there, and any applications for those funds must go through the standard processes. To do otherwise would be to undermine the reputation for research excellence which the UK scientific community has fought hard to establish.

To that end, we recently launched an open competition, inviting proposals for research to further inform our risk-management and health-protection measures including our understanding of vCJD infection in the UK population, the development of a test able to detect pre-clinical levels of infection in blood, and the development of decontamination technologies for reusable medical instruments. I understand that Professor Collinge's RelyOn is one application that is currently going through that process, so it would be inappropriate for me to intervene.

I assure the House that the Department recognises the fatal consequences of all forms of clinical CJD and the devastating cost to individual patients, their families and carers, which my hon. Friend described movingly. That is why we set up the vCJD Trust in 2001 in recognition of their wholly exceptional situation and the fact that the Government is their last resort for help. The trust provides a no-fault compensation scheme for vCJD patients and their families, providing payments to be made in respect of 250 cases from a trust fund of £67.5 million. Over £41 million has been paid out by the trust to date.

Jim Shannon: In my intervention on the hon. Member for Mole Valley (Sir Paul Beresford), I asked whether compensation should be increased because of the number of years since the agreement was first made. With great respect and humbleness, I ask the Minister whether the Government would consider that.

Nicola Blackwood: The scheme is considered to be particularly effective. I shall look at it in the light of the hon. Gentleman's comments, but it seems to be meeting current concerns. It is also important not to overstate the risks of CJD compared with other disease threats we face. The incidence is now low, with only two new cases in the UK since 2012. While every death is an individual tragedy and we must be alert, we need to ensure that finite resources—research funding, policy development or committee activities—are applied proportionately and are appropriately evidence based.

The ACDP continues to provide independent risk assessment advice on prion disease, informing both research priorities and public health measures to mitigate against risks from healthcare interventions, including the surgical, medical and dental procedures issues that were raised today. The ACDP is clear that risk to both patients and the general public is extremely low. Nevertheless, the current robust systems of active surveillance for CJD continue, and our experts maintain a close watch on new evidence, reviewing it as it becomes

[Nicola Blackwood]

available. I assure the House that neither the Government nor the NHS has drawn back from our responsibilities to ensure that precautionary and proportionate measures are in place to protect patients from the risk of acquiring infection with prion agents during their healthcare. We

have put in place robust research investment to ensure that the situation can only improve.

Question put and agreed to.

6.35 pm

House adjourned.

Westminster Hall

Tuesday 29 November 2016

[MR GEORGE HOWARTH *in the Chair*]

Supported Housing

9.30 am

Neil Coyle (Bermondsey and Old Southwark) (Lab): I beg to move,

That this House has considered the effect of Government proposals on supported housing.

It is a pleasure to serve under your chairmanship, Mr Howarth. I thank hon. Members for their attendance. I formally congratulate the Under-Secretary of State for Welfare Delivery on her newish role—this is the first chance I have had to do it publicly.

We are here to talk about the effect of Government proposals on supported housing. Once again, this is a Government targeting a significantly disadvantaged group with ill-thought-through plans that will have long-term negative cost effects and which have already had a negative effect on the provision and supply of supported accommodation. In a September 2015 Department for Work and Pensions release, the then Secretary of State stated:

“Supported housing supports hundreds of thousands of the most vulnerable people across the country”.

[*Interruption.*]

Some of them are on crutches. The Department’s definition of vulnerable people covers older people, homeless people, people fleeing domestic violence, people struggling to overcome drug and alcohol addictions, and disabled people, including many people with mental health conditions and learning disabilities. Those are the people who use, and need, supported accommodation.

In 2010, the Department for Work and Pensions published a report that suggested that of people living in supported accommodation 25% had a learning disability, 42% had a severe disability or a physical disability, 17% were recovering from addiction, 5% had a significant mental health problem and 5% were fleeing domestic violence. We must ask ourselves why any Government would choose to make life more difficult or more uncertain for those groups of people. We are talking about a truly shabby policy on top of policies since 2010 that have significantly targeted, again and again, disabled people and other disadvantaged groups with cut upon cut. I will outline what the Government say they intend to do and why so many organisations and people have significant concerns.

Mr Jim Cunningham (Coventry South) (Lab): I am sure that my hon. Friend will remember that only weeks ago we had a debate on homelessness in the House of Commons, and a motion was passed. I am interested to know how that motion can be implemented when there is a situation like this with regard to homelessness, particularly with capping going on. That is surely a contradiction in terms.

Neil Coyle: It is an absolute contradiction. Since 2010, we have seen a shocking rise in homelessness across the country, particularly in my constituency. I did a sleep-out for the Robes Project there last Friday evening, in very cold temperatures, so if Members have not already done so I urge them to sponsor if not me the project more generally.

In the 2015 spending review the Government outlined plans to cap the—

Julian Knight (Solihull) (Con): I congratulate the hon. Gentleman on securing this important debate. He seems to be a bit stuck in a time warp from several months ago. Does he not recognise that the situation has changed and that there is a commitment to a new funding model based on localism, which should help with the allocation of resources so that those most in need will get the most help?

Neil Coyle: I am about to run through how the Government have ended up where they are now, but when it comes to localism, this Government have a record of devolving responsibility without the resources to meet the demand. That point should not be lost, as it is an important factor in how many organisations see the current consultation.

Coming back to last year’s announcement, the Government said that they would cap the amount of rent that housing benefit will cover to the relevant local housing allowance—the LHA—for supported housing, with a top-up paid by local authorities. Initially, they announced that the measure would apply to those who had signed a tenancy since April 2016. There was an immediate backlash, and it was clear that the Government had not properly thought through the plans or considered very well whom they would affect. They then announced a delayed roll-out of the change, initially for one year.

The hon. Member for Solihull (Julian Knight) alluded to the fact that there is now a consultation on further plans for a 2019 roll-out, including of the new funding model, but it should not be forgotten that the cap poses a considerable risk to supported housing as it might be insufficient to cover full costs for the people affected. Management costs for supported housing are significantly greater than generic housing costs. The limbo period has already caused some damage.

Alongside the delays to 2019 for both the change and the proposed new funding model, the Government have announced further damaging changes in addition to the proposals that they outlined last year. They have now included suggestions that will affect all universal credit claimants when the change is rolled out in 2019, not just those who have signed a tenancy since April 2016. There is concern among many organisations that the universal credit system is too clunky and inflexible to take into account what the Government had originally planned. It would be useful if the Minister indicated whether it is a “computer says no” approach rather than the flexible model that perhaps is needed. In another damaging change, the Government are applying a rent reduction to supported housing, with rents decreasing by 1% a year for three years up to and including 2019-20. That was not in the original plans and it has caused much dismay among the organisations and people affected.

Rebecca Pow (Taunton Deane) (Con): I applaud the hon. Gentleman for bringing to the House this debate on a very important subject. Does he not agree, however, that it is local authorities that know where best to place the money and whom to help the most? That is what the new funding model will address. I am a firm believer that money should not come from the top, but locally. That is how best to spend it. I would welcome clarification about whether the funding will be ring-fenced. I believe that the Minister will promise that, but I am sure that the hon. Gentleman would like to hear that that is the case.

Neil Coyle: I will come on to ring-fencing. The trust that the hon. Lady puts in local authorities is, I am sure, welcome, but often that trust comes without the resources to meet the demand, and that has been a continual problem.

Ms Margaret Ritchie (South Down) (SDLP): I congratulate my hon. Friend on securing this very important debate. Does he agree that as part of Government proposals regarding the provision of supported social housing, recognition needs to be given to the best locations, with good access to hospitals and other public services, as many of the people concerned are vulnerable and require care?

Neil Coyle: Location is important, and I will come on to discuss where needs are best met. For too many of the people directly affected, that has been in NHS accommodation, which has been inappropriate and at far greater expense, but the Government's plans do not address that.

Mr Jim Cunningham: I do not think we should let the hon. Member for Taunton Deane (Rebecca Pow) get away with what she said about passing responsibility on to local authorities. That is a cop-out. Local authorities can do the work with Government resources but if they are not given those resources all that happens is that they get the blame and the public suffer.

Neil Coyle: It is the individuals who need the accommodation who suffer, and all also the taxpayer in the longer term, for reasons I will come on to.

I want to give some national and local statistics. It is estimated by the House of Commons Library, which I thank for the figures, that there are 651,000 supported accommodation places across the country. That is not a massive number, as accommodation goes. Across my borough of Southwark, there are 1,200 places in a range of schemes.

I want to flesh out a bit more who is affected, by citing a couple of anonymised case studies from AmicusHorizon. The first is Mrs W, who is disabled and lives on her own in sheltered accommodation. She has no close family, and has mobility problems, a visual impairment and a learning disability. That is who the Government are targeting. She lives in sheltered housing, which means that she is in an accessible and supportive community with unobtrusive support from a scheme manager who operates as a kind of warden. That support enables her to live independently. Her combined rent and applicable service charge is £123.10, which is £57.44 more than the applicable LHA rate.

The second case study is that of Mrs P, who lives in an extra care scheme. She lives on her own and does not have contact with her children. She moved to the scheme after a spell in hospital because of a fall. In the accommodation her health has improved and the staff provide support to ensure that she stays well and is able to get out more and attend social activities. Without that support she would be in residential accommodation at potentially higher cost. Her combined rent and applicable service charge is £174.71, which is £64.04 more than the applicable LHA rate. Golden Lane Housing, which is a Mencap subsidiary, provides homes for people with very complex needs in my constituency, including people with learning disabilities. I visited its accommodation in Rotherhithe, and the people being supported there do not just have severe learning disabilities; they also have communication impairment. One was deaf and could not speak, and that is who the Government are targeting with the change. The wraparound support that those people need is absolutely essential, and by its very nature it is more expensive than routine housing costs.

St Mungo's is another brilliant local provider of emergency and supported housing in Southwark. It helps people out of homelessness, and helps people with high support needs. In its client group, as it calls them, in Southwark, 53% have slept rough; 73% have mental health needs; 44% have a significant physical health condition; and 55% have or have had a substance misuse problem. As well as providing shelter for those people, St Mungo's runs workshops that improve life skills and help many residents to avoid more intensive NHS services and to stay out of the criminal justice system.

The Government's plans from last year and from before that simply do not take into account the broader benefits of supported housing. First, there is the social benefit. Supported housing gives people who would otherwise struggle to live independently control and choice over their lives while allowing them to receive essential support. There is the human, personal benefit of supported housing. There is also a financial benefit. The cost of supporting people in specialist supported housing can be half the gross cost of residential care placements. Lifeways estimates that the average net saving achieved by moving from residential care to supported accommodation is at least £185 a week.

There is a clear cost saving available if we get the policy right, but the Government have failed to do that. The lack of specialist supported housing is pushing people with learning disabilities, dementia and a range of conditions into more expensive residential care, including hospitals. The National Housing Federation states that stable and certain funding for supported homes and services reduces pressure on public services such as the NHS, saving the taxpayer around £3.5 billion a year. That is the potential saving from getting this right.

I thank all the organisations that have given me briefings or meetings on the issue, including the National Housing Federation, Golden Lane Housing, Lifeways, AmicusHorizon, the London Borough of Southwark, St Mungo's, the Salvation Army, which I think is here today, and London Councils. Their involvement and all the supported accommodation that they provide has built up in the years following the extensive shift in public policy to enable disabled people to live more independently. In particular, that shift was meant to support

disabled people to live outside NHS accommodation and residential care. That reflects a demographic shift, and we need to be aware that we have an older disabled population. We should celebrate the fact that more young disabled people are surviving into adulthood, but that comes at a cost. They need more support. In Southwark, the fastest growing cost group to social services is 18-year-olds with learning disabilities. Mencap estimates that that group alone requires the provision of 1,000 new places a year in supported accommodation.

There are some worrying statistics on how things will be directly affected by the Government's proposals. Golden Lane Housing has suggested that 82% of local authorities agree that there is a shortage of supported housing for people with a learning disability. More worryingly, 41% of current schemes could be at risk of closure if the Government do not shift their plans. Some 80% of schemes due to be built to support that group would cease and not go ahead, leaving many disadvantaged people unable to access the homes and support they need and directly undermining Government efforts to provide supported housing in the community as part of the Transforming Care programme.

All of that has been put at risk by the mess, limbo and confusion from Government on the issue. There has been a clear lack of co-ordination across Government, with a rush to continue the squeeze on budgets without thinking more strategically or for the longer term. In September, the new Secretary of State said:

"The Government values the role supported housing plays and is committed to protecting and boosting the supply of supported housing".

However, DWP policies have put existing and planned supported accommodation at risk. For example, Golden Lane Housing had to postpone a £100 million five-year bond to provide supported housing. It would not have relied on a penny of public funding. It is also likely to have to turn down a £500,000 grant from the Homes and Communities Agency it applied for under the care and specialised support initiative to develop new homes. Accommodation has been put at risk as a direct result of the Government's confusion on the issue.

Unable to meet higher needs, the executive director of operations at AmicusHorizon said:

"The impact of the cap will be more than £1 million of annual rent and service income being put at risk. It will also have a significant impact on our residents. None more so than those living in extra care schemes. We've calculated they will have to fund an average shortfall of £41.00 per week".

The Government have said that

"from 2019/20 core rent and service charges will be funded through Housing Benefit or Universal Credit up to the level of the applicable LHA rate...For costs above the level of the LHA rate, Government will devolve in England an amount of funding for disbursement locally."

Very little detail has been provided, and there is an ongoing consultation on the issue.

Lifeways is based in my constituency and provides accommodation for more than 5,000 people with learning disabilities across the country. It has commented on the uncertainty that the Government have created and the lack of clarity in the funding model:

"The current uncertainty about the future funding of specialist supported housing is putting at risk our ability to deliver high quality, permanent homes in local communities...The new funding

model currently been consulted on needs to ensure that the money devolved is sufficient and gets passed on to the right people. People with learning disabilities must not be overlooked."

Julian Knight: I thank the hon. Gentleman for giving way again; he is most generous. We have had lots of detail from him on what he sees as wrong and so on. I am a member of the Select Committee on Communities and Local Government, and we have heard quite a lot of evidence on this, but I wonder what he proposes to do about the matter. Does he think that the status quo is the way to progress ad infinitum, or does he have any concrete proposals?

Neil Coyle: As I have outlined, if the Government introduced concrete proposals and knew what they were doing, we would not be in this position. I have some specific recommendations for how the Government might go forward, even though I fundamentally disagree that this group of people should be targeted for a reduction in support.

Lifeways has expressed concern about the fact that providers need confidence to invest and build. The Government's position since September last year has undermined that confidence and caused some schemes to be put on hold or cancelled altogether. Some providers of supported accommodation have said that they will pull out of the sector if the policy is not done in a way that reflects actual costs. The pressure is on the Government to get it right. While it is welcome that the Government have made exemptions for some groups—in particular, people fleeing domestic violence—Lifeways' concern about people with learning disabilities should not be overlooked. Sadly, there is a clear history in public policy of people with learning disabilities often being left behind or neglected in policy initiatives. It would be useful to hear from the Minister whether there are plans for other groups to be offered specific protections.

Many organisations expressed concern about the difference between supported accommodation and sheltered housing. It would be useful to hear how the Government see the difference between supported accommodation and sheltered housing for older people and the homeless.

As a London MP, I wanted to speak about the higher costs in London. I am grateful to London Councils for the information that they have provided. Its figures are based on applying LHA rates to the current total weekly costs eligible for housing benefit. It should be remembered that most providers cannot reduce rents in reaction to lower housing benefit entitlements set by Government due to the higher cost of provision, because of the nature of the needs of people in supported accommodation. If the Government plans go ahead as on paper, it is estimated that the London Borough of Ealing could have an annual shortfall of £528,000 a year. "Red" Kensington and Chelsea has forecast an annual loss of £440,000 a year. My borough of Southwark could have a shortfall of £167,000 a year. It would be useful if the Minister outlined how the Government will ensure that those additional costs are recognised and met. There is a lack of detail on the local top-up fund that forms part of the consultation. An indication of how the Government intend to operate that would be useful.

Conservative Back Benchers are keen to suggest that discretionary housing payments will always cover any housing shortfall from the Government. I hope that we

[Neil Coyle]

do not hear a lot of that this morning. It is an insufficient answer and only a temporary solution, even when such payments are possible. For Greater London, there was a £23 million cut in DHP between 2013-14 and 2015-16. My borough regularly spends well over what the Government provide for DHP. It would be useful to know how the Minister intends to meet that need without relying on discretionary housing payments.

I have some questions on the operation of the new scheme and funding model. Is there an intention to pilot the new funding model rather than rolling it out nationally? The changes proposed are significant. The National Housing Federation and others are keen to work with the Government to ensure a successful pilot, not just for the individuals but in terms of value for money under any new model.

The Government have suggested an element of ring-fencing, but ring fences do not always work; people are looking for an iron-clad ring fence on this issue. How will the Government give certainty that any ring fence would last in the longer term? If housing associations and others are to be able to plan to meet the higher level of need for supported accommodation that we know we will see, the ring fence must be iron clad, not just for current demand but into the future. The Government need to be clearer about how funding will keep pace with the level of demand. How do they intend to measure and monitor the level of need and the level of funding required?

I conclude by repeating that this policy change is very poorly targeted. It was ill thought-through last year, it has been poorly developed since and the limbo period has caused considerable discomfort. There is still a very poor level of information available on how the Government plan to take the policy forward from 2019.

Several hon. Members *rose*—

Mr George Howarth (in the Chair): I am anxious to get everybody in. I am not proposing a time limit at this point. If Members stick to eight minutes or under, it should be possible to get everyone in who has signalled that they want to speak.

9.51 am

Derek Thomas (St Ives) (Con): It is a pleasure to be able to speak under your chairmanship, Mr Howarth. I congratulate the hon. Member for Bermondsey and Old Southwark (Neil Coyle) on securing this urgent and important debate.

I agree that it is important that we put supported and sheltered housing on a secure footing for the long term, but I am not comfortable with the idea that we are targeting a particular group. I have some experience in this area and we have not been doing as well as we could have; this is an opportunity to improve the service that we provide for vulnerable people in this housing situation, because it is absolutely right that people deserve to be supported to live independently and with dignity.

There are many organisations and people who support vulnerable people, including older people, people with learning disabilities and vulnerable young people. Examples of all those types of organisations exist in my constituency

and I am familiar with them. They need the confidence that any changes that the Government make will ensure that they can continue to deliver those essential services for those who need them and that money ring-fenced for supported living is spent on supported living.

Julian Knight: Will my hon. Friend reflect on the fact that there have been some successes in this area, despite what the Labour party has been saying? Between 2011 and 2015, the Government delivered more than 18,000 new supported homes in England alone.

Derek Thomas: Certainly. I will come to the work that the YMCA is doing in my constituency to increase the amount of housing it provides for vulnerable young people, even in these supposedly uncertain times. There is a real opportunity to do something significant. There is work to be done, but the Government are heading in the right direction. What the people who provide the housing solutions need is confidence and a secure footing, and this is an opportunity to achieve that.

Rebecca Pow: Is it not then important that we commend the Government for opening up a consultation? I have met many housing associations in my constituency, including Yarlinton and Knightstone, which build across the south-west. Although one or two of those associations have projects on hold, they have certainly got some good ideas about how we could succeed in this area and make it better for the vulnerable people who need support and who we absolutely must support.

Derek Thomas: I welcome that intervention and completely agree. I delivered supported housing in the past, and there were decisions made, or done “to us”. The current situation is exactly as my hon. Friend says: an opportunity to get the people who understand the situation, the challenge and the solutions to work with the Government to deliver those things. We need confidence in three areas: that we will continue to deliver these essential services, that money awarded for supported living is spent on supported living, and that funding will keep up with demand—that is extremely important.

Long before I came to this place, I worked with people with severe learning disabilities and often with very elderly parents who were looking after adult children. The stress and pressure on the parents were enormous. The worry about where their adult children would end up when they could no longer look after them was significant. They had no confidence that the current arrangements would ever provide housing in the right place that their adult children needed to help them to live full and free lives. It is important that we use this opportunity to focus our attention and to address how we can provide the housing needed to support the whole family as they look to move their adult children into secure, independent housing that looks after them as whole people. We worked hard to do that. Local people put in their money to buy a property where we could house up to five people, close to their families, with the people in place who could support them to live there, but the barriers were so immense that we could not continue that service. The property is not lost because it is supporting homeless people, but we were unable to provide a secure arrangement for those people, where they felt they had a home for life.

Particularly in Cornwall, to which people gravitate because of the quality of living, many people with learning disabilities are living with older parents. We need to meet that housing demand now and in the very near future. We are not discussing the built environment, but it is important that the Government use every resource available to Departments to increase the supply of housing for people who have learning disabilities, to ensure that they are in the right place, with good transport links, close to home, where they can still be in close contact with their families and where they are part of the local community.

Devon and Cornwall Housing run foyers in my constituency, which are places where vulnerable 16 to 18-year-olds with quite horrendous backgrounds are supported. They are invited to live there. Alongside the housing—the roof over their heads—they receive support on growing up and the skills needed to become independent and to live lives that we all take for granted. The YMCA also works in my constituency. Years ago, I was on the board of YMCA Cornwall and sat on a panel that interviewed young people to ensure that the housing we provided was for them and would give them the tools that they needed to move on. They are only ever allowed to live in one of those properties for two years, so it is important that in that time they are supported to learn the skills and have the resources and abilities to go and set up homes of their own.

The challenges facing young people who qualify for such supported services are considerable. For years, both Devon and Cornwall Housing and the YMCA have been influential in helping young people to gain a firm footing in their lives. As I have said, there is good news, despite the uncertainty referred to by the hon. Member for Bermondsey and Old Southwark. Two weeks ago, I attended the annual general meeting of the YMCA. Bearing in mind that this is a rural, west Cornwall constituency where there are enormous housing challenges, the YMCA is being ambitious and is setting out to build 19 extra units in the constituency—it already has several—to support vulnerable young people. While the Government are focusing on what supported housing looks like and how we can respond appropriately and effectively to that important demand, will the Minister also pay attention to the barriers for young people in supported housing environments? A safe place to live is essential, but so is the right support to help them to move on from supported housing.

I would like to read a letter that I received from The Coach House, a foyer run by DCH in my constituency. It is right that we focus on supported housing, but we should also look at the barriers created by Government policy that hinder young people from getting the skills and tools they need. The letter says:

“Further to our conversation last week”—

I went along and sat in on one of the house meetings—
“about the young person I have that would like to do a university course at Cornwall College.”

This gentleman is 19 and has

“completed a level three music course at Penwith college. He completed it with triple distinctions. We went to Cornwall College to talk about him doing the foundation degree and was told that he would have to apply for student finance. I looked into how this would affect his benefits and was told that he couldn't claim benefits if he had student finance. The rent at the Coach House is £230 per week student finance would not cover this. So he is now

in the position that living in supported housing is holding him back. He still needs a lot of support so isn't ready to move on. I think that if we could support him through the first year of his course he would be more than ready to move on. This would be a fantastic opportunity for this young person. He is more than capable of doing the course.

Since being told that he couldn't do it because of funding his mental health has spiralled to the point that he hasn't been getting up, washing, eating properly he is very depressed at the moment. I have just come back from the doctors with him and he has been referred to the mental health team”.

We could do more to help that young person to have a fantastic life—to get the skills and the degree he needs and to find the job satisfaction that we enjoy, but at the moment the system is hindering him from doing that further training. I would be interested to hear what work the Government can do across Departments to remove those unintended barriers.

In summary, can the Minister ensure that money given to local authorities will go in its entirety to supported living? Recently, we have heard about extra money for social care from an extra precept on our council tax. We are a year into that, but in my constituency I have struggled to be absolutely sure that the money has gone to social care. We would not want a repeat of that, so if the Government are to give money to local authorities to deliver locally based, locally driven solutions, we must be absolutely sure that it goes to where it is intended so that the people we are talking about receive the supported living they need and deserve.

What more can the Government do to increase the supply of supported housing for people with learning disabilities? How can we ensure that those homes are in the right places so that tenants can play a full part in local society and, equally importantly, access public transport? Finally, will the Minister address the difficulties faced by young people who want to gain skills but risk losing their support by doing so?

Several hon. Members *rose*—

Mr George Howarth (in the Chair): Order. It would be helpful if Members can now confine their remarks to about six and a half minutes so we can get everybody in. Quite a lot of time has been taken up already.

10.3 am

Martyn Day (Linlithgow and East Falkirk) (SNP): It is a pleasure to serve under your chairmanship, Mr Howarth. I am grateful to the hon. Member for Bermondsey and Old Southwark (Neil Coyle) for securing this debate. I intend to speak briefly, as this is not the first occasion since joining Parliament that I have spoken on the subject of supported accommodation, and I suspect it will not be the last. However, I have a few points to make.

When I last spoke on this issue back in April, I welcomed the delay in introducing the housing benefit cuts for those in supported accommodation, and I also welcomed the September announcement to further delay applying LHA rates to the supported accommodation sector until 2019-20. However, it is not enough merely to delay them; the UK Government must exempt supported housing tenants altogether from those devastating changes or find an alternative funding model. The change to housing benefit can undermine the ability of such tenants

[*Martyn Day*]

to pay their rent, thereby putting their home at risk and threatening their physical and mental wellbeing, as well as posing a genuine threat to housing associations' financial stability. It could also end up costing us more money in the long term if those people move on to other forms of housing.

In previous debates, I have illustrated my concerns with practical examples from my constituency, and I will do so again. The Open Door Accommodation Project, based in Bathgate, which operates in my constituency, works with vulnerable young people. It has a number of supported flats throughout West Lothian and can accommodate up to 16 young people between the ages of 16 and 21. The flats are fully furnished, and most are shared accommodation. The aim is to prepare young people for their own tenancy. I was glad to hear that the shared accommodation rate will not apply to those residents.

When a young person joins the supported flat service, they are allocated a dedicated support worker who works with them to give personal and practical support and helps them to develop the self-confidence and skills they need to live independently. The young people being supported are already experiencing issues with the time it takes to receive benefit payments. That wait can have a huge impact on the likelihood of their sustaining their accommodation.

Another major concern is that there is no longer a seven-day run-on between accommodation, which means that young people have to move immediately when they sign up for a tenancy. That gives them no time to set up utilities or apply to the social welfare fund for the most basic of necessities. The uncertainty about the reduction of housing benefit further exacerbates those issues and, worryingly, might even put that vital supported accommodation at risk. How will such organisations plan for the future if they are faced with yet more funding challenges and uncertainty, which can only continue to deter investment in new schemes?

An area of particular concern for projects such as Open Door is the impact of the eligibility for the housing benefit single-room rate rising to from 25 to 35. That could make it much more difficult for young people to find suitable tenancies when they move on from the supported projects due to increased demand on single rooms and the difficulty in finding suitable flatmates in areas such as West Lothian and the Falkirk districts that make up my constituency—I do not believe that my area is unique in that respect. Those areas have a very different housing landscape from large cities such as Edinburgh or Glasgow, where shared living is much more common. An additional knock-on effect may be that a significant number of young people will move out of the more rural and suburban areas in search of shared accommodation, which may potentially have a negative impact on local economies and employers, as they may struggle to find young recruits.

I am also aware that the age increase to 35 could mean that a huge range of young and youngish people will be living in shared accommodation, which will lead to a new range of challenges. In particular, I worry about the vulnerability of teenagers who go through projects such as Open Door and then have to move on from supported projects to share accommodation with effectively middle-aged adults of 35.

There is much that concerns me about the UK Government's proposals. I am, however, glad that there are plans to devolve funding to the Scottish Government for supported accommodation. In my opinion, that is a step in the right direction. It will help to ensure that supported accommodation is supported in a secure and sustainable way for the long term. I just hope that, as with the bedroom tax, Scotland will not have to mitigate the effects of yet another botched Tory attempt at savings that simply moves an increased cost burden on to Holyrood.

10.8 am

Peter Aldous (Waveney) (Con): It is a pleasure to serve under your chairmanship, Mr Howarth. I congratulate the hon. Member for Bermondsey and Old Southwark (Neil Coyle) on securing this debate.

It is fair to say that there was a significant policy vacuum earlier this year, which was causing much concern for those involved in the sector. Credit is due to the Government for coming forward with proposals to fill that void. I particularly commend the ministerial team at the Department for Work and Pensions for the speed with which it responded with its statement on 15 September. It should be acknowledged that, back in July, it was a brand new team. This is not a straightforward matter, and it moved quickly to address the sector's worries.

I believe that the framework within which the Government are working up their proposals is sensible. They carried out an evidence review, and they have acknowledged that the proposals cannot be worked up just within the confines of the Department for Work and Pensions and the Department for Communities and Local Government. There is a need to work with other Departments and providers.

The Government are also right not to be rushing to put the new system in straight away. As they move into the consultation and detailed design stages, I have six specific concerns that I want them to address in their work with those involved in the sector day to day. First, there is a widespread concern that the 1% cut in rents to commence from next March will impact on the viability of schemes, in particular those of small providers, and will lead to either a reduction in much-needed services or the closure of schemes altogether. Another worry is that the cut will lead to housing associations drawing back into cheaper, general needs housing.

I acknowledge that the Welfare Reform and Work Act 2016 provides that social landlords can be exempted from the requirement to reduce rents if that would result in serious financial difficulty or jeopardise their financial viability. The feedback that I am receiving, however, is that so many providers will be adversely affected and the measure is casting such a shadow of uncertainty over the sector that it would be simpler to exempt all supported housing from the provision.

Secondly, there is concern among providers that the Government's proposed model from 2019-20—in which core rent and service charges will be funded through housing benefit or universal credit, and costs above the local housing allowance rate will be paid from devolved funding—could lead to a postcode lottery. The National Housing Federation expressed that opinion, and Riverside has provided regional maps to illustrate it. Emmaus, which serves my constituency, has similar worries, as

has the Salvation Army, which is concerned that the housing support entitlement of vulnerable men and women will be substantially reduced everywhere except certain parts of London and the south-east. I acknowledge that London has serious homelessness challenges, but so do other cities, towns and coastal communities such as the one that I represent. We need a one nation solution.

Thirdly, it is important that any funding mechanism has the ability to maximise the amount of finance that can be leveraged in from external sources, whether banks or pension funds. Bear in mind that new developments are invariably funded over long periods of between, say, 10 and 30 years, because lenders are looking for certainty that their investments are secure over the lending period. Rents eligible for housing benefit provide that comfort, because that is Government-backed income. The worry, however, is that the local discretionary top-up funding does not provide the secure, long-term solution that investors seek—it is too risky. As the NHF has pointed out, we need to ensure that the ring fence for funding is iron-clad into the long term.

My fourth point concerns mental health. Rethink Mental Illness has expressed serious concerns that the position of those with mental health challenges could be seriously compromised. Housing is the foundation stone for those facing mental health challenges to get their lives back on track, so we need to look very closely at the proposals as they affect that. Fifthly, the sector is very diverse. It has a number of different parts and, although we should have a core system, we need add-ons to address particular worries and concerns. Finally, as has been mentioned, this is complicated and not straight forward, so I ask the Government for a pilot project, which is necessary before the scheme is rolled out across the country.

In conclusion, the Government are to be commended for providing a framework within which a sustainable system of funding for supported housing can be delivered. Our challenge is to address the devil in the detail. This is very complicated and we need to work with the sector during the consultation period and beyond to deliver a system that fairly and properly provides for many vulnerable residents.

10.14 am

Alan Brown (Kilmarnock and Loudoun) (SNP): It is a pleasure to serve under your chairmanship, Mr Howarth, and it is always a pleasure to follow the hon. Member for Waveney (Peter Aldous), who made some good points and struck a better note than some of his colleagues have done.

Repeat debates on the same subject suggest either that someone is going for easy political point scoring or that the matter is one that the Government are continuing to get wrong. In this case, it is clearly the latter, and I congratulate the hon. Member for Bermondsey and Old Southwark (Neil Coyle) on securing the debate.

In a debate last year, I stated that the Government's housing strategy was a mess, unless we assumed that they wanted to dismantle the entire social housing concept. A year on, my sentiment remains the same. We only need to look at last week's autumn statement to see that it allocated a further £0.25 billion to the right-to-buy pilot. Given the volume of right-to-buy properties that

end up in the private rental market, that becomes a problem pushing up the housing benefit bill. The Government need to consider that, rather than attack supported housing, which provides lifeline services.

Supported housing provides refuges that can end years of hell, save people from domestic abuse, prevent rough sleeping, support people with mental health issues and allow older people to live independently in a safe environment. All those things combined can lead to an offset of savings within the NHS or can eliminate the need for people to be housed in more intensive and expensive residential homes, so helping to prevent bed blocking in hospitals.

My local Kilmarnock Women's Aid organisation confirmed that it provides

"information, support and temporary refuge accommodation to women, children and young people experiencing domestic abuse."

It believes that the

"impact of benefit sanctions and reforms are already having a disproportionate effect on women and lone parents. Universal Credit, which will be paid monthly to one householder, further increases the possibility of financial abuse."

Therefore, it states:

"If refuge services are not exempted from Housing Benefit, a vital lifeline for women and children to find safety from domestic abuse could be lost."

Against that backdrop, and as proof of a lack of joined-up government thinking, we have had a policy announcement confirming that the Government had no idea of its actual impact, which led to delays—which are welcome, but still only delays—consultation and now loose and woolly ideas for the future. The lack of greater detail from the Minister leaves a lot of uncertainty in the sector. There were some interventions on localism earlier, but the proposals do not offer confirmation that that will work; there is still insufficient clarity about what will happen.

In the here and now, we have had confirmation of the 1% rent decrease from 2017 in the supported housing sector, which will impose cuts on supported accommodation. The delay in the introduction of the local housing allowance cap until 2019-20 simply looks like a stay of execution, unless further clarity is provided.

Last year, an *Inside Housing* survey revealed the stark reality that 95% of providers might close their schemes, and the Government's proposals have not changed much since then, apart from the possibility of some additional funding. The thing is, though, that we do not know how that funding will work. Will it make up the complete shortfall? I suggest that it will not, or else there would be no point in introducing a more convoluted system. The Government now seem to be hiding behind the discretionary housing payments excuse that they used for the bedroom tax. The Government have been defeated in the courts over the bedroom tax, so who knows what lies in the future for this?

As my hon. Friend the Member for Linlithgow and East Falkirk (Martyn Day) said, it is a minor comfort that the relevant funding will be devolved to Scotland, although the Scottish Government are already spending £100 million to mitigate other Tory policies, and the Scottish Federation of Housing Associations has estimated a loss of funding of up to £14 million per annum. Will the Government take account of real need when looking

[Alan Brown]

at provision of top-up funding? Will the uplifts provided to the fund in future be at a flat rate? We need more clarity.

In a previous life, as a councillor, I was pleased to see the construction of a new development, Lilyhill Gardens, which provided supported accommodation to people with special needs, allowing them to live independently with the support of a telecare package. That project was truly transformational for the tenants, and won several awards. Local authorities and other providers would like to roll out similar models, but how can they do so when future funding is insecure? It is important that the Government provide clarity. In Scotland, we are trying to reshape the social housing model and provide a stock that is better suited to people's living conditions and demographics, but it is really difficult to do that without clarity about funding. That could lead to bed-blocking and other things that will cost more money in the long run. Will the Minister reconsider this issue, apply an exemption to supported housing and abandon the Government's penny wise but pound foolish strategy?

Mr George Howarth (in the Chair): Order. I will begin calling the Front Benchers at 10.30 am. Will the hon. Member for Strangford (Jim Shannon) bear that in mind?

10.20 am

Jim Shannon (Strangford) (DUP): I certainly will, Mr Howarth. I am quite happy to stop at 10.30 am, as you indicated. I am quite happy to be the last to speak in this debate as well.

I congratulate the hon. Member for Bermondsey and Old Southwark (Neil Coyle) on setting out his case so well and allowing us all to participate. It is good to speak in this debate. Like other hon. Members, I have spoken before about this issue, which affects some of the most vulnerable people in our society, and we are back here to do so again. We are back here for a purpose: there are quite clearly outstanding issues for us to address, and the matter is worthy of consideration and continued debate until we get it right. We are back here to get it right. I am pleased to see the Minister in her place; I hope that her cold or flu symptoms do not prove too much for her. I am sure that she will be able to respond to the issues that we bring to her attention.

I appreciate the extension until 2019-20 of the introduction of the local housing allowance cap, as that gives short-term relief to supported housing organisations and allows them to organise and work out whether they can continue to provide their valuable service not only to their residents but to the rest of the community. What those organisations do is important. It is estimated that at the end of 2015, there were some 651,000 supported accommodation units in Great Britain. That gives us an idea of the magnitude of the issue. The estimated annualised cost of the supported housing sector covered by housing benefit in Great Britain at the end of 2015 was £4.2 billion. Back home, I get requests about housing benefit almost every day, if not several times a day, and I am sure other Members do too.

It is claimed that supported housing provides a saving of around £940 per resident compared with the cost of housing them in other Government-provided facilities. On my maths—I hope my figures are correct—that is a saving of almost £612 million per year.

David Simpson (Upper Bann) (DUP): The bedroom tax was mentioned earlier. Does my hon. Friend agree that the Northern Ireland Executive made a wise decision not to move forward with the bedroom tax?

Jim Shannon: Yes, absolutely; my hon. Friend is right. That was a very wise decision. It was supported by all and was done for the very best reason: to help vulnerable people in society. I will focus on those people in the short time that I have.

We must surely consider that saving when looking at housing benefit and supported housing schemes over the long term. In March 2016, the Government confirmed that people living in supported and sheltered housing would be exempt from the LHA cap for a year to allow the Government to carry out a proper strategic review of how supported housing is funded. That is good news. Let us give credit where credit is due: that is a step in the right direction. I have been furnished with the results of the consultation carried out by members of the National Housing Federation, which represents housing associations. More than 200 organisations contributed their views to that consultation.

Ms Ritchie: Does the hon. Gentleman agree that the best way to deal with the need for supported housing is to provide additional resources for more housing, particularly more specialised housing, for those who are in most need?

Jim Shannon: I could not agree more. That is clearly what we are all trying to achieve, and I hope the Minister will confirm that that is the Government's target too.

The National Housing Federation says that the following three principles should underpin reforms to the funding of supported housing:

“No-one with support needs will become homeless or end up in unsuitable accommodation...The actual housing and support cost of delivering a quality service will be fully met, and will be flexible enough to meet changing levels of demand”—

things change, and we must be ready for that—and the “taxpayer and those living in supported and sheltered housing will have evidence of the quality and value for money of the services being funded.”

That seems a solid foundation on which to build a supported housing policy, and I hope that the Minister will respond positively to that.

We must look at all those principles in the light of what the Government seek to do. The local housing allowance cap will apply to all tenants in supported and sheltered housing from April 2019. Housing costs will continue to be paid through the benefits system up to LHA level. There will be no shared accommodation rate; the one-bedroom LHA rate will apply to under-35s in supported housing. There will be local authority top-ups, and ring-fenced funds will be transferred from the Department for Work and Pensions and allocated by the Department for Communities and Local Government. The 1% rent cut will apply to supported and sheltered accommodation from April 2017.

There are still problems and many issues to be addressed. The hon. Member for Waveney (Peter Aldous) referred to people with mental health issues, and I want to focus on them, because those issues come up every day in my constituency. I do not believe that the Government's

aims allow them to follow through on the principles that are in place. Only last evening, before I got my flight to Heathrow to come to the House, I had a young man with mental health issues in my office who was finding it difficult to get housing benefit to allow him to live close to his family. I had only to talk to him to know that he was suffering from severe depression, anxiety and angst and really needed help and support to allow him to live his life somewhat independently. I speak out for him, to ensure that the Government's proposals do not stop housing associations creating supported housing schemes, which are needed not simply for the elderly but for people of all ages and from walks of life.

We have had 30 years of conflict in Northern Ireland. We often say that, but that does not lessen the statement. We have acute and complex issues in Northern Ireland; many people from all sides of the community and of all ages suffer from anxiety and depression and need help. It is important that supported housing schemes can be created and sustained. The Government must recognise that need and allow for it in their proposals.

Although the ring fence and the commitment not to use a shared accommodation rate for LHA for people under 35 are most welcome, we must ask how local authorities will prioritise the spending of their devolved funding. For example, will they prioritise people with social care needs over single homeless people? How will the Government ensure that local authorities get the right amount of money and that funding grows in line with need? How will we ensure that services that require relatively little additional funding, such as sheltered housing, are not caught up in complicated administration? The hon. Member for Waveney spoke about how complex that is both for us and for our constituents. How will we ensure that existing tenants are protected in the transition from one system to another? I know the Minister, and I know that her response will be positive. We want to hear positivity from her when she addresses those questions. I am aware that this issue is out to consultation, but it has surely been considered since the initial review in 2011.

I conclude with this comment. Reform is needed. The present system can be taken advantage of. We speak for the most vulnerable people—those with mental health issues, emotional issues and complex personal issues, who are in situations where they are taken advantage of, not supported—and we must ensure that they are not left alone. I implore the Government and the Minister to consider fully the responses of the bodies that deal every day with those vulnerable people, and ensure that we leave no one alone and vulnerable without the support that they need to live.

10.29 am

Dr Eilidh Whiteford (Banff and Buchan) (SNP): I add my congratulations to the hon. Member for Bermondsey and Old Southwark (Neil Coyle) on securing the debate. This is a timely opportunity to re-examine the issues around the 2015 proposal to cap—in effect, cut—housing benefit for tenants in supported housing, given the Government's temporary postponement of the plans, their further announcement in September that they were stepping back from the brink of implementation, and the publication of the report arising from their evidence review just over a week ago, which we are still digesting.

We have had insightful contributions from Members from both sides of the Chamber. One of the common themes is that supported housing is a crucial part of the social rented sector. It meets a variety of specialised needs in our communities—needs that would not easily be met in other ways. We heard that supported accommodation include homes for elderly people, for people fleeing domestic violence and for people overcoming addictions. For the majority, we are talking about homes for people with learning difficulties, substantial physical difficulties, serious mental health problems or other complex needs. In other words, they are people who would otherwise be unable to live independently—people who are frequently disadvantaged—some of whom are also very vulnerable.

We have heard stories from every part of the UK about the huge value of supported accommodation in our constituencies, the huge difference that it makes to the lives of those who need it and benefit from it, and the challenge and uncertainty that the Government's proposals have caused not just to the people living in those homes but to those who provide those homes. My hon. Friend the Member for Linlithgow and East Falkirk (Martyn Day) highlighted the impact of the arbitrary age restrictions on disabled young people—those under 35 in that regard. The hon. Member for Waveney (Peter Aldous) expressed a range of concerns about the financial implications of the proposed changes for local authorities and supported housing providers. He also called for a pilot scheme for any changes that come in, which seems to be a sensible suggestion that I hope the Minister will take on board.

My hon. Friend the Member for Kilmarnock and Loudoun (Alan Brown) got right to the heart of the matter when he challenged the Government's approach to social housing in the wider context of austerity. He also made crucial points about women's refugees and the role they play in helping people leaving violent home situations. The hon. Member for Strangford (Jim Shannon) focused his remarks on the impact on vulnerable tenants in Northern Ireland, and the hon. Member for South Down (Ms Ritchie) who, regrettably, was unable to make her own speech in the debate, emphasised the need for investment in the supply of supported accommodation to meet identified demands.

We should remind ourselves that, if we turned the clock back 40 years or so, many people with similar types of disabilities to those who live in supported housing today often did not live in the community. If they could not live with family or, as outlined by the hon. Member for St Ives (Derek Thomas), their family could no longer look after them, they were moved into large residential hospitals, often out in the countryside away from everyone. There was one in my constituency, and while I do not doubt that the residents had a high standard of professional nursing and medical care, most were not ill and did not need to be in hospital. Most of them were people with learning disabilities. It was an institutional model that cut patients off from wider society and robbed them of their independence. It also cost a fortune, even by the standards of the time. By contrast, there are now real homes in the area for disabled and learning-disabled people, and that is immeasurably better for everyone.

Supported accommodation has developed in the subsequent decades in a far more humane, appropriate and altogether better model of living for adults who

[*Dr Eilidh Whiteford*]

would struggle to live independently without some degree of external support. However, the proposals we have seen from the Government in the past year to 18 months or so have put real question marks over the viability of that. The hon. Member for St Ives said that there is growing demand for supported accommodation, and I suspect that that is driven by changing demographics, with many members of the baby-boomer generation who were looking after adult disabled children at home no longer able to do so. Many young disabled adults, as we have heard, want to go to college and university, just like their peers. That has to be a good thing in the longer term, but it means that there is still a demand for supported accommodation. It has been a success, so let us not undermine that success with unnecessary cuts.

The Scottish Federation of Housing Associations represents dozens of housing associations in Scotland that provide supported accommodation of one sort or another. It estimates, based on projected turnover of tenancies, that nearly 6,000 new tenants could be affected by the proposed cap if it is introduced—obviously it is impossible to know exact numbers because the cap will affect future, not current, tenants.

The financial shortfall for those people—the gap between their housing benefit and their rent—is likely to add up to between £4.3 million and £5.6 million a year. That may sound like a small sum relative to the debates we were having in this place on the autumn statement last week, but for a tenant in supported housing in receipt of housing benefit the gap between their rent and housing benefit will on average be about £615 a year. That is nearly £12 a week, which would represent a substantial portion of income for, say, an adult over 25 on the new rate of employment support allowance. That would leave them with only about £60 a week to feed, clothe and keep themselves warm. A young person under 25 who has been assessed as fit for work would be left with only about £46 a week for their essential needs.

It is important to understand that many of the people we are talking about in supported accommodation may be on ESA for a lengthy period. Some may be in work or on jobseeker's allowance, but for many the special needs that make them eligible for supported accommodation also make it difficult to find sustained full-time work. We should accept that some folk in supported accommodation will always need quite extensive support to have a decent quality of life.

We need to ask ourselves what happens when tenants in supported housing cannot pay their rent. The answer is simple. Whether people are in private sector, local authority or housing association-owned property, when rent arrears get out of hand or build up over time their tenancies are put in jeopardy. A rise in evictions and homelessness is not an outcome that anyone wants to see. It is also hugely costly to deal with the consequence of failed tenancies.

There is a real risk to social landlords' willingness to invest in supported accommodation. If it becomes economically unviable to build and operate supported living, housing associations will not do it. That would be a disastrous outcome for individuals who could live independently in supported accommodation, and it would

also leave local authorities with an almighty challenge of finding ways to meet the basic welfare and housing needs of some very vulnerable people.

In many of the case studies provided by the SFHA of current tenants with similar types of support needs to prospective future tenants, the only alternative safe forms of accommodation would be care homes or long-term hospitalisation. That would make us feel like we were turning the clock back. In my local area, finding care home places is extremely difficult, and I know that that is the case in many parts of the UK. Our hospitals cannot cope as it is with the problems of delayed discharges: having people in hospital who do not need to be there. That would become a hugely problematic issue if we lost the ability to place people in supported living.

The critical point is that either option—care homes or hospitals—is significantly more costly than a measly £12 a week for vulnerable people, which could make the difference between retaining and losing a tenancy. Money spent to keep people living in their community is money well spent and it is a false economy, and quite mean-spirited, to squeeze the already low incomes of economically deprived people, as the Government's original policy proposed.

Before I conclude, what discussions has the Minister had with the Scottish Government about this issue? I welcome the plans to devolve funding in the area, but I hope she will confirm that it will continue at the current level. I am keen to know what engagement she has had with stakeholders in Scotland, most notably supported housing providers such as housing associations and local authorities but also the organisations that support tenants in those homes to live independently.

It is just wrong to target cuts on some of the poorest, most disadvantaged and, in some cases, very vulnerable people in our communities. It is also extremely short-sighted, economically counterproductive and socially retrograde. I appreciate that the Government are rethinking their approach. Sometimes the best thing is to accept that a previous ministerial team got it wrong and to recognise that the easiest, least bureaucratic and most cost-effective and compassionate way out is to back away from the cuts and exempt supported housing from the cap altogether.

10.39 am

Margaret Greenwood (Wirral West) (Lab): I thank my hon. Friend the Member for Bermondsey and Old Southwark (Neil Coyle) for securing today's debate on an important topic, and for giving such a balanced picture of the impact of Government policy. We have heard important contributions from hon. Members across the House, including the hon. Member for Waveney (Peter Aldous), who spoke of the shadow of uncertainty over the sector—something that I think everyone present will recognise—and described concern about the development of a postcode lottery. He called for a one-nation solution.

We heard contributions from my hon. Friend the Member for Coventry South (Mr Cunningham) and from the hon. Members for St Ives (Derek Thomas), for Taunton Deane (Rebecca Pow), for South Down (Ms Ritchie), for Linlithgow and East Falkirk (Martyn Day), for Kilmarnock and Loudoun (Alan Brown) and, of course, for Strangford (Jim Shannon). The hon.

Member for Strangford spoke about the importance of providing appropriate accommodation for people with mental health issues. The hon. Member for Banff and Buchan (Dr Whiteford) did a good job of summing up the debate, and dealt particularly with the point that the special needs that make people eligible for supported housing can also make it harder for them to find employment. I think that all hon. Members would agree that money spent to keep people living in their constituencies is money well spent.

As has been said, the Government plan to cap housing benefit at local housing allowance levels for people living in supported housing schemes and to introduce a reduction of social rents in England of 1% a year. The housing benefit cap will force the closure of tens of thousands of supported homes for people most in need. The National Housing Federation predicted that 82,000 specialist homes would be at risk of closure if the cap and rent cut were implemented. Why the Government would pursue such destructive policies, which will drastically decrease the amount of supported housing that is available, is a question that still needs to be answered, especially when a number of national studies have demonstrated that supported housing services provide excellent value for the public purse. That is particularly true in relation to keeping the costs of health, care and criminal justice down—something that several hon. Members have mentioned.

Supported housing is one of the fundamental building blocks of independence. It includes a variety of schemes designed to provide both housing and support to help vulnerable people live as independently as possible in their community. Supported housing in the community is vital to the wellbeing of those people, and presents the best opportunity for them to take control of their lives. That is exactly why the Government must ensure that there is good local supported housing. Will the Minister explain what the Government are doing to ensure that the supported housing sector is properly funded to provide a vital service to vulnerable people?

Supported housing is a lifeline for people in vulnerable and sometimes dangerous situations. It is a way for vulnerable people to maintain their dignity and a degree of independence. Those are real people, with real problems, who need our support during these hard times. They are not statistics, or potential savings. They are domestic abuse survivors escaping abusive partners, older people in need of additional support, people with mental health issues or learning or physical disabilities, who need specialist care, or they are homeless people in desperate need of a safe place to sleep for the night. That is just a snapshot of the types of people who rely on supported housing. Anyone who leaves the Palace of Westminster late on a Monday night and walks past people sleeping in sleeping bags in doorways will be acutely aware of how desperate the situation is. Are the Government not ashamed to turn their back on the most vulnerable people in society?

Supported housing is a place of sanctuary and much-needed refuge. For example, the domestic violence charity Women's Aid reported that 67% of its affiliated refuges in England would face closure if the local housing allowance cap were applied, while 87% of them would be forced to scale down their operations. With nowhere to go, women fleeing domestic violence would have even more perilous lives. What steps are the Government

taking to ensure that there is good quality and properly funded supported housing for those who need the safety and security it offers? Good, well-funded and integrated supported housing makes economic sense. Evidence shows that it delivers average net savings to the public purse of about £940 per resident per year. Does the Minister agree that the cost benefit of supported housing is beneficial to the public purse, and that it should be properly funded?

I am pleased that the Government have finally listened to the Labour party and to housing and community groups, and have decided at least to delay the implementation of the LHA plan that was included in the previous autumn statement. However, the future of supported housing is still not secure. The Secretary of State's written statement of 15 September promises at column 38WS to make "efficiency savings" to the supported housing sector in the same way as the rest of the social sector. The Government last week published a consultation, seeking views on their plans for a new housing costs funding model for supported housing. Will the Minister explain what exactly those efficiency savings will entail and how supported housing can be expected to make efficiency savings in a housing crisis? Ministers have promised a new, ring-fenced, fund; however, the similar, and once ring-fenced, Supporting People fund has been slashed by 45% since 2010. What guarantees can she give that a new fund will not also be cut?

The uncertainty is having an immediate impact; it has left tens of thousands of the most vulnerable people in limbo. Services coming up for re-tender are at risk of closure, irrespective of the outcome of the consultation. The charity Mencap said that the proposed cap had caused 80% of plans for new supported housing to be put on hold, and 40% of existing schemes to be threatened with closure. Does the Minister agree that the decision on the cap was merely delayed, causing unnecessary anxiety for those concerned?

Riverside has looked at the possible geographical difficulties of the new top-up scheme. I share its concerns about where the line is drawn between housing costs met by DWP through a national benefits system, and additional housing support costs met through locally administered funding pots. With LHA rates more modest in many lower-value areas of the country, significant top-up would be required just to meet core rent and basic accommodation-related service charges. For example, the LHA level for a one-bedroom Riverside home in Hull is £69.73, as opposed to £260.64 in Westminster—a difference of £190.91. In many lower value areas, significant top-up would be required. The local top-up funding allocations will need to perform a very different role in different parts of the country. In my area of the north-west, along with the rest of the north and the midlands, the top-up funding will mainly be meeting core rents and services, compensating for the fact that LHA rates are so much lower. In other areas, top-up funding can support new services.

The Government have committed to continue supporting "specialised supported housing", but will still impose savings on general supported housing. Can the Minister explain what constitutes specialised supported housing as opposed to just supported housing? Homeless Link has said that the definition of "specialist" covers very few supported projects and would protect very few homelessness services. I would argue that any housing

[Margaret Greenwood]

that provides expert support to vulnerable people is specialised and therefore should be protected from the LHA cap. Anyone in the sector will say that shelters and refuges are at capacity. It is already a struggle to provide the support needed to help people live independently. Vulnerable people are being turned away. That is happening now, and I dread to think what will happen when the Government finally announce the outcome of their consultation.

Supported housing is oversubscribed and more units are desperately needed. The Government need to do much more to secure the long-term future of supported housing. People who have fallen on hard times should not bear the brunt of Tory economic mismanagement. They deserve dignity and support. I urge the Government to rethink their position urgently, to listen to the deep concerns expressed by the supported housing sector and to ensure that all supported housing is fully exempt from the cuts.

10.47 am

The Parliamentary Under-Secretary of State for Welfare Delivery (Caroline Nokes): It is a pleasure to serve under your chairmanship, Mr Howarth. I add my congratulations to those offered to the hon. Member for Bermondsey and Old Southwark (Neil Coyle) on securing this important debate. Prior to his election, the hon. Gentleman worked in the field of disability and he continues to be an important campaigner for disabled people in his role as a Member of Parliament. He will know from his experience—we have heard a little of it this morning—how broad the supported housing sector is. He therefore has an excellent insight into the challenges of finding a proposal that will work across the whole sector.

As we have heard, supported housing is vital for many vulnerable groups. Whether additional support is needed for a short time to help someone recover from difficulties or setbacks in life, or whether it represents a longer-term arrangement, the valuable role that such accommodation plays is clear. Last week we published our evidence review of the supported housing sector, which we commissioned jointly with the Department for Communities and Local Government. The review has given us an important indication of the scale, scope and, indeed, cost of the sector across Great Britain. It estimates that there are about 651,500 supported housing units, predominantly provided by housing associations, local authorities and charities. The majority of the units—about 71%—are for older people, and the remainder for those of working age. It is estimated that at the end of 2015, just over £4 billion of housing benefit was being spent annually on the sector in Great Britain. That amounts to 17% of the total departmental expenditure on housing support. The review also provides an indicative estimate of just over £2 billion per annum for additional funding from other sources in addition to housing benefit in Great Britain. That was largely made up of local authority spending.

The focus of debate today is specifically the effect of the Government's proposals on supported housing. The Government are committed not only to protecting but to boosting the supply of such housing, and ensuring that it provides value for money and works for those who use it, as well as those who pay for it. As Members

will be aware, we have announced that a new funding model will be introduced for supported housing when the local housing allowance rates are extended to the social rented sector from April 2019. In future, housing costs up to the level of the relevant LHA rate will be met through either housing benefit or universal credit. Funding for the additional costs of providing supported housing in excess of that amount will be met through local funding, which is to be devolved to local authorities in England and to the devolved Administrations.

Neil Coyle: I think three different Members have asked about the potential for a pilot of the new funding model. Will the Minister clarify whether there will be one?

Caroline Nokes: The hon. Gentleman must not fret; I will come to that later. Many comments were made by hon. Members and I will try to respond to most of them, but I am conscious that time may not allow for all. I will allow the hon. Gentleman time to come in at the end as well.

As hon. Members have heard, the Department for Communities and Local Government and my Department last week jointly launched a consultation on the detail and implementation of the new sustainable funding model. I welcome this debate as an important opportunity to draw Members' attention to that. I will turn to the specific points raised by hon. Members in order. I hope to get to every point, but if time does not permit, I will write to hon. Members to clarify a few points.

My hon. Friend the Member for Taunton Deane (Rebecca Pow) and the hon. Members for South Down (Ms Ritchie) and for Bermondsey and Old Southwark mentioned local funding and why it is important that local authorities and devolved Administrations are going to be involved. I absolutely believe that local authorities are best placed to make decisions about how to support vulnerable people in their own areas. We heard about location from my hon. Friend the Member for Waveney (Peter Aldous) and the hon. Member for South Down, and they are right that it is important. However, it is also about understanding local need and being able to reflect that in the most appropriate type of provision.

The hon. Member for Bermondsey and Old Southwark mentioned disabled people, and he was right to do so. As he will know, disability spending will be higher every year to 2020 than it was in 2010. He also spoke of the types of people living in supported accommodation and, like me, he celebrates the numbers of young disabled people who are both living longer and wishing, quite understandably, to live more independently. He is right to point out that that is also a challenge, but it is one that we are determined to rise to.

Likewise, we have a growing elderly population. At the start of the debate, the hon. Gentleman outlined some percentages of individuals living in supported accommodation and what their particular needs might be. I emphasise that people do not necessarily have single needs. We have an ageing population, and as people grow older, their needs tend to become more acute and they tend to have more of them. It is important that we have a system that enables those with really quite intense needs to live independently for as long as they can and, indeed, for as long as they wish to.

Under the Care Act 2014, local authorities have a general duty to promote an individual's wellbeing when carrying out their care and support functions. Through the consultation, we will be seeking views on whether further protections may be required to ensure that all relevant client groups can gain appropriate access to funding, including those without existing statutory duties.

I can reassure the hon. Gentleman that Departments across Government have worked closely together on the proposals and will continue to do so. They include the Department for Work and Pensions, the Department for Communities and Local Government, the Department of Health, the Ministry of Justice, the Department for Education and the Home Office. We are also working with colleagues in the devolved Administrations.

We have to make it clear that this is not about targeting individuals but about ensuring that we have a system in which the quality of services is central and there is a clear focus on outcomes for individuals. Under the current system, effective oversight of quality and value for money is not strong enough. Through the consultation, we will consider new approaches to transparency and oversight. Our aim should be consistent standards for everyone living in supported housing, alongside a clear demonstration to the taxpayer of value for money.

We want to ensure simplicity and a streamlined process, in line with the principles of universal credit, which a number of hon. Members have mentioned. We have a solid foundation of universal credit delivery in every Jobcentre Plus, and people who are moved from housing benefit to universal credit by the Department after April 2019, and whose overall benefit entitlement will be lower, will be protected in cash terms under transitional arrangements.

As I have said, we recognise the diversity of the supported housing sector, in terms of both the groups of people who live in such provision and the range of support needs that they may have. Officials and Ministers from across the DWP and DCLG have held extensive meetings with representatives from across the sector to understand the nuances of what a new model needs to deliver. They have asked specifically about additions in the consultation document, including what potential role additional statutory provisions or duties for local authorities in England could play, particularly in terms of protecting provision for specific vulnerable groups. The task and finish groups we are setting up to consider a number of detailed aspects of the model are being carefully put together to ensure that the breadth of the sector is represented. I think three hon. Members asked whether the Government would commit to piloting the new funding model. There will be shadow-year arrangements in place on the detail and allocation of funding, to allow for the full transition to the new model from April 2018.

During the last two financial years, the majority of local authorities spent less than 100% of their allocation of discretionary housing payment from central Government. The hon. Member for Bermondsey and Old Southwark has urged me not to dwell on DHP—this will be one of my few references to it—but we provided local authorities with £560 million in DHP funding in the last Parliament, and we have committed to a further £870 million over the next five years. The amount of top-up funding will be set on the basis of current

projections for future need. Budgets for years beyond those already set will be determined in the usual way: at future spending reviews. I emphasise again that we want to work with the sector, through the consultation, to consider the wider strategic goals, such as responding to expected future growth in demand.

We see an opportunity here to do things differently, and to create a new strategic approach to commissioning supported housing. My hon. Friend the Member for St Ives (Derek Thomas) made a number of important points about doing better. He also raised the issue of the YMCA. I have been pleased to visit a number of projects since coming into this role in July, and I have long been a supporter of the work of the YMCA and have welcomed the input it has made to this process so far. I also visited a foyer in St Ives, and I absolutely agree with my hon. Friend on the importance, particularly for young people in the supported housing sector, of having move-on accommodation and increasing their level of education and training so that they have a better opportunity of employment.

The hon. Member for Linlithgow and East Falkirk (Martyn Day) spoke of Open Door in his constituency and its supported flat service. He made the valid point that there are very different accommodation landscapes across Scotland. We recognise that challenge, which is one of the reasons why we are devolving this responsibility to local authorities and to the Scottish Parliament.

The hon. Member for Banff and Buchan (Dr Whiteford) asked what contact I had had with Scottish members of the sector. In one of my roundtable meetings, I was pleased to have representatives from Scottish housing associations who came down to London to put their point of view across. I pay particular tribute to Scottish Women's Aid, along with Women's Aid nationally, which has been really constructive and engaged throughout this process, both with myself and with my noble Friend Lord Freud, who is the Minister for Welfare Reform. My hon. Friend the Member for St Ives mentioned a specific case in his constituency about students. I will be happy to meet him later to discuss that.

As we know, the Scottish and Welsh Governments have devolved responsibility for housing policy and already determine their own priorities. We anticipate that the Treasury will advise those Governments of their allocations at around the same time as the local authorities in England, which we expect will be in autumn 2017.

Jim Shannon: Will the Minister give way?

Caroline Nokes: I am sorry, but I really have no time left and I would like to leave a couple of minutes for the hon. Member for Bermondsey and Old Southwark to wind up—it will probably be 90 seconds now.

There is a specific point in the consultation about working with the sector to design an alternative model for refuges, which was raised by the hon. Member for Kilmarnock and Loudoun (Alan Brown), and the hon. Member for Strangford (Jim Shannon) said we should get that right. He is absolutely correct to say so. That is why we are not rushing this, and it is why I am pleased to be here today. My first debate as a Minister was on supported housing and that is the issue again today. Getting this right and ensuring that the consultation is as full and thorough as possible is an important part of

[Caroline Nokes]

my role, so that when we move forward with the new funding model, it works for those groups who hon. Members have rightly identified.

10.58 am

Neil Coyle: I thank all hon. Members for contributing to the debate and I also thank the Minister and the Front-Bench spokespeople. Members from St Ives to Strangford have emphasised the need to get this right. The context is that the Government made an ill-thought-through announcement last year. They got it wrong, and while there have been some welcome comments from the Minister, I note that there was no apology for the damage done to the sector by that uncertainty and instability over the last year. It is a sector that saves the taxpayer about £3.5 billion through things such as preventing bed-blocking, as mentioned by the hon. Member for Linlithgow and East Falkirk (Martyn Day).

I hope the Minister will use the consultation and the next few months to genuinely develop and improve these plans, to ensure that the Government get the policy right for the people, organisations and councils affected. I am sure there will be further opportunities to examine the issue in more detail, including through the joint inquiry by the Work and Pensions Committee and the Communities and Local Government Committee in the new year. I hope all Members will contribute more fully over time.

Question put and agreed to.

Resolved,

That this House has considered the effect of Government proposals on supported housing.

Dissident Activity (Upper Bann)

11 am

David Simpson (Upper Bann) (DUP): I beg to move,

That this House has considered dissident activity in Upper Bann.

It is a privilege to serve under your chairmanship, Mr Howarth. It is disappointing that I must focus today on dissident republican activity in my constituency. That said, I must take this opportunity at the outset to remind Members that Northern Ireland has come such a long way from the pain and dreadful history that our Province holds. We have made remarkable progress. We are making headlines—largely on a positive note—and now receiving global recognition for the right reasons.

However, there remains an element within our community that cannot look to the future. There are some who cannot and will not build on our strong foundation, which is delivering, and delivering well, for the people of Northern Ireland. It is that element that forced the security threat level in Northern Ireland to severe. It is that element that saw our Prime Minister, the then Home Secretary, deliver the news that an attack on the UK by dissident republicans was a strong possibility. It is that element that is continually undermining the great work that our political leaders in Northern Ireland are striving to achieve.

A town in my constituency is regularly brought to the fore, with reports of dissident activity. It has one of the highest threat levels, and we all need to be on our guard and highly vigilant. In 2009, my constituent, a serving police officer, responded to a 999 call. Constable Stephen Carroll attended without hesitation, in an attempt to fulfil his commitment as a police officer and his pledge to protect the wider public, but that call turned out to be an elaborate trap set up by dissidents who lay in hiding and fatally wounded him. I vividly recall attending Craigavon that evening, as the reports came through that the first officer of the Police Service of Northern Ireland had been shot. It is a night that I will never forget. I must commend the PSNI for its skilful and thorough investigation and for bringing those responsible before the justice system. Two men are currently serving life sentences for that brutal murder, but it does not erase the pain for Constable Carroll's family.

Ian Paisley (North Antrim) (DUP): My hon. Friend gives a very sombre recognition of the slaughter of an innocent police officer in Northern Ireland. Does he agree that one thing required in his constituency and all our constituencies is more police officers on the ground? We are about 800 short from what Patten recommended. We need the police to urgently recruit new members and the Northern Ireland Office to stump up the money for it.

David Simpson: I agree. I had a meeting with the Police Federation for Northern Ireland yesterday about the shortfall in its members. Hopefully we will see the fruition of that, with extra members on the ground in the not-too-distant future.

Jim Shannon (Strangford) (DUP): I congratulate my hon. Friend on securing this debate. Does he agree that we need communities to support the PSNI and all the

investigations it is doing and to ensure that the evidence and information those communities have can be sent to the PSNI? The communities, together with the police and elected representatives, can then take on the dissident republicans and eradicate them totally from society in Northern Ireland.

David Simpson: I agree. Community support is important, and I will deal with that later on in my speech.

Our security personnel are on constant high alert. In my constituency, prison officer David Black was gunned down on the motorway as he travelled to work in 2012. That brutal ambush was carefully planned and carried out at the hands of skilled gunmen, who carefully targeted and shot him at high speed. Mr Black served Her Majesty's Government in the Prison Service for more than 30 years and was awaiting the outcome of his retirement application. That is another mammoth loss, not only to his family but to Northern Ireland as a whole.

That is the distinct reality of the dissident republican activity we face today. They continue to generate support through illegal republican parades and protests. They are engaging with impressionable young men—a generation who have not fully witnessed the darkest days of the troubles. Having indoctrinated those teenagers, they send them out to engage in crimes, while maintaining a safe distance. In May this year, reports stated that a 10-year-old boy was cautioned after a masked colour party took part in a republican parade through Lurgan. It is extremely disturbing how young children are being exploited to try to progress a violent and brutal agenda.

Ms Margaret Ritchie (South Down) (SDLP): I congratulate the hon. Gentleman on securing this debate. Does he agree that the cancer of paramilitarism must be eradicated from all quarters and that to do that once and for all there must be community support for the PSNI and also community involvement with it, working together with all community and political organisations?

David Simpson: I agree entirely. It is important that the communities co-operate and that information is fed into the security forces.

At the time of that parade, the PSNI was aware of possible illegal parades and made several announcements regarding such activity. It urged the public not to engage in any way and reminded everyone of the repercussions of doing so. However, its pleas to the public were ignored by some, and following that parade, the PSNI followed through with robust and thorough investigations. Last week, it reported that a total of 81 files had been forwarded to the Public Prosecution Service for consideration. I understand that 35 of those files were on residents of the Republic of Ireland. There is a widespread concern that when those files are passed to the PPS, the good work of the PSNI is undone. On occasions, the files that are passed to the PPS for prosecution do not come before the justice system. In cases where they do reach the judiciary, sentencing is often too lenient and therefore ineffective as a deterrent, especially to the said impressionable young men.

In August this year, following a number of co-ordinated policing operations, locally-based police officers working in conjunction with specialists from crime operations

branch recovered a fully constructed explosive device, firearms and components for other improvised explosive devices in a number of searches in the area. Just a month later, in September, the PSNI uncovered an armour-piercing direct-fire mortar. Along with that find, three men were charged with targeting a former member of the security forces, and a fourth man was charged with attempting to kill police officers. We have recently seen the use of that type of weapon not only in my constituency but in Iraq, Syria and Afghanistan.

In my constituency of Upper Bann, more firearms and ammunition have been recovered this year than in 2015; more people have been charged with terrorism-related offences this year than in 2015; and more explosives, including the vicious mortar, have been seized this year than last year. I want to put on record my admiration for the district commander, the chief inspectors and all the police officers on the ground for their resilience in working under in these difficult and very dangerous circumstances.

The team of PSNI officers come under regular attacks in my constituency. Earlier this year, officers were on the receiving end of orchestrated, intense and prolonged violence when more than 100 petrol bombs were thrown and shots were fired at them during serious disorder in the local town in relation to the railway line. That railway line is famous in my constituency. It runs through a high-profile area of dissident activity and is the main thoroughfare from Belfast to Dublin, with trains approximately every 30 to 45 minutes. There have been numerous security alerts on the line, with more than 90 closures. This year, that has been somewhat reduced because of Translink's work and that of the security forces. We all know that this is an attempt to lure police officers and forces of the Crown into the area so they can be attacked and their lives taken.

Such activity is simply not what the vast majority of my constituents want. They are trying to get on with their daily lives, but it is a stark reminder of how dissident republicans are holding the wider community back from enjoying the freedom and prosperity that Northern Ireland has to offer. I have met collectively the PSNI and Translink to discuss the impact that such closures on the line have on travellers on the railway and we are making steady progress.

Ms Ritchie: The hon. Gentleman is being generous with his time. Does he agree that the interruptions to the Belfast to Dublin service add to the problems for Translink, which has received a lot of criticism from many travellers as a result of undue delays in travelling to Belfast or Dublin, which is having an impact on the local economy?

David Simpson: Indeed. That is my next point. Shoppers, travellers and people going to work are affected, and not all employers are as sympathetic as they perhaps should be in the circumstances when people may have to use buses for transport. It is a disaster from start to finish. It is unacceptable and affects the economy greatly.

The PSNI has received cross-community support—there is no doubt about that—for stamping out dissident activity where possible. With limited resources, it is delivering a high-profile response to tackling these criminals, but we cannot ignore the fact that they are maintaining

[David Simpson]

a presence and continuing to build on their support network. In recent meetings with the PSNI it has said it is greatly concerned about that.

The dissidents have a strong recruiting process, including vulnerable teenagers, and even those who were involved in provisional activity are coming back to help to build devices. Not all have been built correctly. One day, God forbid, they may get lucky and take the life of a police officer, but we hope and trust that will not happen.

Tom Elliott (Fermanagh and South Tyrone) (UUP): I welcome the hon. Gentleman's motion. Does he accept that the so-called dissident terrorists are wreaking more havoc and doing more harm and damage to the community they purport to represent than to general society?

David Simpson: That is correct. One concern of the security forces is that the dissidents may not have the capacity for a full-blown terrorists campaign, but they only need to be there and to carry out attacks once a month or every three or six months because the security forces must remain on high alert. The cost to the economy is phenomenal and we must be vigilant about that. The security forces are very aware of that, as are the Northern Ireland Office and the Executive, but unfortunately the dissidents are there and the security forces must deal with them. In recent days, parts of the group have formed a new political party with a leading character in the area—the Minister will know who I am referring to. He is so blatant, sitting in the middle of a room proposing to organise a political party when he is responsible for many dissident activities. He is like Teflon-man: nothing sticks to him. It is unfortunate that he seems to get away with it.

Jim Shannon: The fires of hell will stick to him.

David Simpson: Absolutely.

What more can be done? We know that the judiciary is impartial, but can anything be done to exert pressure to ensure that the necessary sentencing is handed down? If money is an issue, will the Northern Ireland Office consider helping to provide more assistance so that we can stop dissident republican activity and bring some normality to my constituents' lives?

11.15 am

The Parliamentary Under-Secretary of State for Northern Ireland (Kris Hopkins): It is a pleasure, as always, to serve under your chairmanship, Mr Howarth. I congratulate the hon. Member for Upper Bann (David Simpson) on securing this important debate. It is important to reiterate the continuing threat in his community and other parts of Northern Ireland and to ensure that we articulate, as the hon. Gentleman did, the fact that, although there has been a huge transition in recent years, a small number of individuals continue the horror of the troubles. I will refer later to some of the hon. Gentleman's comments.

I want to speak briefly about the wider dissident republican threat before turning to the specific points raised by the hon. Gentleman. It is important to say at the outset that through the hard work and sacrifice of many brave people, there have been great strides forward

in the security situation since the troubles. However, as the hon. Gentleman so clearly articulated, we continue to face a threat from dissident republicans. Dissident republicans are relatively small, disparate and factional groupings, but they are also reckless and determined, and they have lethal intent. In Northern Ireland this year, they have been responsible for five deaths and since 2010, when policing and justice were devolved, there have been 199 national security attacks in Northern Ireland. Although the threat is severe, most people across Northern Ireland are not directly affected by it. Terrorists target their efforts against the brave police, prison and military personnel who work to keep all our communities safe. We owe these public servants a tremendous debt of gratitude for their work day in, day out across Northern Ireland. We always say that in debates such as this, but we must keep reiterating it because they are the people who look after every part of our community. They are immensely brave. I have the privilege of working with them every day, and I will continue to sing their praises.

An unacceptable burden falls on people and communities who are affected because terrorists seek them out to cause them harm, because they have the misfortune to be caught up in security incidents or because they happen to live in areas where dissident republicans operate. We have all heard about the terrible injuries and deaths caused by terrorists, but even where there are no injuries, the terrorists attempt to control and disrupt the lives of many people. Often frail, elderly people or young people must be evacuated on cold nights, people have to move out of their homes or miss hospital appointments and businesses may be impacted on because a small number of disaffected individuals target their own communities to achieve their bizarre aims.

For these reasons and so many others, those who seek the path of violent republicanism cannot secure broad support. They offer nothing to the vast majority of people who want peace and good fortune for themselves and their children. The good people of Northern Ireland have a right to live in peace. They do not want the violence, intimidation and control that those terrorist groups try to impose.

Mr Nigel Dodds (Belfast North) (DUP): I agree with what the Minister is saying in response to the speech of my hon. Friend the Member for Upper Bann (David Simpson), whom I congratulate on securing the debate. Does the Minister agree that in an area such as north Belfast, which has seen a lot of dissident terrorist activity, one problem that people face and express concerns about is open displays of dissident paramilitary activity, whether it be through parades, murals or other activity? They want to see the police and security forces trying to put a stop to that, because it is designed to intimidate, to stake out territory and to create prominence in the media.

Kris Hopkins: I recognise the point that the right hon. Gentleman makes and I support him in encouraging our police to try to bring an end to that activity. He also makes the point that many people have made, about the community articulating what they want and demonstrating that they do not want to kow-tow or capitulate to a small group of thugs who want to influence the progress

being made in Northern Ireland. Both the police and our security services play an important role in identifying and pursuing dissident republicans and disrupting and suppressing their activity. We want to keep that pressure on.

I want to comment on some of the points made by my hon. Friend—I will call him that—the Member for Upper Bann. We say many things in these debates, but to go back to the police and the other people on the front line, nothing demonstrates more clearly the immense contribution that people have made than someone making the ultimate sacrifice. I am thinking of individuals out there who have actually been targeted by these people. The hon. Member for Upper Bann referred to Stephen Carroll and David Black—two people who were brutally murdered by these individuals. Of course, they are not the only people who have been targeted. There have been many other attacks, and the attacks continue.

David Simpson: The Minister is right to say that other people are being targeted, and not only serving members of the security forces. I have cases in my constituency of officers who left the force nine or 10 years ago but are currently being targeted.

Kris Hopkins: Yes. We need to do everything we can, and I know that police colleagues are doing that as well. The constant dialogue that we have, not only with other MPs but through agencies and councils, through different people, ensures that we have an understanding of the threat on the ground.

I want to offer my condolences in this arena to the families of the two people I mentioned and the other people who have been killed or had their lives disrupted. I also want to refer to the comments made by Assistant Chief Constable Will Kerr. He said:

“I would ask all those with any influence in the community to use that influence to persuade people not to get involved in this type of activity. People who get involved, particularly young people, face the prospect of significant, possibly life changing, consequences.”

That is really important. It reiterates the point made by several hon. Members, including the hon. Members for Strangford (Jim Shannon) and for South Down (Ms Ritchie), that we all have a responsibility.

Gavin Robinson (Belfast East) (DUP): The point that the Minister makes is one of confidence in the Assistant Chief Constable wishing to demonstrate that pursuing a path of paramilitarism will always be negative and dangerous. Will the Minister reflect on how frustrating it is that, following the murder of Adrian Ismay in my constituency, the man who has been charged with his murder—Christopher Robinson—breached his bail conditions no fewer than five times, yet was still free and still is free to walk the streets? How can we encourage the community to stand against such activity when the system is not working with them?

Kris Hopkins: I will not comment on the specific case, but I will touch on the broader issue of justice. Before I do, however, I want to refer to the point made by the hon. Member for Upper Bann about a 10-year-old child being targeted. I am thinking about my own constituency and the fears about the drug-dealing scum in my town

who use innocent young people, because they are cowards. They franchise out that activity to someone else—to an innocent. I would say to parents, to families, out there: be extremely vigilant. These people are not bringing someone into a cause but exploiting innocent young people, and we must do everything we can to protect them.

Ms Ritchie: I know that the hon. Member for Upper Bann (David Simpson) will agree with me about this. There is supposed to be a direct correlation between those people who are actively involved in these activities, and drug activities. Both are equally insidious and both are a cancer in society that must be eradicated.

Kris Hopkins: The hon. Lady makes a very good point, with which I agree.

I will briefly move on to the justice system. Justice is a devolved matter, and we treasure the independence of the judiciary, but I will make some observations. First, a review of the system is going on, but, as a citizen, I have observations on some of the choices that have been made, such as individuals being allowed to go to pop concerts. This is about confidence. I want a system that is independent, but it also has to be fit for purpose and reflect the demands of our broad public, who have made an immense journey. When we ask people to step away from paramilitarism and have faith and confidence in a system, whether it is the police or the broader judicial system, the system must be able to sentence; it must be able to process these things. I say this for people who are charged as well. I want them to have a good system that enables them to enter the process, understand and participate in it, and have their day in court. At the moment, I think there are huge question marks over its ability to deliver that. I know that the Minister of Justice in Northern Ireland is doing everything she can to deliver it. I implore my friends across Northern Ireland to make a positive contribution in seeking change in that process.

I want finally to mention what we are doing. On a personal level, I feel so honoured to serve as a Northern Ireland Minister in a Northern Ireland that is in a far better place. It is an exciting place to be. We talk about the terrible things that we have talked about today, but when the chief executive of Belfast City Council tells me that 82 cruise ships have docked in Belfast, when the city tour bus is going around Stormont and when we have thousands of tourists coming to so beautiful a place as Northern Ireland, we need to ensure that we have some balance. A small group of individuals are seeking to go back to the past, but I believe that the vast majority of good people desire to be in a different place.

From a resource point of view, we have put an extra £160 million in this year, and we have put £25 million into addressing paramilitarism. I say to colleagues in the House today and to other friends in Northern Ireland that if I can change things or help them on the path to greater prosperity and greater peace, I will do everything I can.

Question put and agreed to.

11.29 am

Sitting suspended.

Equine Slaughterhouses (CCTV)

[MRS ANNE MAIN IN THE CHAIR]

2.30 pm

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): I beg to move,

That this House has considered CCTV in equine slaughterhouses.

It is a pleasure to serve under your chairmanship, Mrs Main.

Believe me, like many horse-obsessed women, I could happily entertain Members with an equine monologue for at least an hour and a half, but although I would rather be taking about the brilliant exploits of horses I have known, the welfare of horses at the end of their life none the less remains an unavoidable issue requiring much greater scrutiny and action. Sadly, if someone keeps livestock, sooner or later they will have to dispose of deadstock. Those of us who care about horses would prefer to convince ourselves that every animal will either meet a natural, pain-free death or be euthanised by a vet. The reality for thousands of horses and ponies is, of course, very different. If we are concerned about their welfare, it is our duty not to be blinded by sentimentality, but rather to improve reality as we find it.

Protecting animal welfare at slaughterhouses is an emotive topic at the best of times. I am proud that as a matter of policy, Plaid Cymru believes that CCTV systems are the best means to monitor, and so protect, the welfare of animals in slaughterhouses. Smaller slaughterhouses should be supported so that they can install CCTV, as it should be borne in mind that small slaughterhouses often have welfare advantages in terms of the time and distance travelled by animals.

Although the use of CCTV in Welsh slaughterhouses falls within the competence of the Welsh Government, the specialised nature and geographical spread of equine slaughterhouses makes this a cross-border issue. Due to the lack of local facilities, horses kept in north Wales may well be taken to slaughter in the north of England. This is a particularly relevant issue to Wales, where the 2013 mislabelling of red meat scandal resulted in the discovery of horse meat in supermarkets, and also resulted in raids at a number of slaughterhouses, including one near Aberystwyth in the constituency next to mine.

As with almost any contemporary legislative or regulatory issue, Brexit has created questions on equine slaughter and broader animal welfare laws. Minimum standards for the protection of animals at the time of slaughter are set out in 2009 EU regulations. If—and I use the word knowingly in this context—one day the Government's great repeal Bill does what is promised and transposes all EU law into UK statute, decisions on minimum standards in slaughterhouses will have to be made once again. Making CCTV mandatory in equine slaughterhouses, as well as in other slaughterhouses, must be a top priority.

Nowadays we no longer regard horses as working animals, but treat them as companions or pets, so the idea of horse slaughter is something that many people feel uncomfortable about. Sending a horse to an abattoir is far less common than it used to be. There are alternatives to abattoirs for horse owners wishing to provide a compassionate end of life for their animal, such as

euthanasia by a vet or taking the horse to an experienced knackerman or to hunt kennels. However, the costs of those options have risen in recent years, making them unaffordable for some horse owners. Euthanasia by a vet and carcase disposal can cost more than £500, while a knackerman may charge around £150. In contrast, an abattoir will pay for the horse, so affordability never has to impact on the horse owner's decision. It is important that all horse owners can afford to provide a humane death for their animals.

Dame Caroline Spelman (Meriden) (Con): I congratulate the hon. Lady on securing this debate. Does she agree that one of the things that holds horse owners back from sending their horses to an abattoir is their lack of confidence? The World Horse Welfare survey shows that over half of respondents would consider using an abattoir if CCTV was in place.

Liz Saville Roberts: I am grateful to the right hon. Lady for raising that point and will go into it in further detail. The fact that people lack confidence in the potential of abattoirs, and feel that they will be criticised by fellow horse owners for resorting to them is, in effect, a welfare issue itself. It may well be causing some horse owners to delay euthanasia and that causes welfare problems and distress. Addressing that is one of the key horse welfare challenges identified in a four-year study on the welfare status of horses in England and Wales. As mentioned, the results of that research, which was conducted by the University of Bristol and funded by World Horse Welfare, were published in a report called "Horses in Our Hands", which was launched at Parliament this summer. It cited how emotional attachment to the animal played a role in delaying euthanasia, as did negative attitudes to killing, financial considerations and peer pressure.

Old, sick and unmanageable horses are too often sold or given away when owners should be taking responsible steps to end their life humanely. What happens to horses that are sold or given away when they are no longer wanted or useful? Very often they will be sent to horse sales and markets, passed between owners and shipped from pillar to post only to end up in the meat trade anyway. In Wales, the sight of unwanted and worthless ponies filling the pens at markets and being shunted from lorry to lorry is depressing. However, the distress caused to those animals is unnecessary, and if the public had greater confidence that horse welfare would be protected at slaughter, fewer horses might suffer prolonged misery.

According to the Food Standards Agency, the latest public attitudes tracker from May 2016 shows animal welfare as equal third when it comes to concern for our food, alongside salt and behind sugar and food waste. That lack of confidence is especially evident among horse owners. A high-profile exposé on the practices of a now defunct UK slaughterhouse in 2013 showed an appalling disregard for horse welfare, with horses beaten, stunned in sight of each other and some appearing to regain consciousness before they were finally killed. Those practices were revealed only through covert CCTV footage; had CCTV been in place, with access to the footage given to authorities such as the FSA, the proprietor, or the regulator, could have stopped the malpractice much sooner. That clearly would have been in everyone's interest and particularly that of the horses that were undergoing the experience.

David Simpson (Upper Bann) (DUP): I congratulate the hon. Lady on securing this debate. Is she saying that there is a reluctance in equine slaughter facilities to put in CCTV? I know that in the red meat sector, although it is not compulsory, some have voluntarily done so. Is there is a reluctance in slaughter plants to do that?

Liz Saville Roberts: The issue is that it is not compulsory; that is particularly pertinent in relation to horse behaviour and the behaviour of horse owners. CCTV is not necessarily present—its use is voluntary—in every slaughterhouse. It appears to have reached a certain point and be going no further—a plateau.

Mr Philip Hollobone (Kettering) (Con): The hon. Lady is making an excellent speech, which I am following closely. Does she agree that the cost of installing CCTV has fallen rapidly in recent years and should not in any way be a barrier to good abattoirs installing CCTV without being required to do so?

Liz Saville Roberts: Indeed, I understand that many larger-scale slaughterhouses already have CCTV installed externally; to all intents and purposes, including the internal installation as well would not be prohibitively expensive. I think that is an issue for smaller slaughterhouses, and that they need to be supported.

Julian Knight (Solihull) (Con): I thank the hon. Lady for giving way and congratulate her on securing this debate. She is being most generous in taking so many interventions. Does she think, as I do, that another flaw in the current arrangement is that in those slaughterhouses where there is CCTV, the owner has the option of not allowing the FSA to see the footage? In fact, not only is the CCTV voluntary, but access to the footage is voluntary.

Liz Saville Roberts: It would indeed seem that if CCTV were present, we should be making full use of it. This is another aspect—given that CCTV itself is not compulsory—that should be mandatory; there should be access to the footage gained through those means.

It is important to emphasise that although we are having this debate today, that does not in any way presume that there is poor treatment in the UK's five equine slaughterhouses, all of which also take species other than horses. However, horse owners have not forgotten that incident from 2013. A Facebook survey carried out by World Horse Welfare in September provided some interesting insights. Around 90% of more than 900 horse owners who responded did not consider the abattoir as an option for their horse, but 40% agreed that horse slaughter should remain an option within the UK as the costs of euthanasia are so high. More than 70% said that they would not use a slaughterhouse for their own horses because they did not have confidence that their welfare would be protected through the process or that the horse would have a humane death.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): I thank the hon. Lady for securing the debate. I am unsure whether hon. Members are aware of this, but there are no abattoirs in Scotland licensed for the slaughter of horses. None the less, the wider issue of animal welfare at abattoirs is important to many people north of the border. At the SNP conference in the autumn—

Mrs Anne Main (in the Chair): Order. The hon. Lady is making a speech. Her intervention should be brief.

Margaret Ferrier: I am coming to my question—

Mrs Anne Main (in the Chair): Order. Will the hon. Lady sit down when she is being brought to order? “I am coming to my question” is not an adequate response. She is taking too much time from the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts). She should ask a brief question.

Margaret Ferrier: Does the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) agree that the provision of CCTV is vital in ensuring that animals are protected prior to their slaughter?

Liz Saville Roberts: I believe that CCTV protects animals and workers in slaughterhouses and public confidence in the meat produced there. All those things are important. We have a real issue in relation to CCTV and public confidence. There is concern at present that horse welfare is not protected during the process, perhaps because of the particularly sensitive nature of horses. Specific characteristics of equines can make them vulnerable. For instance, they are “fight or flight” animals; when frightened, they seek to flee, and they become panicked or aggressive if they are not handled competently. They are sensitive and highly social herd creatures, and it is a legal requirement for them not to be killed in sight of other horses. Let us not forget that horses, unlike agricultural livestock, have been bred for hundreds of generations to interact with people. That is part of their behaviour pattern and is one of the reasons why we love them—those of us who keep them.

It can be the horse owners themselves who take their horse to slaughter, and that horse may have been a companion to them for many years. Society expects horse owners to feel an emotional attachment to their animals. The horse owner will want—perhaps more than most—a guarantee that the welfare of their horse will be protected at the abattoir, and they will want other horse owners not to judge them for ending their horse's life in this way, which means that we need to ensure that the abattoir is, and is seen to be, a humane end-of-life option.

Will CCTV provide such a guarantee? On its own, of course it will not, as the Royal Society for the Prevention of Cruelty to Animals, the FSA, the Farm Animal Welfare Committee, the British Meat Processors Association and many others have said. CCTV is but one of many tools to help safeguard welfare. It should be seen not as a replacement for on-site monitoring, but as support for it. Official veterinarians work in every slaughterhouse across England and Wales and make regular unannounced checks on live animals at slaughter to ensure that their welfare is safeguarded.

The FSA's veterinary audit team checks compliance. However, no single person can monitor the whole slaughter process—from animals held in lairage, through to being led to the stun box or slaughter area, through to the actual killing. CCTV that is in constant operation, placed to cover all live horse areas, such as the unloading, lairage and so forth, provides a record of the entire process and of the animals' experience throughout.

As I have said, CCTV could have great benefits for the slaughterhouse operator, who is responsible for ensuring the welfare of animals while on the premises. Operators would be able to monitor and assess whether

[*Liz Saville Roberts*]

their staff were complying with the law. They would also have evidence to disprove spurious allegations of malpractice. In that respect, CCTV protects slaughterhouse workers and owners, and furthermore, it can be used for staff training and development. A European slaughterhouse told World Horse Welfare that CCTV was invaluable for staff training purposes.

The most common rebuttal of mandatory CCTV is cost. However, the costs, as the Minister explained in a debate on the issue last year, are “relatively modest”. CCTV systems can be purchased for less than £1,000 and many slaughterhouses already have the systems in place to monitor the exterior of their premises for security reasons, so why not inside as well?

To provide genuine transparency and engender confidence, the footage should be available to authorities. No law currently requires CCTV footage from slaughterhouses to be shared with official vets or the FSA, whose role is to monitor welfare at slaughter. For the use of CCTV to be effective, that must change. Mandatory CCTV in equine slaughterhouses must be legislated for in tandem with a requirement for footage to be made available to those authorities. Only that will truly deliver the transparency that the public need and expect.

What is the state of play? The Department for Environment, Food and Rural Affairs has said that it wishes to encourage a voluntary approach to installing CCTV. The Welsh Government have also indicated that they support the use of CCTV in slaughterhouses in Wales, but have failed to legislate to make it mandatory. It is clear that that approach is not working. The FSA, in its board report of 21 September this year, confirmed that take-up of CCTV had “plateaued” at 49% in red meat slaughterhouses. When slaughterhouses have CCTV, it might not be placed in areas which allow them to monitor horse welfare. We need a mandatory approach.

Mr James Gray (North Wiltshire) (Con): No horse lover could possibly disagree with the general thrust of the hon. Lady’s arguments; of course it is right that we should have CCTV where that can be done. However, only 5,000 horses a year are killed in abattoirs, of the 75,000 or 100,000 that are killed. Is there not a risk that if she focuses all her attention on persuading the Government to introduce primary legislation—an extremely difficult thing to do—she would be ignoring the horse welfare issues associated with the other 95,000?

Liz Saville Roberts: I agree with the thrust of the hon. Gentleman’s arguments but perhaps the fact that, at present, so few horses travel through slaughterhouses to the end of their lives is, in itself, a welfare issue. If more horse owners, and the horse-keeping society as a whole, were more confident that that approach was appropriate, perhaps the number of horses doing that, in turn, would increase.

Let me return to the state of play. Another DEFRA approach has been to say that consumer and retailer pressure, as opposed to legislation, should be the means used to encourage the greater use of CCTV. DEFRA cites the fact that most major food retailers—I will not list them, but it is all the major supermarkets—now insist on the use of CCTV in supply chain slaughterhouses, and there are many assurance schemes, such as RSPCA

Assured. However—this is pertinent—that consumer-pressure approach will not work for horses, because horse meat is rarely sold or eaten in the United Kingdom. Most of the horse meat that we produce is sold on the continent, mostly to wholesalers, so consumer and retailer pressure is not applicable.

In conclusion, I hope that the case for making CCTV mandatory in the UK’s equine slaughterhouses is clear. The current voluntary approach will not deliver that. Horse owners do not have confidence that abattoirs will protect horse welfare throughout the process. There is neither transparency nor accountability in the system for horses—just the memory of the horrific covert footage from 2013. The losers in this state of affairs are not just the horses, but horse owners, retailers and the general public, who all suffer from the negative consequences of bad practice and low confidence in equine slaughterhouses. I therefore urge the Minister to do all that he can to provide a system that ensures high standards of welfare and instils greater confidence in the sector by exploring a mandatory requirement for CCTV in equine slaughterhouses.

2.47 pm

Sir Roger Gale (North Thanet) (Con): I congratulate the hon. Member for Dwyfor Meirionnydd (*Liz Saville Roberts*) on securing this debate. This is a highly emotive subject, which has to be approached, as the hon. Lady said, with practicality rather than sentimentality.

I should start by declaring an interest as a patron of the Conservative Animal Welfare Foundation and as an honorary member of the British Veterinary Association. In that context, I would like to quote immediately from a letter from a constituent of mine, *Diana Stark*. She said:

“As a horse owner and veterinary surgeon I am most concerned about possible harsh handling of horses at the end of their lives when everything should be...calm and quiet...I feel strongly that if all those working in slaughterhouses knew they were being monitored they would be more likely to be considerate towards the horses in their care.”

My son and daughter-in-law are both qualified veterinary surgeons and they both own horses, so I know at fairly close quarters that one of the hardest things for any horse owner—indeed, for the owner of any animal at the end of its life, but particularly for a horse owner—to have to deal with is that end-of-life process.

It is fondly believed that people who own horses are rich, but there are huge numbers of people right across the country hacking with little ponies often bought for their children and enjoying equestrian sports. Many of them are not rich and the costs of disposal of a much-loved animal can often be a real burden. As the hon. Lady said, veterinary costs can be quite high. I do not think that many horse owners would want, given an alternative, to pass their animals to the knacker man. Even then, there is a cost.

As my right hon. Friend the Member for Meriden (*Dame Caroline Spelman*) said, this comes down to a question of confidence. If the horse-owning public do not have confidence in the work of the abattoir and the slaughtermen, where do they turn? We know only too well—from the footage, from anecdotal evidence and, in some cases, privately from veterinary surgeons who witness things that they would sooner not witness as

observers of slaughterhouse procedure—that there are things going on in slaughterhouses that any reasonable person would abhor. I commend the World Horse Welfare campaign for the introduction of closed circuit television cameras in slaughterhouses that deal with horses. Actually, I would go much further. I would like to see mandatory CCTV cameras in all slaughterhouses, and a mandatory requirement to provide footage on demand when required by a Ministry inspector or a veterinary surgeon dealing with that practice. The Conservative Animal Welfare Foundation also throws its weight behind the call for mandatory CCTV.

We are continually told—quite often by Ministers—that we do not want to burden rural business with additional costs but, as has been said, the costs of CCTV cameras and recording equipment has fallen so dramatically that it is practically available for anybody in this room to purchase. Indeed, my suspicion is that some probably have done, simply for their own security purposes. If it can be done in those circumstances, it can certainly be done in a slaughterhouse.

The object of the campaign is very straightforward. It is to seek to deliver, at the end of a working or entertaining life, a decent end for a much-loved and dedicated animal. I do not think that is too much to ask. I heard what my hon. Friend the Member for North Wiltshire (Mr Gray) said, but primary legislation does not have to be lengthy or difficult. A private Member's Bill with a couple of clauses, given a fair wind from Government and Opposition—I cannot believe that either would oppose such a measure—could almost go through on the nod. That is really all we are talking about.

The idea that this is somehow difficult is nonsense. It is not difficult. If the will is there, it can be done. That is what Parliament is here for and what we are here for, and I suspect it is what so many colleagues in the Chamber this afternoon are here to support. Let's not duck it. Let's get on with it. Let's seek to ensure that every working or domestic animal in the land is given a decent end and a right to a decent end. That is a very simple request. I would like the Minister, in his closing remarks, to endorse this call to get on and do it.

2.54 pm

Angela Smith (Penistone and Stocksbridge) (Lab): It is a pleasure to serve under your chairmanship, Mrs Main. I congratulate the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts)—my Welsh is getting better all the time—on securing this important debate. I declare an interest as an honorary life member of the British Veterinary Association. It is a pleasure to follow the hon. Member for North Thanet (Sir Roger Gale), who has a long history of promoting animal welfare interests in Parliament. Before going into the detail of the topic, I want to pay tribute to the campaign launched by World Horse Welfare to secure mandatory CCTV in slaughterhouses as part of its drive to raise the profile of what the charity calls the invisible horse.

The invisible horse is an imaginative way of recognising that the welfare needs of many horses go unheeded because people do not always see these wonderful creatures from the perspective of whether their needs are being met. Sometimes, of course, that means that the horse is perfectly visible in a literal sense. Nevertheless, its needs

are not properly recognised. In the case of the horse in the slaughterhouse, it is the risk of real invisibility that needs tackling with changes in the law. Let me be clear: the mandatory use of CCTV in slaughterhouses should, as the hon. Member for North Thanet has just pointed out, apply in all circumstances and in relation to all animals.

With your good will, Mrs Main, I would like to spend a few moments outlining the more general case for mandatory CCTV before focusing on the issue as it relates to equine welfare. There has been progress. The Food Standards Agency estimates that in 2016, some 92% of cattle in England and Wales were monitored using CCTV, with figures in that range also applying to pigs, sheep and poultry. Looked at another way, the percentage of abattoirs with CCTV has grown to 49.3% for red meat and 70.4% for white meat. However, there is some evidence that this growth in the use of CCTV has plateaued, as the hon. Member for Dwyfor Meirionnydd pointed out, as the figures for 2016 are barely different from those for 2015. Coverage is not only incomplete; it is frequently not comprehensive, very often failing to cover the five principal areas in a slaughterhouse. There is no requirement for the footage to be independently monitored, with unfettered access for official vets and other enforcement officers.

In answer to a recent written parliamentary question in the House of Lords, Lord Gardiner stated:

“The vast majority of animals are slaughtered in slaughterhouses which have CCTV present, so the Government is not currently persuaded of the case for introducing regulation which would require all abattoirs to have CCTV, but we are keeping the issue under review.”

There are two problems with that response. First, it gives the impression that the welfare needs of a small minority can be compromised, although I am absolutely sure that the Minister did not mean that. Secondly, and most importantly, it overlooks the fact that, for some species, CCTV coverage is nowhere near as comprehensive as it should be. Equines stand as a good example of that.

In the equine sector, only five abattoirs are licensed to slaughter horses and all of those premises slaughter other animals as well. Indeed, in one case, 10 other species are slaughtered in the same abattoir. The latest figures suggest that around 4,000 horses per annum are slaughtered at those five establishments. The key point is not so much the number killed; rather, although the majority of horses were killed at abattoirs offering CCTV coverage—three of the five—the coverage was only partial. In other words, very few of the abattoir areas were monitored by the technology, even when it was present in some form or another. In fact, only a very small—and I do mean very small—number of horses were slaughtered under the scrutiny of comprehensive CCTV coverage in 2015-16.

Something therefore needs to be done. The situation is not acceptable. It is even more unacceptable when one considers the special circumstances that apply when slaughtering horses. The Welfare of Animals at the Time of Killing Regulations 2014 stipulate that horses must be killed in a separate room, or in a bay that is kept specifically for that purpose, and that a person must not kill a horse in sight of another horse or in a room where there are the remains of another horse or animal. That heightens the case for comprehensive CCTV coverage.

[Angela Smith]

Additionally, World Horse Welfare believes that horses' unique social and physiological needs make CCTV scrutiny even more critical, as the hon. Member for Dwyfor Meirionnydd said earlier. Horses have a strong "fight or flight" instinct, which can make them panicked or aggressive when stressed. Competent handling is therefore required at all times.

CCTV must therefore be comprehensively applied and accessible to relevant authorities in order to support them in undertaking their duty of monitoring welfare throughout the slaughter process. Such technology would improve transparency and would not involve the relaxation of other rules relating to the direct oversight of the process or the need for other checks by officials, but it would be an important addition to the process.

There is another reason for our making CCTV coverage in slaughterhouses mandatory, and once again it relates to equine welfare in particular. For many owners of horses, this method of disposal of a well-loved animal would not be acceptable, with euthanasia carried out by a vet being the preferred option. Of course, that latter choice is rather expensive, with euthanasia costing some £500.

The recent "Horses in Our Hands" report for World Horse Welfare, which the hon. Lady mentioned, examined the problem and established, through research at the University of Bristol, that one of the four key priorities for equine welfare is addressing delayed death. In other words, some horses are kept alive for longer than is humane, and cost is often a factor in that decision. The risk is that the animal gets passed around, losing value and frequently ending up in the meat trade anyway. World Horse Welfare therefore views slaughter as an important option in that context.

When asked, more than 40% of horse owners agreed that slaughterhouses must remain available, and nearly two thirds agreed that sending a horse to a slaughterhouse is better than allowing a horse to suffer. CCTV makes an interesting difference to the perception of the acceptability of using equine slaughterhouses. More than 90% of horse owners asked would not use a slaughterhouse to end their horse's life, but the figure reduces significantly if measures such as CCTV are made available.

This is not an animal rights issue. I deplore and condemn the concept of aggressive picketing and intimidation of slaughterhouse establishments and their staff. Rather, this is an important animal welfare issue. It is about raising welfare standards at slaughter, and it is about transparency and understanding that the humane slaughter of our horses is important for a range of reasons. Not least, it is important because surely we believe that the highest possible animal welfare standards must be maintained in a civilized society.

Mahatma Gandhi is often quoted as saying: "The greatness of a nation can be judged by the way its animals are treated." I do not know whether that quote is accurate, but it does not really matter because the sentiment is good and sound. This debate is important because we judge ourselves by how we look after those more vulnerable than ourselves.

Lady Hermon (North Down) (Ind): I am reluctant to intervene on the hon. Lady, who is making a very good speech. I commend the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) for securing this debate.

Will the hon. Lady reflect on the statistic that, according to the most recent figures from 2014, where CCTV is compulsory in slaughterhouses, only six cases have been referred to the Crown Prosecution Service by the Food Standards Agency? I strongly support the compulsory introduction of CCTV, but does it make a difference? Is she reassured that animal welfare is better with CCTV if only six cases have gone to the CPS?

Angela Smith: I thank the hon. Lady for her intervention. I have made the point throughout my speech that we need comprehensive CCTV coverage. Some equine slaughterhouses have CCTV in only two of the five key areas, which is part of the problem. This is not just about having some form of CCTV in the slaughterhouse; it is about having comprehensive coverage of the process in the slaughterhouse.

I was trying to finish on the point that we judge ourselves by how we look after those more vulnerable than ourselves, which includes our equine friends. I therefore call on the Minister—I repeatedly say that he is a reasonable man—to proceed with mandatory installation of comprehensive CCTV in equine slaughterhouses and, in fact, in all slaughterhouses. I look forward to his response.

3.5 pm

Mr James Gray (North Wiltshire) (Con): I congratulate the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) on introducing this extremely important debate in such a professional and sensible way. It might seem odd, but I have not disagreed with a single word that she or any other speaker has said in this debate. Incidentally, before I forget, I declare that I, too, am an honorary member of the British Veterinary Association. I am also a member of the Countryside Alliance and I own a variety of horses, and have done so for many years. It is true to say that there is no correlation between richness and owning horses. Indeed, I have discovered over the years that owning horses is what makes one poor. I have had a rather large number of horses at one time or another.

I have also had the experience of taking horses to slaughter, and there can be no more terrible event in one's life than to take to its death an animal with which one has had a day-to-day working relationship for many, many years—I am sure the same applies to dogs and cats, too. I strongly support the thrust of what has been by all the speakers, especially the hon. Member for Penistone and Stocksbridge (Angela Smith) a moment ago. Their points are absolutely correct, and I strongly support World Horse Welfare's campaign to introduce compulsory CCTV in abattoirs, of which there can be no doubt.

I hope that those who feel strongly about this subject will forgive me if I raise a couple of issues that I hope will not detract from the strength of the campaign, but that none the less need careful consideration. The first, which was touched on by the hon. Lady for Northern Ireland (Lady Hermon), is that there have been remarkably few prosecutions, even where there is compulsory CCTV. I am ashamed to say that one of the biggest prosecutions was of that dreadful man from west London called James Gray. I assure the House that he is absolutely no relation; none the less, it was an appalling case.

The question is whether introducing compulsory CCTV in the small number of abattoirs that kill horses would necessarily have a significant effect. My concern is that this might be one of those occasions where we make a huge effort to introduce regulation or new legislation that has little effect and might, on the contrary, assuage our concerns and make us feel that we have done something when what we have done is actually relatively inconsequential.

Sir Roger Gale: I seek not to be mischievous, but does my hon. Friend concede that it is just possible that there are so few prosecutions of places with CCTV cameras precisely because the cameras are having the deterrent effect that we seek?

Mr Gray: That is possible, of course, but it is hard to work out the cause and effect. In the case of horses, I suspect that it is probably because, depending on the statistics we use, only 4,000 or 5,000 are slaughtered each year in up to five abattoirs—there are none in Wales or Scotland. In other words, something in the order of 1,000 horses are slaughtered per equine abattoir spread over 50 weeks. A very small number of horses are being killed in licensed abattoirs today, and therefore there is no presumption that any of them is carrying out anything other than the highest possible standards of slaughter.

Angela Smith: The hon. Gentleman is generous in giving way, given that I have just delivered my speech. It is a mistake to assume that the five abattoirs kill an equal number of horses, because they do not. The numbers are very uneven. The FSA's figures show that the best records and CCTV coverage are sometimes to be found in smaller abattoirs.

Mr Gray: The statistical point that I was making was not whether the same number were killed in each of the five abattoirs; it was that a relatively small number are killed across the whole of England. As far as I am aware, there is also little evidence of anything other than high standards in the abattoirs that do kill horses. We must not start by presuming that they are all bad people doing wicked things. They are not, necessarily; many of them are extremely professional abattoirs doing good things, so let us not start from the presumption that they are bad.

There is a bigger gap in the campaign that we are discussing. I think I am right in saying that the only horses that go to abattoirs are those going into the food chain, which in the UK is a relatively small number. If we presume that there are between 1 million and 1.5 million horses in the UK today, that means that 75,000 or 100,000 die every year in one way or another. Of those, only a tiny proportion go into the food chain. Again, my concern about the campaign is that we would be assuring ourselves that we were doing something terribly important about the euthanising of horses, whereas in fact we would be dealing with an extremely small proportion of those that are killed or die every year, and there may well be other abuses elsewhere that we could more usefully spend our time addressing.

That brings us to the question of horse passports. It must be remembered that the only horses that can be presented at an abattoir are those with up-to-date horse

passports, in which no veterinary medicine appears. Nearly all horses, especially low-grade horses, will have had some form of veterinary medicine during the course of their life, particularly bute, which rules them out for presentation at an equine slaughterhouse.

Neil Parish (Tiverton and Honiton) (Con): Does my hon. Friend agree that it is time that the Government introduced the national equine database to check all horses to ensure that their passports are correct and have the right information?

Mr Gray: My hon. Friend tempts me down a corridor that is not directly relevant to this debate. I take exactly the opposite view, which is that we should abolish passports and the database, relying only on some form of documentation for those horses presented to be eaten, to prove that they are fit for human consumption. All other horses and equines need no form of documentation to prove that. At the moment, of course, every zebra and vicar's donkey is required to have a horse passport, merely in order to allow that small number of horses to go through abattoirs every year. That is a disproportionate bureaucratic solution to a very small problem.

The point that I am making is this. An extraordinarily small number of horses go through the abattoir. The only ones allowed to do so are those that have never had any form of medication. Therefore, many of the worst horses, in welfare terms—wilder, cheaper or less valued ponies—are unable to get into the abattoir, even supposing that it does have CCTV. We in this place often do things to make ourselves feel better. We are concerned about the end of life for horses; of course we are worried about it, and quite right too. Of course we are concerned that abattoirs should apply the highest possible standards, and it is absolutely right that we should take steps to ensure that they do.

However, my concern is that in concentrating solely on that, we are concentrating on a tiny part of the problem of horse welfare. A far bigger problem is the number of dumped horses and wild horses; we do not know where they are or what to do about them. This is a tiny problem, and we do not even know that it really is one. If we were to use our primary legislation to solve something that might or might not really be a problem, we would be fooling ourselves that we had done something useful.

Jim Shannon (Strangford) (DUP): CCTV has a dual purpose. First, it ensures that the slaughter of animals is done correctly. Secondly, it also ensures that slaughterhouse personnel have done it correctly—the proof is in the CCTV footage. Is there not a dual purpose? It protects both the slaughterhouse and the staff.

Mr Gray: That is, of course, correct, but it applies only to the tiny proportion of horses that go to the slaughterhouse. That is the point that I am making; only a very small number are killed in equine slaughterhouses. There is no protection whatever for horses killed by the knackerman, although contrary to what somebody said a moment ago, most of the knackermen that I have met are extremely professional animal lovers; the notion that they are bloodthirsty murderers is incorrect. By far the biggest professionals of all in terms of killing horses are at local hunt

[*Mr James Gray*]

kennels, where people feel strongly about horses and know more about them than almost anybody else. Hunt kennels provide a fantastic resource for the countryside by slaughtering horses at the end of their lives.

Liz Saville Roberts: I agree with the hon. Gentleman's argument that many horses might not be reached by a scheme, as they are not passported, but I refer him to my speech, in which I mentioned that horse owners who are concerned about the welfare of their horses, who have passports and who know whether bute has been used or not are a particular cohort of people whom we should address by making slaughterhouses as accessible to them as possible as an alternative.

Mr Gray: I agree. Of course there are responsible, sensible, grown-up horse owners who would prefer their horse to go into the food chain, although I must say that I am not certain that I want my horse to be eaten. I would much prefer my horses to be burned, or buried in some instances. I am not certain that taking them to the abattoir to be turned into horse meat and sold in supermarkets across the continent is what I personally would want to happen, even though I believe that I am a reasonably responsible horse owner. However, my concern is not so much the people like us who are responsible and who understand about veterinary medicines and all that; it is about the hundreds of thousands of other horses that are not owned by responsible owners and that would not be taken to abattoirs that have had veterinary medicines. They are the horses towards which we must address our concerns.

All I am saying is that the minimum—proper standards in the abattoir—must not be the enemy of the best. Although I support this particular campaign—it is a good idea, and we must find a way to ensure that there are no abuses in our equine slaughterhouses—I ask the Minister not to use it as an excuse for not doing something about the much bigger problem of the large number of horses that are unwanted, dumped on other people's land or used in the extremely inhumane horse trade. There are a whole variety of welfare problems that this small matter would not necessarily solve.

Lady Hermon: I am grateful to the hon. Gentleman for allowing me to correct the record by clarifying one point. He referred to me as “the hon. Lady for Northern Ireland”—I am the hon. Member for North Down—and quoted me as apparently supporting the idea that the low number of prosecutions was evidence that CCTV was not working. Quite the opposite: I think that CCTV should be comprehensive throughout the entire slaughterhouse, and that Food Standards Agency staff should have compulsory and easy access to all the footage. That was my point. That would make horse slaughterhouses much more effective.

Mr Gray: I know that the hon. Member for North Down will forgive me if I inadvertently misquoted her; of course we understood that she meant that we prefer to have CCTV in all slaughterhouses. If some remark of mine made her feel that I had not understood that point, I apologise. My concern is simply that by introducing legislation that is the least we can—

Christina Rees (Neath) (Lab/Co-op): Will the hon. Gentleman give way?

Mr Gray: If the hon. Lady will forgive me, I am quite keen to hear what the Minister has to say, but of course.

Christina Rees: I definitely do not want the hon. Gentleman's horses to be eaten. I watched a TV documentary on slaughterhouses as a teenager, and it turned me into a vegan; I have not eaten meat all my life. I support the campaign, because I think that any exposure of slaughterhouses would be beneficial, and I support CCTV cameras in—

Mrs Anne Main (in the Chair): Order. The hon. Lady is making a speech, not asking a question of the hon. Member speaking.

Mr Gray: I accept what the hon. Lady says. A couple of experiences that I have had in slaughterhouses over the years have nearly made me, the biggest beef-eater in Parliament, a vegan. It is a revolting sight, and I would certainly not want to see my horse taken there and slaughtered. However, she makes an extremely good point, which is that the only horses that go to horse slaughterhouses are those destined for the food chain. Other horses do not. Ninety-five per cent of horses are not destined for the food chain, and could not go there. There is a bigger issue. I always argue that we ought to abolish equine slaughterhouses in the UK altogether, thereby sending no meat at all into the human food chain, although I accept the animal welfare downside to that as well: where would those ponies and horses then go?

My message to the Minister is that we must avoid making one thing that we do—introducing compulsory CCTV into slaughterhouses—the enemy of the best. We must address the huge animal welfare concerns about horses, particularly about the large number of unwanted horses abandoned across our land, which is growing as we speak. Those horses will never go anywhere near an equine slaughterhouse, and the provision of CCTV in such slaughterhouses will therefore not help them even slightly at the end of their lives.

I look forward to hearing what the Minister has to say, and congratulate the hon. Member for Dwyfor Meirionnydd on obtaining the debate. I hope that she does not feel that I have in any way lessened the thrust of her argument, which was very powerful. None the less, I hope that one result of this afternoon's debate will be that the Government begin to listen and think more carefully about the wider welfare issues that affect horses across our nation.

3.20 pm

Dr Paul Monaghan (Caithness, Sutherland and Easter Ross) (SNP): I am grateful to have this opportunity to consider the use of closed circuit television in equine slaughterhouses and to present the views of the Scottish National party. I congratulate the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) on securing the debate, which clearly has strong cross-party support, and Kate Fowler of Animal Aid on her tireless work to bring many of the issues that have been presented today to the attention of MPs; I also congratulate colleagues in World Horse Welfare and Blue Cross.

Undercover filming of poor welfare practices in slaughterhouses has, as we have heard, led to campaigns by a number of animal welfare groups to make it a legal requirement for all slaughterhouses to install CCTV—including those that slaughter horses. It is worth reminding ourselves why we are debating the issue today. The investigations that have been conducted have highlighted cruelty and regulatory breaches in no fewer than nine of the 10 randomly chosen English slaughterhouses that were filmed. The abuses included animals being punched and kicked in the head, burned with cigarettes, and beaten with paddles and broom handles, as well as sheep being picked up by their fleeces and thrown across rooms or smashed head first into solid structures, and animals being attacked with shackle hooks or being deliberately given powerful electric shocks through their ears, tails, abdomens and open mouths. That state of affairs is unacceptable.

Currently both the Food Standards Agency and the UK Government support the use of CCTV in slaughterhouses to prevent cruelty; but neither has yet taken the step of arguing that it should be made a legislative requirement. Five abattoirs in England are licensed to slaughter horses. The public would undoubtedly be surprised to learn that a total of 12,431 horses have been slaughtered in those abattoirs over the past three years. Indeed, according to World Horse Welfare, 4,515 UK horses were killed in slaughterhouses in 2014 alone.

Calum Kerr (Berwickshire, Roxburgh and Selkirk) (SNP): I apologise to the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) for my late arrival.

I come from the Scottish borders, where there is a rich equestrian tradition. There may be five such slaughterhouses in England, but there are none in Scotland, which adds impetus and interest to our interest in this issue south of the border. Does my hon. Friend agree with what we heard—that although CCTV is important it should be just one of a package of measures to ensure the appropriate welfare of all animals sent to slaughter?

Dr Monaghan: I agree with my hon. Friend. CCTV is an important initiative that will contribute to animal welfare across all the nations of the UK.

The practice of slaughtering horses in abattoirs is clearly relatively common, as is the gratuitous cruelty. That is a vital consideration, particularly given that 40% of horse owners state that the cost of euthanasia is too high, which leaves slaughterhouses as the only affordable alternative for their companion animals. As my hon. Friend has said, no abattoir in Scotland is currently licensed to slaughter horses. Nevertheless, the Welfare of Animals at the Time of Killing (Scotland) Regulations 2012 highlight the relevant standards. The regulations pertaining to horses provide that where

“a slaughterhouse is one in which horses are killed, the business operator must ensure that...a separate room or bay is provided for the killing of horses and no person may kill a horse except in that separate room or bay”

and that

“a lairage in which a horse is confined must contain at least one loose box which is so constructed as to minimise the danger of any horse injuring itself or any other animal confined in that lairage.”

Paragraph 13 of schedule 1 to the Scottish regulations makes it clear that

“No person may kill a horse within sight of any other horse.”

That is broadly similar to the regulations that apply in England.

It is right and proper that slaughterhouses should protect against animal abuse. The Scottish Government take the welfare of animals at the time of slaughter seriously, and will continue to do so. They, along with the Food Standards Agency, have already recommended the installation of CCTV as best practice in monitoring the welfare of animals at the time of killing, regardless of the species. At present, the FSA estimates that 95% of animals slaughtered in Scotland are killed in plants where CCTV has already been installed. The Scottish Government continue to monitor its role in promoting animal welfare.

The European Union also plays a role in guaranteeing the welfare of animals across Europe. Approximately 80% of UK animal welfare legislation originates from the EU, with over 40 laws relevant to animal welfare. Those laws cover all four groups of animals—farm, research, wildlife and companion—and have developed over 40 years. In Scotland we place a value on that legislation. Let us hope that animal welfare will be recognised in the promised great repeal Bill and that there will be no attempt to dilute, cancel or repeal animal welfare laws such as those I am advocating.

While CCTV will not prevent all welfare breaches, it is an invaluable tool to help vets, slaughterhouse operators and auditors ensure best practice and compliance with welfare laws. There is compelling evidence that properly monitored CCTV cameras work. Footage has been used to cast light on thousands of abuses resulting in slaughterhouse workers' licences being revoked and abusive workers being successfully prosecuted. Independently monitored CCTV protects animals. Cameras also protect staff from bullying and false allegations, promote health and safety and deter workers from committing acts of cruelty. Where the cameras are properly and independently monitored and robust action is taken where appropriate, they are a powerful deterrent. Where their presence fails to deter abuse, resultant footage provides evidence for prosecutions.

The UK Government argue that voluntary CCTV schemes do not work. If that is so, let us make CCTV mandatory. Independent monitoring and robust action is essential; without them, the presence of cameras is worthless. I am calling for regulations to set out the details of how the footage is gathered and stored, who monitors it, how much they view, and how often. That change can be achieved simply under section 12 of the Animal Welfare Act 2006, which provides for the making of regulations

“for the purpose of promoting the welfare of animals for which a person is responsible”.

Such a change would not be without precedent as the Welfare of Farmed Animals (England) Regulations 2007 were introduced in that way. Israel and India have already taken similar steps.

Sheffield University has calculated that the cost of an independent CCTV monitoring system would be in the region of £370,000 a year for slaughterhouses in England, and substantially less for Scotland, Wales and Northern Ireland. In weighing that against the cost of not acting, it is worth noting that the Minister of State for Environment,

[*Dr Paul Monaghan*]

Food and Rural Affairs said on 3 February 2015 at column 251 that the cost of cameras themselves was “relatively modest”.

The 2016 Rotherham report suggests that the costs be met by placing a levy on each animal killed, so that industry and consumers pay, rather than government and taxpayers. In that scenario, the costs would be negligible—about a penny per animal. One penny per animal to avoid further scandals emanating from the industry and further reputational damage arising from welfare abuses, deaths of workers and horsemeat contamination seems like a good investment. That investment could address inconsistent management practice in slaughterhouses, inconsistency in CCTV usage, and variable retention periods, and challenge the many businesses currently unwilling to share footage with regulators.

Sending a horse to slaughter is clearly not the preferred choice for most horse owners, but it is an alternative to other methods of ending a horse’s life that are prohibitively expensive, and a more humane alternative to leaving a horse to deteriorate. We must ensure that horses and indeed all animals are treated humanely in slaughterhouses, and I urge the Minister to amend section 12 of the Animal Welfare Act 2006 to mandate independently monitored CCTV in slaughterhouses.

3.29 pm

Mary Glendon (North Tyneside) (Lab): It is an honour to serve under your chairmanship, Mrs Main. I, too, congratulate the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) on securing this really important debate. The excellent speeches that we have heard from hon. Members reflect the strong public opinion that CCTV should be installed in all equine slaughterhouses. Forgive me, but I must declare an interest: a member of my family works in the meat industry.

I support the argument of the hon. Member for North Thanet (Sir Roger Gale) and my hon. Friend the Member for Penistone and Stocksbridge (Angela Smith) that there should be CCTV in every slaughterhouse throughout the UK. Like my hon. Friend, I pay tribute to the animal charities, particularly World Horse Welfare, which contacted me about its campaign to make CCTV mandatory and whose work is helping the public campaign to grow. In its recent survey of horse owners, which has already been mentioned, World Horse Welfare found that 90% of those surveyed would not use a slaughterhouse to end their horse’s life, but that if measures such as CCTV were in place, 50% of respondents would change their minds. The fact that owners do not have faith that horse slaughter is humane may well lead to welfare problems as horses are passed through various routes until they meet their death. We have already heard that that is a particular concern for horse owners, who simply cannot afford the costs of veterinary euthanasia and the resulting carcass disposal, which can be well over £500.

I am presuming that the Minister will refer to the fact that under the relevant EU regulation, slaughterhouses are not required to have CCTV in place; that he will point to the Farm Animal Welfare Committee’s opinion document, which hon. Members have already mentioned and which was published last year; and that he will

reiterate his own statement that he was keeping the issue under review. However, the Government must act to increase the confidence of the public, of horse welfare charities and of horse owners in the slaughter process for these animals.

According to the most recent Food Standards Agency survey of operating slaughterhouses in England and Wales, just over 49% of red meat slaughterhouses and 70% of white meat slaughterhouses use some form of CCTV for the purpose of protecting animal welfare. As hon. Members have said, that number has now plateaued. The British Veterinary Association and the Veterinary Public Health Association have called for mandatory CCTV in slaughterhouses, while other organisations have gone further and requested legislation that would allow vets unrestricted access to the CCTV footage. The health Minister responsible will not agree to that, even though there are no national records to show how effective the current system is, yet the FSA’s authorised officers can ask the food business officer present for access to relevant footage. Will the Minister look into using legislation to strengthen the powers of vets when a breach is suspected?

The conclusion of the FSA publication is that CCTV can be used by operators as part of their system for monitoring and protecting animal welfare and to complement direct oversight by management and checks by officials. I stress the importance of the industry and the Government in reassuring the public that the welfare of the animal is paramount throughout the whole slaughterhouse process, because even though we are not known to consume horsemeat in this country, the recent horsemeat scandal is well remembered. The cost implications of using CCTV are thought to be manageable for businesses, even smaller companies. Many companies already have CCTV installed for security issues—many hon. Members have made that specific point, and so has the Minister on previous occasions.

It is now time for the Government and the industry to take the opportunity to make their commitment to horse welfare in equine slaughterhouses more transparent and effective and to make CCTV mandatory, as has been called for in this debate.

3.35 pm

The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice): I congratulate the hon. Member for Dwyfor Meirionnydd (Liz Saville Roberts) on securing this important debate and articulating an emotive subject so sensitively. As she pointed out, people who have owned a horse all their life are often reluctant to see that horse meet its end. She acknowledged that even if we had CCTV in slaughterhouses, it would get us only so far, because people have a natural reluctance to see the horse that they have lived with for all those years go to a slaughterhouse, with all the uncertainty that they believe that would involve.

I acknowledge the work of World Horse Welfare and other groups on this issue and their long-standing campaign for mandatory CCTV in equine slaughterhouses. I must point out that this is a devolved issue and that my response to this debate applies to England. As hon. Members will know, devolved authorities in Wales, Scotland and Northern Ireland are responsible for the welfare of animals at slaughter in their respective Administrations.

The Government share the British public's high regard for the welfare of horses. We take seriously our responsibility to ensure that the right laws are in place to secure our horses' welfare.

Lady Hermon: I am grateful to the Minister for allowing me to make an early intervention. He will know well that the lead that is set at Westminster is often followed by the devolved Administration in Northern Ireland. If this Government lead the way with compulsory CCTV in slaughterhouses, that will set a very good precedent for the Northern Ireland Assembly.

George Eustice: I understand that; indeed, in many areas we learn from one another when different Administrations trial different pieces of legislation; we share ideas and often work together.

A variety of laws provide protection for the welfare of horses. The Animal Welfare Act 2006 places a clear duty of care on owners and keepers to provide for the welfare needs of their horses. My hon. Friend the Member for North Wiltshire (Mr Gray) discussed abandoned horses and made the important point that there are wider welfare issues that we must not lose sight of. He will be aware that, in recognition of the specific welfare issues that arise with some horses, the Government recently supported the introduction of the Control of Horses Act 2015 to help landowners and local authorities to deal with the problem of horses left on other people's land without their permission, which can often give rise to animal welfare issues.

The Government are also firmly committed to improving standards of animal welfare at slaughter. At the end of their lives, horses are covered by WATOK—the Welfare of Animals at the Time of Killing (England) Regulations 2015—which sets out requirements pertinent to the protection of animals at slaughter.

Neil Parish: I know that the Minister is very keen on animal welfare and does a great deal to promote it. I just wonder why it is not possible to have compulsory cameras for the slaughter of horses, both in the slaughterhouse itself and in the lairage, to ensure that the horses are handled properly all the way through. I feel that that is something that we could do, and it would not be so difficult to make it compulsory.

George Eustice: My hon. Friend will appreciate that I will come on to all those issues, which are so pertinent to the debate.

WATOK sets out protections for all animals, regardless of whether there is CCTV in slaughterhouses. There are clear legal obligations on all operators to have standard operating procedures, including monitoring procedures, in place for all slaughter operations, as well as trained stockmen and trained slaughtermen. Official veterinarians from the Food Standards Agency are present during slaughter operations to monitor and enforce animal health and welfare regulations.

On equine slaughter specifically, several long-standing national requirements in WATOK are relevant to the special needs of horses at the time of killing—the business operator must ensure that a separate room or bay is provided for the killing of horses; no person may kill a horse in a room or a bay where there are the remains of a horse or other animal; and no horse may be killed within sight of another horse.

As several hon. Members have pointed out, there are currently five approved equine slaughterhouses in England and Wales, and they are all located in England. Three of them have CCTV installed in some areas for animal welfare purposes. Some 3,280 horses were slaughtered in the past 12 months, and the two plants without CCTV were responsible for only 32 of those animals. From the perspective of equine slaughter, then, most horses are slaughtered in premises with CCTV—

Angela Smith: Will the Minister give way?

George Eustice: I may be about to answer the hon. Lady's point. It is important to note that CCTV is not present in all areas in the equine slaughterhouse with the highest throughput.

Angela Smith: Will the Minister confirm that in 2015-16 only 61 out of 4,000 horses were slaughtered in an abattoir with comprehensive coverage in all five areas?

George Eustice: No; the number would be far higher than that. I will have to write to the hon. Lady to confirm the figures, but the figure of 61 is for only one of the slaughterhouses—the one in Lincolnshire.

Mr James Gray: The Minister mentioned that in the past 12 months only 32 horses were killed in abattoirs with no CCTV; is he aware of any reason to presume that those 32 were killed under anything other than 100% humane circumstances?

George Eustice: The feedback we have had from the Food Standards Agency's official veterinarians and reports is that it has not encountered any particular problems or concerns about the welfare of horses at slaughter. We should also note that the number of horses slaughtered at abattoirs in the UK has been in steady decline since 2012, when 8,426 horses were slaughtered. That fell to 5,000 by 2013, and in this past year it is down to just 3,280. That partly reflects a changing view among owners about the end-of-life choices that they have for their horses. It also reflects, as several hon. Members have said, how people are increasingly choosing to have their horses euthanised.

I want to talk about the meat of this debate, which is CCTV. As many hon. Members have said today, CCTV can and does play a useful role. Last year, the Farm Animal Welfare Committee published an interesting report that detailed the positive benefits of CCTV to slaughterhouse operators and those monitoring and verifying compliance with welfare standards. The benefits go much wider than any deterrent effect, and include, for instance, more accurate ante-mortem inspection in the lairage—for example, sheep often mask lameness if stressed when a stockman or vet is present, but behave normally under remote observation.

Another benefit is that CCTV can be a valuable training tool for operatives to encourage sensitive and sympathetic behaviour towards animals, and it can enable the spotting of any bad practices that could result in incidents or near misses. It can also allow the observation of activities in small or confined spaces that it would otherwise be difficult for the official veterinarian to observe. As the Royal Society for the Prevention of Cruelty to Animals briefing for the debate also illustrates, it can be of use to operators and audit schemes in providing assurance that good practice and legal requirements are followed.

[George Eustice]

The Government understand the desire for the use of CCTV in all slaughterhouses, although we are yet to be convinced that it should be a mandatory requirement. I do, though, understand the calls for the Government to go further by introducing legislation to require slaughterhouses to have CCTV installed, and that official veterinarians should have unfettered access to CCTV footage. As I have made clear previously, the Government have never ruled out further action, and we keep the matter under review. I shall ensure that my noble Friend Lord Gardiner, who now has responsibility for the relevant part of the Department for Environment, Food and Rural Affairs portfolio, is made aware of the points made today. We will, of course, consider them all carefully.

It is important to highlight one other important point about CCTV made by the FAWC, which is that it is at its most powerful when used as a tool for food business operators to manage their operations and staff and to help with training. There is one area of caution here: CCTV cannot be a substitute for responsible food business operators, and nor can it replace the role of official veterinarians. If it is used, it is preferable that it is used because food business operators really want it and want to use it to improve the management of their operation. In considering legislation, we need to be careful that we do not inadvertently change the culture and thereby lose out on all the benefits from CCTV highlighted by the FAWC. It is for that reason that the Government have encouraged the voluntary take-up of CCTV in slaughterhouses, and will continue to do so.

It might help if I clarify the current situation concerning CCTV in slaughterhouses generally. The latest FSA survey figures show that in Great Britain 92% of cattle, 96% of pig, 88% of sheep and 99% of poultry throughput is currently from premises with CCTV. As the hon. Member for Penistone and Stocksbridge (Angela Smith) pointed out, the number of slaughterhouses with CCTV installed has been at the same level for the past couple of years. The numbers of high-throughput slaughterhouses with CCTV reflects the fact that, although the installation of CCTV in slaughterhouses is currently voluntary, it is also a requirement of many retailers and food assurance schemes. I acknowledge that many of the medium and smaller slaughterhouses have not yet installed CCTV. Many operators who have installed CCTV say that it is a positive training tool, so we would like to consider the issue to ensure that we get greater uptake of CCTV installation.

I shall briefly address some of the issues mentioned by hon. Members. The hon. Member for Dwyfor Meirionnydd talked about EU law. She is right that the initial intention of the great repeal Bill is that existing EU regulations will be put on to a UK legal basis, but I should point out that there is currently nothing in EU law that would prevent us from legislating to introduce mandatory CCTV if we so wished. This also relates to a point made by the shadow Minister, the hon. Member for North Tyneside (Mary Glendon). I do not intend to blame the EU and say that we cannot do it because it is not required; it is not required under EU law, but there is nothing in EU law that would prohibit it.

The hon. Member for Dwyfor Meirionnydd also mentioned the cost. I have said in previous debates that the cost is indeed modest. She said that it can be under £1,000, and it can be for single cameras, as I have

pointed out previously. However, when the FAWC looked into the cost, it estimated that for most abattoirs the cost of installing CCTV in the areas that people would want covered, which would require several cameras and additional monitoring systems, would be £3,000 to £10,000. As I have said previously and will say again, though, that is a relatively modest cost.

Mr James Gray: Does the Minister accept that there is a risk that the number of abattoirs killing horses and the number of horses killed in abattoirs might well decline further if CCTV is made compulsory? Many abattoir owners will simply say, “Why bother with horses?”, because they are a huge hassle anyhow and the carcass value is very low. Is there not at least a risk that the small number of abattoirs will become smaller?

George Eustice: There is another, wider point. This debate is focused specifically on CCTV at the point of horses’ slaughter, but all five of the slaughterhouses that are licensed to slaughter horses also slaughter other animals. The reality is that, were anybody to consider measures on CCTV, I am not sure there would be a specific reason to single out those abattoirs licensed for horses. I think that if someone was going to install CCTV, they would take a broader view, across all species, because the principles involved are broadly the same for each species.

The final point that I will make on the speech of the hon. Member for Dwyfor Meirionnydd relates to her claim that in the case of horse abattoirs there is not retail pressure. I think she is missing a point here, as all five abattoirs also slaughter other animals—other farm livestock. That is probably why three of the five already have CCTV.

I know that my hon. Friend the Member for North Thanet (Sir Roger Gale) has been a long-standing campaigner on a wide range of animal welfare issues. He made a separate legislative point, saying that if there is not time for primary legislation to address this issue, perhaps the Government should give a fair wind to a private Member’s Bill. Obviously, private Member’s Bills are an issue for the House and for private Members; it is open to anyone at any time to bring one forward. However, I am not sure that we would need primary legislation if we decided to address this issue. Potentially it could be dealt with under the Animal Welfare Act 2006, which has quite wide provisions to deal with these types of things. Nevertheless, I take on board his point, and if any Back Bencher wanted to introduce such legislation, they could obviously do so.

Sir Roger Gale: Will my hon. Friend the Minister undertake to have a look at the Animal Welfare Act 2006 and see whether it is possible to introduce a statutory instrument to achieve this aim?

George Eustice: As I think I explained to my hon. Friend, my belief is that we probably could.

I will move on to the point that my hon. Friend the Member for North Wiltshire made. He brought a refreshing sense of balance to this debate; we always need to question ourselves when we consider new measures of this sort. He made the very important point that we have had serious welfare breaches in slaughterhouses where there has been CCTV, so we should not see CCTV as a panacea for these problems. There are

strong arguments for CCTV in slaughterhouses, but some of the breaches of animal welfare have been in slaughterhouses that already have CCTV.

Finally, the shadow Minister, the hon. Member for North Tyneside, mentioned access to footage. If the Food Standards Agency is conducting an investigation, it already has access to footage where CCTV exists; it can require access to that footage. Also, the British Meat Processors Association and others have developed protocols with their members about how to store, share and use data, where it is available.

Mary Glindon: Will the Minister give way?

George Eustice: I will give way only briefly, because I want to give the hon. Member for Dwyfor Meirionnydd time to reply to the debate.

Mary Glindon: It was simply to say, Minister, that the Government do not keep a national record of incidents. Such a record would be really beneficial.

George Eustice: We are obviously aware of prosecutions brought by the FSA nationally. So, where there are incidents or breaches, we get involved, and I am often involved in sanctioning the withdrawal of licences and other such sanctions.

In conclusion, I again thank all hon. Members for their contribution to this interesting debate. It is about 18 months since I last responded to a debate on the issue of CCTV in slaughterhouses. While the evidence on the impact of CCTV on animal welfare within slaughterhouses has probably changed a little in that period, I do take on board all the issues that have been raised today. In addition, I note that take-up of CCTV among some of the smaller abattoirs has plateaued over the last two years.

I reiterate that, as well as helping to protect the welfare of animals, many of the benefits of CCTV in slaughterhouses that were identified by the Farm Animal Welfare Committee's report also help the slaughterhouse operator. Also, the Government have never ruled out mandatory steps on CCTV in slaughterhouses, although we have always encouraged voluntary uptake.

I assure the hon. Member for Dwyfor Meirionnydd that this Government remain committed to promoting high animal welfare standards and protecting animal welfare on-farm, in transport and at slaughter, and I hope that I have been able to address some of the concerns that have been raised today.

3.54 pm

Liz Saville Roberts: Diolch yn fawr iawn—thank you very much, Mrs Main, for giving me the opportunity to close this debate.

I thank all hon. Members who have contributed to this debate this afternoon. I think that I need to put on the record, as I have heard everybody else doing so, that I have been an honorary member of the British Veterinary Association since for about three weeks or so. It is important that I record that.

Listening to the speeches, the general thrust was to do the best that we can for the welfare of horses, and of domestic and agricultural animals more widely. I particularly welcome the support from the hon. Member for North

Thanet (Sir Roger Gale) of the Conservative Animal Welfare Foundation, and also his comment that the cost of CCTV need not be prohibitive.

I also welcome the comments of the hon. Member for Penistone and Stocksbridge (Angela Smith), who mentioned the “invisible horse”, referring to the fact that there are many animals out there that are effectively not seen by anybody. It is very easy for an animal that is kept, say, in a field simply to disappear from sight; although we are concerned for its welfare, we are not really in a position to know much about what is happening to them.

I agree with the concern of the hon. Member for North Wiltshire (Mr Gray) about the wider issue with horse welfare. I understand that there are almost 800,000 horses in the United Kingdom, although we do not know how many there really are, and a great many horses are owned by people who, in all honesty, are not interested in any aspect of their welfare. Although I feel strongly that CCTV would improve the welfare of horses in certain circumstances, we should not fool ourselves that CCTV in itself would resolve all the problems for horses. I share the hon. Gentleman's discomfort with the idea that horses are meat animals. None the less, the fact that, although they are not meat animals, they are still large herbivores in itself affects their life experience.

Turning to the contribution of the hon. Member for Caithness, Sutherland and Easter Ross (Dr Monaghan), of course, Scotland and Wales are in the same situation; we do not have licensed equine slaughterhouses. That means that horse owners in Wales or Scotland have to travel outside our nations if they wish to use those facilities.

It is important that all the nations of the United Kingdom set standards. Wales passed the Control of Horses (Wales) Act 2014, which dealt with fly-grazing; previously, it had been dealt with in England. Interestingly enough, only a certain number of authorities have used those enabling powers. I suspect that is partly because some of them do not want to be seen to be responsible for the death of horses that come under their control, which is part of the irony of our relationship with horses. In welfare terms, we perhaps need to address that irony.

Finally, I turn to the contribution by the hon. Member for North Tyneside (Mary Glindon). She summarised the views of many in this House by saying that the welfare of animals in slaughterhouses is of paramount concern to the public. I very much welcome some of the Minister's comments. I noted his comments that CCTV has a useful role to play; that it can make evident concealed injuries, such as lameness, which animals conceal when they are under stress and feel that they are being observed; that it can be used for training; and that it can be used in particular when it is difficult to gain access to smaller spaces.

I noticed the subtleties of the Minister's comment that he perhaps remains to be convinced about CCTV but that he has never ruled out further action. He also said that this issue could be dealt with by a private Member's Bill or a statutory instrument arising from the Animal Welfare Act 2016, which was certainly an interesting comment. I hope that he will commit to consider that matter further in future.

[Liz Saville Roberts]

Of course, CCTV is not a substitute for responsible work practices or the presence of official veterinarians. Nevertheless, there is a strong feeling that it contributes to and enhances welfare. As for making CCTV mandatory, we have been talking about equines today but that could also apply—well, it should apply—to all other agricultural animals. The time has come to deal with this issue, and there are strong feelings about that.

I will close by saying that many little girls aspire to own their first My Little Pony and then to own the real thing—

Mr James Gray: And little boys.

Liz Saville Roberts: And little boys, possibly. I am talking for myself and my own daughters; forgive me. However, horses are not necessarily well served if they are regarded as aspirational status symbol. They are neither an agricultural animal nor a visible family pet. They can be dumped, “invisible” and uncared for, in barns or fields. They can be cheap to buy; indeed, they can easily be free to acquire. The costs of worming them and maintaining their feet can be prohibitive for people who might find it easy to acquire them, and their value disappears after they reach a certain age.

Mandatory CCTV and ensuring access to CCTV footage will improve the reality of horse welfare, and indeed that of all animals sent to slaughterhouses, and I hope that we can address this issue further in the future. Thanks very much—diolch yn fawr iawn.

Question put and agreed to.

Resolved,

That this House has considered CCTV in equine slaughterhouses.

Foreign National Offenders

[SIR ALAN MEALE *in the Chair*]

4 pm

Mr Philip Hollobone (Kettering) (Con): I beg to move,

That this House has considered the return of foreign national offenders to prison in their own country.

I am grateful to you, Sir Alan, for your time in the Chair, to Mr Speaker for granting me permission to hold the debate, and to my constituents who have sent me here to articulate their concerns. I welcome other hon. Members to the debate, and declare myself open to as many interventions as they care to make.

My main contention is that there are too many foreign national offenders in prison in this country and that they should be in prison in their country of origin. I invite the Minister to update the House on the latest figures, first on the number of prisoners in our jails. I think it is something like 85,000, which basically means that our prisons are full to bursting. It is good that we catch people who do bad things and lock them up, but my understanding is that more than 10,000 of those 85,000—something like 12%—are foreign national offenders. At a time when our prisons are full to bursting, when we, by the Government’s own admission, do not have enough prison officers and when public expenditure is tight at best, it seems that we need to redouble our efforts to ensure that we send those foreign national offenders back to their own countries.

Keith Vaz (Leicester East) (Lab): Will the hon. Gentleman give way?

Mr Hollobone: It would be an honour and a privilege to give way to the former Chairman of the Home Affairs Committee.

Keith Vaz: I congratulate the hon. Gentleman on securing the debate. Earlier today, the Minister gave evidence about this very issue to the Justice Committee and I asked him a question about it. Does the hon. Gentleman think it is inexcusable that there are 4,270-plus EU nationals in our prisons? If there is one group of prisoners we should return to their country of origin it is prisoners from EU countries, because they are costing the British taxpayer £169 million. Does the hon. Gentleman agree that it is essential, as part of the Brexit negotiations, that we get that problem sorted out once and for all?

Mr Hollobone: I do think we should get the situation sorted out once and for all. I pray in aid the excellent report by the right hon. Gentleman’s previous Committee, which looked into the issue. I quote, I think, from that report:

“The public would expect our membership of the EU to make it easier to deport European offenders, but this is clearly not the case, and we continue to keep thousands of these criminals at great and unnecessary expense.”

There is in place an EU prisoner transfer directive, which means that countries can compulsorily return prisoners to their country of origin within the European Union. The last time we managed to wheedle a figure out of Her Majesty’s Government on how many EU nationals we had returned to their country of origin, I think the number was 101—pathetically low. Legislation,

in the form of that directive, exists with which to do that, but we are simply not getting on with it. Perhaps the Minister in his response will confirm how many EU nationals are in our prisons, how many we have returned to their country of origin, and why we are not sending thousands more of these individuals back.

I have to tell the House that, beside EU nationals, there are representatives of 160 nations from around the world in Her Majesty's prisons. Not only are we a cosmopolitan society at large, we are also a cosmopolitan city in Her Majesty's jails.

Mr Andrew Turner (Isle of Wight) (Con): Would my hon. Friend also like to elicit the numbers for Jamaica? I believe they are the highest in the world.

Mr Hollobone: I am grateful to my hon. Friend for that intervention. The figure I have for Jamaica is 567, and I, like him, would like the Minister to update us.

In a minute, I will come to a list of shame, of those countries that have the most foreign national offenders in our prisons.

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

Mr Hollobone: I would be honoured and delighted to give way to the hon. Lady.

Lady Hermon: The hon. Gentleman will be well aware that dissident republicans continue to wage a very violent campaign in Northern Ireland. These are individuals who claim they want to achieve a united Ireland through violence. At present, some of them are relaxing at Her Majesty's pleasure in Maghaberry prison in Northern Ireland. Does the hon. Gentleman have any facts and figures relating to such prisoners who have requested to go back to the Republic of Ireland?

Mr Hollobone: I do not have the answer to the hon. Lady's question, but I hope that the Minister does, because he is paid to have that sort of information. I can tell her, however, that according to my figures, southern Ireland—Ireland—has 783 nationals in UK prisons and is No. 2 on my list of shame.

Some 80% of the world's nations are represented in our prisons. A third of those prisoners have been convicted of violent and sexual offences, a fifth of drug offences, and others of burglary, robbery, fraud and other serious crimes, yet we have the privilege of paying for them to stay in our country. The National Audit Office, in a report just a couple of years ago, looked at how much that is costing our nation. The average annual cost of incarcerating a prisoner is £33,000, so the very least this costs us is something like £330 million a year. The National Audit Office estimated that if things such as police costs, Crown Prosecution Service costs, legal aid costs and prison costs were added in, the total bill would be between £769 million and £1 billion a year, with its median estimate being £850 million.

I come now to my list of shame, the list of the top 10 nations, according to the latest figures I have, on the basis of how many of their nationals are in our prisons. At No. 10 is Nigeria with 385, No. 9 is Somalia with 430, No. 8 is India with 458, equal sixth are Lithuania and Pakistan with 471, No. 5 is Albania with 472, No. 4 is Jamaica with 567, No. 3 is Romania with 629, No. 2 is Ireland with 783 and No. 1 is Poland with 951.

Simon Danczuk (Rochdale) (Ind): Will the hon. Gentleman give way?

Keith Vaz: Will the hon. Gentleman give way?

Mr Hollobone: I will be delighted to give way to both Members, but I feel I should give way to Rochdale first.

Simon Danczuk: I thank the hon. Gentleman, not least for securing what is a very important debate. He mentioned Pakistan. People will remember Shabir Ahmed who is serving more than 40 years for raping dozens of children as part of the Rochdale grooming gang. Does the hon. Gentleman agree that he should be deported to Pakistan to see what he thinks of prison there?

Mr Hollobone: That is a very sensible suggestion. I am not aware of all the details of the horrific crimes that that unpleasant gentleman has committed, but I do not see why British taxpayers should pay for him to be in prison—Pakistani taxpayers should. In fact, I would go further. I take the view that if a foreign national in this country commits a crime for which they are potentially imprisonable, they should be deported and banned from ever returning, whether they are in prison or not.

Keith Vaz: I felt that I had walked into an early edition of "Top of the Pops" when the hon. Gentleman did the countdown from 10 to one—I suppose that from his point of view it is "Bottom of the Pops". In respect of that list, with one or two exceptions they are either EU or Commonwealth countries. We would expect, as far as the Commonwealth countries are concerned—Nigeria, Jamaica and the others—that Ministers would be able to elicit a better deal than the one they have. Only yesterday, the Polish Prime Minister was in the country. I asked the Minister this question earlier in the Justice Committee meeting. Should this issue not be the No. 1 concern when our Ministers are meeting the leaders of other countries? It would save the British taxpayer a lot of money and would enable those countries to imprison their own citizens. We would be happy to take back our prisoners who are in their countries.

Mr Hollobone: As always, the right hon. Gentleman makes an extremely good point. From the list of 10, four are EU countries and four are Commonwealth countries. He is absolutely right. I hope that in the Prime Minister's discussions with the Polish Prime Minister yesterday, she raised the fact that Poland was top of the list of shame and asked the Poles what they were doing to take their citizens back. I understand that Poland has a derogation from the EU prisoner transfer directive until this month. I hope that the Minister will get on to his Polish counterpart at the end of the month to say that we look forward to triggering the proposals that have become live.

Those top 10 nations account for 5,617 prisoners, but we have imported—I am afraid this is absolute truth—a wave of crime from eastern Europe with the accession of eastern European countries to the European Union. Poland has 951 of its citizens in our jails. In 2002, before Polish membership of the European Union, there were 45 Poles in prison in this country. I urge the Minister to get on with it, but I also urge him to speak to his counterpart in the Department for International Development. My list of shame of 10 countries could be cross-checked with the 28 countries that receive large

[Mr Hollobone]

amounts of aid from DFID. Indeed, I asked a few years ago how much aid we give in total to Jamaica, Pakistan, Nigeria, Somalia, India and Bangladesh, and the answer in that year was almost £1 billion, yet those six countries provide us with almost 3,000 foreign national offenders. It costs us more than £100 million a year to incarcerate those people in our jails, yet we are giving those countries £1 billion in international aid assistance.

I think we should do more things such as those we are doing in Jamaica, where we are using international aid money to build a prison to which we can return its nationals. That is a sensible use of the international aid budget. In Jamaica, we signed an agreement in 2015 to build a 1,500-bed prison. It will be built with British taxpayers' money, and Jamaican nationals in prison in this country will go back to prison in Jamaica as soon as it is completed. Will the Minister urge DFID to look for similar arrangements in the other five countries that I mentioned?

Perhaps more worrying than those foreign national offenders in prison is the very large number of foreign national offenders who are in this country, but not in prison. Alarming, it takes the Home Office 149 days on average to deport a foreign national offender. That is simply too slow. The latest figures I have are for March this year. They show a total of 5,895 foreign national offenders living in the community awaiting deportation. These dangerous people are not even in prison. They are free to go about their business on our streets. Of that 5,895 FNOs, 84% have been at large for more than one year and 30% have been at large for more than five years. That is a national scandal. Very large numbers of those individuals will have committed further offences in this country since they have been outside prison. My contention is that those foreign national offenders also need to be deported. If they are not going to be in prison, they need to be walking the streets of their country of origin, not those of our country.

This is an alarming state of affairs, and I am looking to the Minister—he has a solid reputation for being enthusiastic about his portfolio and being skilled and articulate in arguing the case to get things done—to knock heads together in his Department and the Home Office to say that it is not good enough. The previous Prime Minister said to the Home Affairs Committee that the Government's performance was not good enough, and I am sure the present Prime Minister would admit that. The issue is costing British taxpayers more than £800 million a year. Almost 5,000 foreign national offenders are at large on our streets. Some 10,000 are in prison in this country when they should be in prison in their countries at the expense of their own taxpayers. My constituents in Kettering are looking to the Minister to get it sorted out.

4.15 pm

The Parliamentary Under-Secretary of State for Justice (Mr Sam Gyimah): I begin by thanking my hon. Friend the Member for Kettering (Mr Hollobone) for securing this afternoon's debate. I know he has raised the issue before. The debate has raised a number of issues that I will try to tackle in turn. I welcome an opportunity to highlight the Government's approach and the progress we are making.

Let me say at the outset that the House should be in no doubt that the Government are absolutely committed to increasing the number of foreign national offenders removed from our prisons. Any foreign national who comes to our country and abuses our hospitality by breaking the law should be in no doubt of our determination to deport them. Increasing removals is one of our top priorities. When I was appointed, the Prime Minister certainly made it clear to me that it was a key priority for the Department. All FNOs sentenced to custody are referred to the Home Office at the earliest opportunity to be considered for deportation.

My hon. Friend asked for an update on the numbers. Overall, since 2010 we have removed more than 33,000 foreign offenders from prisons, immigration removal centres and the community. In 2015-16, we removed 5,810 FNOs, which was the highest number since records began. That represents good progress, but there is certainly a lot more that can be done, and I am ambitious to do more. My hon. Friend asked for clarification. FNOs make up 12% of the overall prison population, with 4,180 EU nationals in prisons and immigration removal centres. He went through a list of his top 10. Without going into too much detail, I can confirm that Poland holds the highest number of offenders. Ireland is second and Romania is third.

The primary responsibility for the removal of FNOs sits with the Home Office. It is the Home Office that can remove someone from this country. The Ministry of Justice and the National Offender Management Service support that work by setting the policy and administering the removal schemes. As I am sure everyone present will recognise, the removal of an FNO requires a co-ordinated and sustained approach across Whitehall. My hon. Friend alluded to that. My Department works closely with the Home Office, the Foreign Office and the Department for International Development. Only last week I met ministerial colleagues from those Departments to agree a programme of work to increase FNO removals.

Mr Hollobone: We have got oodles of time to explore the nitty-gritty of the issue. My understanding is that it is regularly on the agenda of the National Security Council. Can the Minister confirm that? Can he confirm how often the NSC meets to discuss the issue? Can he confirm that he is able to attend those meetings to press the case, given that the Prime Minister said to him that it is one of her top priorities?

Mr Gyimah: I can confirm that I have met the Minister for Immigration twice in the past two months. He has the levers to remove people. I met him only this week. We have widened the meeting to include Ministers from the Foreign Office and the Department for International Development. We have got an ambitious programme and clear actions to take forward. We have agreed to meet as often as possible to give the issue the ministerial attention it deserves. In addition, we are making sure that when other Government Ministers meet Ministers in countries with which we have a concern about foreign nationals, this issue is included as a top priority in their briefing pack to raise with and get feedback from Ministers of those Governments, so that we can act on that.

Simon Danczuk: Will the Minister do all that he can to ensure that Shabir Ahmed is deported to a prison in Pakistan?

Mr Gyimah: I am certainly willing to look at that case. The hon. Gentleman will appreciate that I cannot make a decision here about who gets deported and under what terms; we have to look at the case very carefully. If he writes to me, I am willing to look at that with the Immigration Minister and the Home Office.

Lady Hermon: I intervene with reference to dissident republicans. Terrorism is not an issue that is devolved to the Northern Ireland Assembly; it is a responsibility for this Government, thank goodness. I would like the Minister to reply to my earlier question. How many dissident republicans—who wage a violent campaign and who have murdered, bombed and shot people in Northern Ireland and elsewhere—have requested to return to prisons in the Republic of Ireland? Since they want a united Ireland, surely one can understand that they would wish to go back to prison in the Republic of Ireland.

Mr Gyimah: I thank the hon. Lady for her very forcefully put question. I do not have those data to hand, but if they are available—I look to my officials—I will be happy to write to her with the detail.

There is a huge amount of activity under way on each stage of the FNO process, from the point of arrest to appearance in court, being given a prison sentence and removal back to the home country. For example, the Government have introduced clauses in the Policing and Crime Bill, which is currently going through Parliament, that will strengthen police powers with regard to early identification of nationality and will require anyone appearing in court to state their nationality. Those provisions are designed to help to speed up early identification of FNOs and so assist with their quick removal from the UK.

Keith Vaz: Will that include the production of their passport? Telling the court their nationality is very important, but the production of the passport is absolutely critical. Is that included in those measures?

Mr Gyimah: I believe that is included in the process that I have outlined. In other initiatives, my Department is currently working on proposals to introduce a new fast-track appeals process that will apply to all detained foreign offenders. That process will make sure that appeals are determined as efficiently as possible, so that foreign offenders may be removed from the UK more quickly.

We have also strengthened our ability to deport foreign offenders through new powers introduced by the Immigration Act 2014, which contains a discretionary power allowing us to deport first—the FNO can appeal later. That means that foreign offenders cannot delay their removal with frivolous appeals and are instead required to appeal from abroad, but only if the Home Secretary certifies that removal pending the outcome of any appeal would not risk serious irreversible harm following their return. More than 4,100 foreign offenders have been deported under that new provision since it came into force in July 2014, with many more going through the system.

In terms of wider cross-governmental work, which I have touched on, I am determined that we make extensive use of the influence and worldwide reach of the Foreign and Commonwealth Office and the Department for

International Development, which my hon. Friend the Member for Kettering so articulately focused on, so that we can bring our relationships to bear in discussions, to make sure that we fast-track the process.

Mr Hollobone: I want to ask the Minister two things. How many foreign national offenders have we sent back to EU countries under the EU prisoner transfer directive and how many compulsory transfer agreements do we have with other non-EU countries?

Mr Gyimah: If my hon. Friend bears with me, I will come to those facts in my speech. Wider cross-governmental work means that there is a focus on countries in which DFID operates and for which we hold large numbers of FNOs in our prisons, such as India, Pakistan, Nigeria and Somalia.

I am sure hon. Members will appreciate that the barriers to returning FNOs to their countries of nationality are both varied and complex. That is why the action we take must be tailored to each specific country. To that end, I am working closely with my ministerial colleagues, with work ranging from Ministers pressing the issue with foreign Governments every time they travel overseas, to supporting other countries with our aid spending in order to increase FNO removals from our prisons.

The early removal scheme is our principal mechanism for removing FNOs from our prisons, especially those on shorter sentences. Under the scheme, offenders are returned to their home countries and are barred from entering the UK, potentially for life. In 2015-16, we removed more than 2,000 prisoners via that scheme. That is around 95% of early removals from prison. It is worth highlighting that although that number of removals is very welcome, I am working with the Home Office—I see the Immigration Minister has just walked in, which shows how closely he takes an interest in this important matter—to improve the removal mechanism still further and ensure that it is working as effectively as it possibly can. We have more than 100 prisoner transfer agreements with countries and territories around the world.

Mr Hollobone: How many compulsory transfer agreements do we have? My understanding is that something like 95% of those removals are voluntary. In other words, they require the permission of the prisoner himself.

Mr Gyimah: I am about to make a point about the compulsory and voluntary nature of removals. Where an agreement is in place, prisoners can be transferred on a voluntary basis or on a compulsory basis, meaning that their consent is not required. Most of the agreements we have are necessarily voluntary—which is the point my hon. Friend touched on—due to the standard of prison conditions and the treatment of prisoners in many parts of the world.

Our approach is that we will seek to secure compulsory transfer agreements wherever possible. We have one in place with EU member states, as well as with a number of other countries, such as Albania, the home country of one of the top nationality groups in our prisons. It is worth saying that we are working closely with Albania in particular to improve our prisoner transfer agreement in order to remove more FNOs from our prisons. For that reason, the Minister for Courts and Justice, my right hon. and learned Friend the Member for North

[Mr Gyimah]

East Hertfordshire (Sir Oliver Heald), recently met the Albanian Justice Minister to reinforce the importance of returning FNOs as quickly as possible. In terms of compulsory agreements, which my hon. Friend the Member for Kettering asked about, we currently have compulsory agreements in place with Somalia, Libya, Rwanda, Albania, Nigeria and the EU. That is the factual answer to his question.

The most recent published statistics, from June this year, show that we have transferred 102 prisoners back to their home countries since the EU PTA came into force. We continue to see increasing numbers of transfers as member states become more familiar with the processes. I am determined to maintain that progress and build on it. The number of transfers should of course be seen within the wider context of our work to remove FNOs. The early removal scheme is only one mechanism. It is the most successful one, and 2,000 people were transferred under that scheme last year.

We are working across Government to consider options for securing transfers of EU nationals once we leave the European Union. That is one of the key Brexit priorities for the Ministry of Justice and we have made that very clear to the Department for Exiting the EU in terms of our negotiating position. Although it would not be appropriate for me to provide a running commentary, I hope that what I have said underscores how important the issue is for the Department. I am particularly focused on returning FNOs to those member states for which we hold large numbers in our prisons, such as Poland, Romania and Lithuania in particular.

It is worth bearing in mind that there are also, of course, British nationals detained in prisons overseas—the current figure is roughly 2,046. We are thinking of savings, but in that context there would be a bit of going backwards and forwards.

The time available for today's debate only allows for an overview of the numerous initiatives and policies under way. I am willing and available to meet with hon. Members who want to look at our processes in more detail and contribute to them. Wherever possible, we will always look to remove those who have broken our laws and will continue to work with Governments across Europe and the world to increase the number of prisoners removed. Be in no doubt that the Government are absolutely committed to reducing the number of foreign national offenders in our prisons, which is why each year we are increasing the numbers of people removed.

Question put and agreed to.

Refugee Family Reunion (Immigration Rules)

4.30 pm

Thangam Debbonaire (Bristol West) (Lab): I beg to move,

That this House has considered immigration rules for refugee family reunion.

It is a pleasure to serve under your chairmanship, Sir Alan. The world is facing the greatest refugee crisis since the end of world war two. According to statistics from the United Nations High Commissioner for Refugees, which I checked today, an unprecedented 65.3 million people have been forcibly displaced worldwide for various reasons including famine, war, poverty, climate change and internal repression. That total roughly equals this country's entire population. Of those 65.3 million people, 21.3 million are classed by the UNHCR as refugees. Rutherg

An International Rescue Committee report published in March described the rapid acceleration of the problem. In 2010, 10,000 people a day were displaced from their homes, and by 2014 that number had quadrupled. Again, that comes from UNHCR statistics. It is slightly less than that now, but still very high.

The UK has legal obligations to refugees under international law. There is a rigorous process of assessment before someone is granted refugee status, and only then are they allowed to apply for work and look for somewhere to live. The refugees I have met have all been determined to do everything they can to contribute to the UK. They have also been determined to be reunited with their families.

I am the chair of the all-party group on refugees, and I have initiated a public inquiry entitled "Refugees Welcome?", which has just completed four oral evidence sessions. We have received hundreds of pieces of written evidence and will be visiting Bristol and Nottingham later this month to see for ourselves how refugees who have been granted status in this country are treated. The refugees we heard from in person gave powerful testimony about their difficult journeys, their painful experiences in their countries of origin, and their desire to contribute to and be part of this country, which has welcome them. They also spoke about periods of destitution and poverty after being granted status. That subject will be dealt with in our report. Pertinent to this debate, they spoke of their natural desire to be reunited with their family as soon as possible.

This is a highly gendered issue. Women and children are far more likely to have been left behind than men. Their only hope of escape is to wait for a male family member to reach a country of sanctuary and then apply for reunion. Recent research by the Red Cross shows that 95% of applicants waiting to join family members in the UK through refugee family reunion are women and children. It also found that the process was not safe.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): I understand that, under the current rules, if the child turns 18 before the refugee status of the family member in the UK is confirmed, they are no longer eligible for family reunion. Does the hon. Lady agree that that is a problem, and that the Government should look at changing the rules so the age of the child is considered when the Home Office procedure begins?

Thangam Debbonaire: The hon. Lady is absolutely right. I will come on to that issue. I completely agree that it is unjust and leaves many vulnerable young people in danger and alone.

Fifty-one per cent. of the families Red Cross helped in 2014 were at risk of violence, torture or harassment during the process of applying for family reunion, so the process is not safe. The British Red Cross also told me that, to date in 2016, it has supported the travel of 1,551 people accepted by the Home Office under refugee family reunion, 580 of whom were from Syria. As of the beginning of September, 767 children granted family reunion visas had arrived in the UK after assistance from the British Red Cross, 280 of whom were from Syria. Those are hardly huge numbers. In its 2015 research, “Not So Straightforward”, the British Red Cross found that the current UK policy for refugee family union is not simple, not affordable and not safe.

The system is failing many women and children. Women for Refugee Women, which is represented here today, told me that it knows of many women in the UK who have had to flee from danger without their children and then struggled to bring their children to join them, as the hon. Member for Rutherglen and Hamilton West (Margaret Ferrier) said. The problems include, first, delays from the Home Office. If a woman has waited many years in the asylum process, her children back home may be older than 18 by the time she has been granted status, so they are not allowed the automatic right to join her.

Secondly, there are the costs of accessing family reunion rights. I hope the Minister will address both those issues. For instance, a woman whom Women for Refugee Women knows well, and whom I am going to meet later today—she has given me permission to describe her story—entered the UK in 2007 after being imprisoned in the Democratic Republic of the Congo as a human rights activist. She left behind her children, aged 12, 15 and 17. It was three and a half years before she was called for her first asylum interview, and she was not granted status until 2013. By then, her children, still vulnerable, were 23, 21 and 18, and were therefore refused the right to join her. She is still struggling to find a legal route to be reunited with them. She has already spent £600 per child on the first application and has been told that she needs to spend still more for the appeal. As can be imagined, those sums are an incredible burden for a refugee woman who can access only very low-paid jobs due to her interrupted employment history.

This afternoon, at a City of Sanctuary event that I hosted, I met two brothers. Both were Syrian. One was granted status quickly, but the other was still in the process after being in detention. Their parents are still in Syria. They cannot come on the resettlement scheme or on family reunion, even though the first brother now has a full-time job and has said he is willing and able to support them.

I want to talk about expanding the scope of refugee family reunion rules to protect children and bring families together. The UK, unlike most European Union states, does not allow children to bring family members to join them here. Under the Dublin regulation—EU regulation 604/2013—they can be transferred to another EU member state if they have a relative living there, but that just moves children around the EU and places more burdens

on the states that receive the most refugees. It does not allow children already here and granted status to bring their parents here.

The Minister for Immigration (Mr Robert Goodwill): May I point out that the Dublin process is a two-way process, and that we are taking children who have family here from elsewhere in the European Union? We have resettled a number of children this year, and the process is gathering pace.

Thangam Debbonaire: I acknowledge that it is a two-way process. That is important, but there is a lot more we can do.

Someone fleeing war, torture or conflict may have lost relatives or been separated from parents or children. They may have been cared for by an aunt or an older sibling. They may have a wider idea of family than the nuclear family of western social policy. As the hon. Member for Rutherglen and Hamilton West said, their children may have reached 18 by the time their status is confirmed, but they may still need protection or be dependent. If refugee family reunion rules in the UK are to ensure the security of refugees’ family members and family unity, they must address relationships of dependence beyond those currently permitted.

Stella Creasy (Walthamstow) (Lab/Co-op): My hon. Friend is making an incredibly powerful case. The reason why people run needs to be at the heart of how we do our refugee policy. Nobody decides to leave their family lightly. We need to counter the idea that one member of a family is at risk but another is not to understand how to have a dignified and humane approach to refugees.

Thangam Debbonaire: I agree. I find it difficult to understand why a child who has come from a place that is deemed unsafe for them to go back to cannot simply bring their parents here.

In July, the Home Office published updated guidance on refugee family reunion, which set out details of types of cases where exceptional circumstances may apply—for example, in the case of dependent children over the age of 18. It is important that there are exceptional circumstances, and it is a welcome sign that the Government recognise the importance of family reunion, but it is not enough. People are usually granted leave to remain in exceptional circumstances for only 33 months, and they may be subject to other restrictions to which those granted refugee status are not subject. Those restrictions are left to the discretion of Home Office officials, which does not give them the certainty that a change in the rules would provide.

The Home Affairs Committee, in HC 151, its sixth report of this parliamentary Session, reviewed the work of the immigration directorates:

“It seems to us perverse that children who have been granted refugee status in the UK are not then allowed to bring their close family to join them in the same way as an adult would be able to do. The right to live safely with family should apply to child refugees just as it does to adults. The Government should amend the immigration rules to allow refugee children to act as sponsors for their close family.”

I thank my right hon. Friend the Member for Leicester East (Keith Vaz) for that work.

[Thangam Debbonaire]

The same Committee, in HC 24, its seventh report of this Session, on the migration crisis, stated:

“Family reunion of migrants has been shown to have benefits in terms of integration and support networks, in addition to the human rights requirements of allowing families to be together, and there is clear scope for further measures to facilitate women and children joining husbands, fathers and other male relatives who have reached the UK...We also recommend that the UK broaden the scope of family reunion rules”.

I therefore support the Home Affairs Committee, the Refugee Council, Refugee Action, Amnesty International, the British Red Cross and many others, and call on the UK Government to end the discrimination against children, allowing those recognised as refugees the right to be joined in this country by other family members. Further, the definition of “family” should be expanded to include a wider range of family members. I recognise that that is challenging, but those people have come from war zones.

Our system needs to be properly implemented to fulfil our legal and moral obligations. The effect of cuts to legal aid is that refugees and UK citizens struggle to be reunited with their family members. Legal aid for specialist legal help for family reunion was cut by the coalition Government in 2013, on the grounds that it was considered a straightforward immigration matter that did not warrant the need for specialist legal support. The evidence, however, from the British Red Cross, the Refugee Council, Women for Refugee Women and my own caseload shows that many of the cases are far from straightforward—they are complex and require specialist legal advisers. Given what is at stake for families, there should be legal aid provision to assist refugees making family reunion applications.

Furthermore, those refugees who have been granted citizenship cannot sponsor family members in the same way as those only with refugee status. That seems particularly harsh. They are subject to the same minimum income and other requirements of the spousal visa process as other UK citizens. I understand why that has happened, but it is difficult for newly arrived people to meet such conditions—for those who have arrived here from war zones, it seems unnecessarily harsh. I therefore ask the Government, after their review of the Legal Aid, Sentencing and Punishment of Offenders Act 2012, to reinstate the provision of legal aid in family reunion cases. Will the Minister comment on that?

I also ask the Government to expand the scope of family reunion so that those who have been granted UK citizenship, or who were born UK citizens, can sponsor family members in the same way as those with refugee status. I further ask that they be granted legal aid in the same way.

Rather than simply turning down an application if there is not enough information, it would be helpful if the Home Office asked for more information. The Refugee Council reported to me that applicants are not being given the opportunity to submit further evidence for their application when their supporting documentation is deemed insufficient. They are simply told that their application has been turned down, which forces them into lengthy and costly appeals processes. During that time, refugees who want to come here continue to live in precarious conditions, often in a third country—for example, if they have fled Syria, they might be in a camp in a neighbouring country such as Lebanon.

That would save the Government money on the appeals process and, most importantly, it would end the practice of leaving families stuck in vulnerable and precarious situations for months on end, waiting for an appeal to be heard. I therefore call on the Government to revise their practice guidance to officials carrying out the process and to move to asking for more information, rather than simply rejecting a family if there is insufficient information.

Demonstrating a relationship involves further complications. In applications for a sponsor’s spouse, whether through marriage or civil partnership, as well as an unmarried partner, the applicant must demonstrate a “subsisting relationship” that preceded the sponsor’s application for asylum, as well as the intention to live together permanently. Again, I understand why that has come about, but I hope that the Minister accepts that relationships and marriages happen, and children are born, while refugees remain in third countries awaiting decisions on resettlement. The rules exclude such families from reuniting, because they are deemed to be post-flight families.

For unmarried and same-sex partners, applications must also demonstrate that the couple

“have been living together in a relationship akin to marriage or civil partnership which has subsisted for two years or more.”

Again, I ask the Government to recognise that resettled refugees are likely to form family relationships during the often lengthy period between their flight from their country of origin and their resettlement in the UK. I ask the Government to revise their rules accordingly.

The process should be safe. The British Red Cross report, “Not So Straightforward”, which I mentioned earlier, described how, although the initial application for family reunion can be made online, the following process requires family members wishing to join relatives here in the UK to travel to their closest visa application centre. The report highlighted examples of families risking their lives to travel to an embassy, crossing conflict zones, or of people being turned away from the embassy when they arrived, even when they had appointments. I therefore ask the Government to change the rules so that the process is safer, by allowing refugees in the UK to submit the family reunion documents, rather than forcing their family members to make journeys that are often costly and dangerous.

In conclusion, I ask the Government to consider eight requests, and I hope that the Minister will be able to give an answer to some, or at least an indication of the direction of travel. If he cannot grant my requests, will he agree to meet me in any case to discuss them further?

First, will the Government allow children recognised as refugees the right to be joined here in the UK by family members? Secondly, will the Government expand the definition of family to include a wider range of family members? Thirdly, will the Government reinstate the provision of legal aid in family reunion cases? Fourthly, will the Government expand the scope of refugee family reunion so that those who have been granted UK citizenship can sponsor family members in the same way as those with refugee status? Fifthly, will the Government grant legal aid to refugees with UK citizenship? Sixthly, will the Government revise the guidance so that officials ask for more information, rather than simply rejecting a family’s application because

of insufficient information? Seventhly, will the Government recognise that resettled refugees are likely to form family relationships during the often lengthy period between flight and resettlement, and revise the rules accordingly? Eighthly, will the Government change the rules, so that the process is safer, by allowing refugees in the UK to submit the family reunion documents?

Those people have fled from war, persecution and torture. Many of them have gone through terrible journeys to reach sanctuary in the UK. Many are children. Surely it is not too much to ask that they are allowed to be reunited quickly, safely and easily with their families. After all, is that not what we would want if it happened to us?

4.47 pm

Owen Thompson (Midlothian) (SNP): I thank the hon. Member for Bristol West (Thangam Debbonaire) for securing this important debate, and I commend her for it. The topic is important to my constituents, as it is to her and, of course, to the many refugee families and lone children throughout the world.

The UK Government have made some progress in expediting the move of refugee children to the UK from the fallout of the Calais “jungle” camp shutdown. That has to be welcome to an extent, but the lack of speed and organisation has been disappointing. While delays continue, children go missing, fall victim to traffickers, are bought and sold, are damaged, and are alone.

Stella Creasy: Does the hon. Gentleman share my concern that the Government seem to be changing the rules retrospectively on the children whom we take from Calais, specifying certain countries rather than persecution as the question at the heart of the issue? Just as this debate is about how to help those being persecuted, it is important that we as a country do not renege on our commitments.

Owen Thompson: I very much agree with the hon. Lady. At times, it feels like a feast of moving goalposts, which does not help those in most need of the support that we should be giving them. The Government need to do more to speed up the process of helping.

Lone children wandering Europe, who are now estimated to number in the hundreds of thousands, will not reduce in number if we ignore the situation in Syria. That is why we must take a joined-up approach and not separate the problems. I am confident that the Minister will tell us about how the Government are putting more money into support for refugees than any other country in Europe, but simply throwing money at a problem is not enough. We need to accommodate the points made by the hon. Member for Bristol West and to change our system, taking into account individual circumstances, which would make a real difference to families and, most importantly, those young people who are so often left alone.

I recently raised in the House the case of one of my constituents who had lost their son. He had not been known to the family for more than a couple of years and was sadly thought to be dead. Luckily, we found that he was still alive. However, having had the joy of discovering that, the family then had to battle to bring him to join them in Scotland. At one point, they did not know whether they would ever see him again. I commend the Home Office for the support that it has

given the family. Although it took a bit of time to arrive, that support has been productive, and we are hopeful that there will be a positive outcome to that case in the near future. The Home Office must work with all the agencies on the ground that do such an amazing job to help children who are alone in a war zone. We need to do so much more to ensure that the process of bringing those young people back to join their families is much faster.

The humanitarian situation in the region affected by the Syrian conflict is vast and growing. Atrocities happen every minute of every day, and the children caught up in that situation who so often flash up on our TV screens and social media feeds sadly face many more years of conflict, pain and hurt before there is any end in sight to that conflict. It is so sad to consider that children and families are separated.

We must do what we can now. We must act swiftly and with compassion. We must not continue waiting for child refugees to come knocking at our door; doing so leaves them with little option but to make dangerous journeys, often with dangerous people who do nothing but profit and prioritise money over their safety. Where it is safe to do so, we must actively seek out displaced families and children in conflict zones. We must make more of an effort before an entire generation of children is put at risk of losing the care of their families, many of whom have been affected by emergencies and cannot support their children without help.

4.51 pm

Anne McLaughlin (Glasgow North East) (SNP): I congratulate the hon. Member for Bristol West (Thangam Debbonaire) on bringing this crucial issue back to this place. I must confess that I find it difficult to fathom why any Government would put as many barriers in the way of family reunion as the current Government and their predecessors have. I want to focus on children who have been granted refugee status in this country—children who are recognised by the state as part of a group that is in danger in its home country. What possible benefit is there to them or us in denying their parents the opportunity to be reunited with them?

Even if the overarching concern is financial, it is expensive to keep a child in care. In the long term, such children have a higher chance of developing mental health problems, getting involved in crime and becoming homeless. By virtue of having been in care, their life outcomes are lower than those of the average child, and dealing with those reduced outcomes is expensive for any country. Can I convince the Minister to consider that allowing the parents of such children to come here to look after them could be classed as preventive spend? Given that we know that preventive spending means huge future cost reductions, would that not be a sensible financial decision?

The Government may well argue—they have in the past—that we cannot let that happen lest it creates some perverse incentive for unaccompanied migration, but that argument is flawed on several levels. Not just that—it is offensive and betrays a deep cynicism about humankind. First, there is no evidence from other jurisdictions that permit family reunion for unaccompanied children that such incentives actually exist. It is worth stressing that in the EU, only the UK and Denmark do

[Anne McLaughlin]

not permit reunion in such cases. In all earnestness, I must ask the Minister on what evidence the Government base their assumption—or is it simply an excuse?

Secondly, as I said, that argument is based on a base and deeply cynical view of human nature. Yes, some people would abuse the system, just like there are MPs who abuse their systems and companies that abuse the tax system, but should Governments really reach a position based on what a minority of those vulnerable people might do? Who would send their child off unaccompanied into a foreign country with strangers on the off-chance that they might get to safety and be able to send for their parents? Surely only those who were desperate and genuinely in fear for their lives and their families' lives, such as the parents whose three-year-old was murdered and eaten in front of them by terrorists and the mother who was forced to watch as soldiers raped her little girl in the Democratic Republic of the Congo. I should say “mothers and fathers”—there have been many more than one.

Given that unthinkable choice—rape, murder or an uncertain journey into the unknown that could end in their child reaching a place of safety—what would any parent here do to protect their child? Perhaps one day they will see them again, but if not, at least those children have a chance. Who would send their children on such a journey? Only someone who was desperate—only genuine refugees.

I echo Amnesty International's call—it was also one of the eight requests of the hon. Member for Bristol West—for the Government to reinstate legal aid in family reunion cases. The Scottish Legal Aid Board continues to fund such cases, but given the complexity of some of the processes involved, particularly for refugees with a limited grasp of English, natural justice surely demands that legal aid must be available to all so that the proper evidence on which to make decisions is submitted. I know that that costs money, but the alternative, which is that those with valid claims—those who are at risk of suffering the terrible atrocities I have just mentioned—routinely fail due to a lack of proper legal support, should be repugnant to a civilised society.

The Immigration Law Practitioners' Association raised several detailed points about the definition of “family” when it comes to family reunion. Does that cover grandparents or siblings in the case of parental deaths? There must be far greater recognition of the difficulties that refugees face. I spoke earlier about the financial cost of putting children in care to the taxpayer and the cost to those individuals in terms of life outcomes. It has long been agreed that it is far better to place children with a wider family network if their parents cannot be with them. In this country, that is called kinship care, which is rightly praised by all Governments because of the sacrifices that are made and the benefits to us all. Yet when grandparents, siblings, aunts or uncles of refugee children are willing to make that sacrifice and take care of those children—as all kinship carers do—which would benefit us all, that is suddenly deemed not such a good thing and they are not recognised as family.

In short, the Government have got themselves into a complete and utter fankle in this area. They need to look again at family reunion so that refugees who have

already had to give up their homes, families, friends and familiar surroundings do not also have to give up their families and never have to choose between safety and family because of decisions made by the UK Government. We in the Scottish National party group will continue to press the UK Government to be at the forefront of efforts to respond to the humanitarian crisis and ensure that our systems for dealing with these complex issues are fit for purpose and reflect a kind and compassionate set of values.

4.57 pm

Stuart C. McDonald (Cumbernauld, Kilsyth and Kirkintilloch East) (SNP): It is a pleasure to serve under your chairmanship, Sir Alan. I, too, thank the hon. Member for Bristol West (Thangam Debbonaire), the chair of the all-party parliamentary group on refugees, for securing this debate. I agree with pretty much everything she said. In fact, this is one of those debates where I probably agree with everything that everyone has said so far.

I also thank the organisations that have once again been in touch with excellent briefings. It is only a few months since the right hon. Member for Orkney and Shetland (Mr Carmichael) led a debate on the very same topic, and we had a debate prior to that on UN pathways. I salute all those campaigners for their perseverance, which reflects the significance of this cause.

In international human rights instruments, the family is the fundamental unit of society, and no one should ever have to consider making a choice between finding a place of safety and living with their family. Refugee family reunion is also a hugely significant part of what should be a strategic response to the refugee and humanitarian crisis, the circumstances of which the hon. Lady set out.

Lady Hermon (North Down) (Ind): I am grateful to the hon. Gentleman for allowing me to intervene when he has only just got started. I have listened carefully to all the contributions. Will he take a moment to pay tribute to the many churches and community groups that do so much to welcome and warmly embrace the vulnerable people who manage to make it into the UK, who may be isolated and frightened and do not have the language or an education?

Stuart C. McDonald: The hon. Lady makes a good point. The churches who have taken such steps deserve our full praise. In fact, some have gone even further and are now trying to get involved in offering homes to refugees through resettlement programmes and so on. Many other organisations deserve praise as well, many of whom will have been present at the meeting that the hon. Member for Bristol West organised today, which I very much regret having missed.

To return to the point about how family reunion is also important as a part of our strategic response to the crisis that the hon. Lady described, there are two reasons for that. First, it provides safe legal routes for many people who are also at risk of persecution. It stops them from having to rely on smugglers, as my hon. Friend the Member for Midlothian (Owen Thompson) said. Secondly, it is a vital method of building support networks here, because family members arriving in the UK will have

help and assistance in integrating and settling into communities. They can then provide support to the refugees with whom they are reuniting. These are people whose rehabilitation and ability to integrate can be greatly enhanced through the presence of partners and children.

In short, family reunion is an effective way for this country to step up to its obligations to do its fair share for those fleeing persecution—an obligation that we are a long way short of being able to say we have fulfilled properly. We have the family reunion basics in place, but vital improvements need to be made. They fall into two categories: the scope of eligibly rules and making the process much easier for those who qualify. In the time available, I will mention a handful of areas in which we need to see improvement.

We have heard about the cut-off age of 18, which I regard as brutally harsh. Why are we saying that an 18-year-old Syrian woman, separated from her family during escape and now living with her grandmother in Damascus, does not automatically qualify to join her refugee mother here in the UK? One hard and fast cut-off based on age is too arbitrary. Cohabitation and dependency are surely better guides to whether someone can really be considered part of the family unit of which we should be promoting a reunification.

More generally, the rules are also too restrictive regarding the range of other relatives who can apply. Particularly in this crisis, many, such as kids with only an uncle in the United Kingdom, will not fall into the limited partner or children categories under the rules, but they have no-one else to turn to. I also support calls made by hon. Members today and recently by the Home Affairs Committee for the UK to change its mind on parents being able to join refugee children here. Quite simply, there is no evidence that following the approach taken in every other EU country—with the exception of Denmark—will undermine child safeguarding. On the contrary, as my hon. Friend the Member for Glasgow North East (Anne McLaughlin) pointed out, it will promote child safeguarding.

While we are on the subject of different types of qualifying relationships, the hon. Member for Bristol West raised an important point about the latest statement of changes to the immigration rules and concerns expressed by organisations such as ILPA about the definition of unmarried partners. There are concerns that the new rules could be read as altering the definition of unmarried partners so as to create a new requirement of cohabitation, which could be difficult to prove if, for example, a couple is gay and same-sex relationships are prohibited or perhaps because persecution has meant separation. I understand that the intention was to consolidate the rules rather than to change the definition, and it would be useful for the Minister to clarify that point.

Hon. Members have also touched on refugees who have family members who are British citizens or, indeed, persons settled in the United Kingdom. There is a strong case for opening up family reunion rules to apply in such circumstances, and the eye-wateringly prohibitive immigration rules on spouses are particularly inappropriate when used in that context. The consequence is that we have seen British citizens or settled persons living in refugee camps across Europe with family members who they cannot get admitted here. I and my hon. Friend the

Member for Glasgow North East, along with other colleagues, met some of them in Calais and Dunkirk earlier this year.

Hon. Members have also rightly highlighted post-flight families. Surely it is wrong to expect refugees, particularly those fleeing persecution and perhaps waiting for resettlement in a third country, not to develop family lives while in third countries, especially if they are waiting to go through programmes such as the one the United Kingdom now operates.

In response to those concerns, I have no doubt that the Minister will highlight the possibility of exceptional grants of leave outside the rules based on the recently amended guidance I referred to, but that remains far from good enough, with the ridiculously high hurdle of exceptional, compelling compassionate circumstances utterly inappropriate for the times we live in, because previously tragic and exceptional circumstances are now all too common and therefore not exceptional at all.

The guidance retains a caution that leave outside the rules is appropriate only rarely—and, with just 175 such grants in five years, that part is clearly being scrupulously implemented. Just 175 grants outside the rules in five years is wholly insufficient. Hon. Members' suggestions are all sensible proposals to expand the scope of the eligibility criteria, but we also need to ensure that practical problems do not prevent those who do qualify for family reunion from achieving that goal.

I will give a few examples. Organisations such as Red Cross have shown how tricky the process can be, as shown in "Not So Straightforward", the report mentioned by the hon. Member for Bristol West. In fairness, the Government have listened to recommendations, but they can do more. There is a need for qualified legal support. I fully back calls for the reintroduction of legal aid funding, which remains available in Scotland—from the Scottish Legal Aid Board, as part of its advice and assistance scheme—so it can be done.

Problems have been highlighted with applications being treated in essence like any other immigration application, as the hon. Lady pointed out, with the entry clearance office refusing to wait for extra information. Applications should not be treated like normal immigration applications; these are profound questions of family unity and protection.

The Home Affairs Committee has highlighted problems with the short entry clearance periods sometimes granted to families, who then face an impossible task to arrange transport in time or having to choose between leaving separately and risking one of the entry clearance periods running out. I recall a reassurance being given in the debate in June that that issue would be addressed, so it would be useful to know whether progress was being made.

A final, practical issue is about making applications easier to submit, because 95% are made by women and children and, as the hon. Lady pointed out, many of them are required to make dangerous journeys to third countries to find the nearest British embassy. I urge the Minister to work with organisations to explore ways of making sure that people are not put at risk in trying to access what should in essence be a safe legal route.

The work the Government have done in the countries neighbouring Syria has been excellent, but that is not the issue today. My hon. Friend the Member for Midlothian

[Stuart C. McDonald]

put it perfectly. It is not enough for us simply to support other countries to host refugees. Particularly now that those countries are way beyond coping, it is more imperative than ever that we step up our efforts in hosting refugees. Refugee family reunion is an utterly compelling way to provide protection, ensure better support groups here and provide safe legal routes for those who would otherwise be likely to take horrendous risks. It is a win-win policy that the Government should expand and make easier to access.

5.7 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): It is a pleasure to serve under your chairmanship, Sir Alan. I begin by congratulating my hon. Friend the Member for Bristol West (Thangam Debbonaire) on securing this important debate and, if I may say so, on making a powerful speech. With a big immigration and migration case load, I have seen examples of the problems she cites. It is a particular and random cruelty to meet a constituent who applied for refugee family reunion and, because it has taken so long, the children are now over 18. It is important to do something about that, among the many other things she raised.

Some Members are marvelling at why our approach to refugees is not as fair or humane as we would want. There is nothing to marvel at: we have had a debate on immigration in this country down the years that, sadly, has rendered the issue of refugees toxic. Much of the unfairness in the way that refugees are treated is to do with the fact that, in popular opinion, “immigrant” applies as much to a refugee or asylum seeker as to anybody else. I will return to that in closing my remarks.

One of my hon. Friends made the point about how desperate people are. We really must focus on desperation. I have been able to visit refugee camps, not just in Calais but in Lesbos and Lebanon. I cannot stress how desperate these people are. It is also worth reminding the House that thousands of those people have crossed the Sahara and seen their friends and comrades lose their lives; they have been at the mercy of criminal gangs in Libya; and, finally, they have crossed the Mediterranean, sometimes sat on rafts or ships and seeing family members die. Desperation is the key, and making it harder and more difficult for people to claim family reunion—the notion being that that will help to somehow choke off applications—completely understates the desperate situation those people are in.

Thangam Debbonaire: I am glad that my hon. Friend is highlighting so many things and broadening the scope of the debate a little bit, but I reiterate that if we make routes for family reunion safe and legal, we are cutting off the business model of the traffickers. That is surely something we all want to do.

Ms Abbott: I have to tell my hon. Friend that the weight of the public debate on immigration sometimes stops politicians doing the fair and rational thing on refugees. When we live in a political time in which a well-read tabloid newspaper can have on its front page a series of six pictures of lorry drivers and the headline, “Foreign lorry drivers reading their phones”, we are

talking about a toxic debate, which, as she says, militates against what is fair, appropriate and reasonable in dealing with refugees.

Mr Alistair Carmichael (Orkney and Shetland) (LD): Does it not come to the fact that, for most people, actually getting refugee status and getting here is only part of the beginning of the story, not the end? The hon. Lady is talking about people who need to rebuild their lives from the ground up, and there is no better context in which to do that than the family environment.

Ms Abbott: The right hon. Gentleman makes an important point. If we regard these people as people, then gaining refugee status is only the beginning, as has been said. What they need around them, if at all possible, is their family. That is what the unfair and inappropriate state of family reunion rules militates against.

I remind the House of the final act of the United Nations conference of plenipotentiaries on the status of refugees and stateless persons, which provided that signatories—we are one—take

“the necessary measures for the protection of the refugee’s family”, with particular reference to

“Ensuring that the unity of the refugee’s family is maintained” and

“The protection of refugees who are minors”.

I think the summation of this debate so far is that we are not taking the necessary measures for the protection of the refugee’s family.

Article 3 of the 1989 UN convention on the rights of the child states that the interests of the child must always be the primary consideration in all actions relating to them. The Home Office guidance from 2009, “Every Child Matters”, says that there is a statutory duty to promote the welfare of children, which must also apply to children overseas. I have dealt with so many cases down the years in which it was quite clear that the welfare of the children overseas was the last thing on the Home Office’s mind. As we have heard, many campaigners, non-governmental organisations and immigration lawyers argue that the current UK legislation and practice may meet the letter of the UN convention but not the spirit. As I think most of us know, there is scope to allow an application outside of the immigration rules, but in my experience that is an extremely rare occurrence.

The then Immigration Minister, the right hon. Member for Old Bexley and Sidcup (James Brokenshire), argued in the House in 2015 both that the UK rules were more fairly drawn than other countries and—this is the essence of the problem in fairly treating refugees—that to widen them would act as a pull factor for more refugees. That is what is behind the Home Office’s thinking. The Dublin III regulations are designed to allow greater access for child refugees, but they are widely regarded as bureaucratic and unwieldy, and the same verdict is widely shared of the application form itself. The Dubs amendment, to which my hon. Friend the Member for Walthamstow (Stella Creasy) referred, was designed to provide access in the interests of the child. However, it now seems very unlikely to meet its designated target of 3,000 child refugees from the encampment in Calais. We have let those children down, and we have let those Members of the Lords and the Commons who supported the Dubs amendment down.

As the Minister will no doubt tell us, there is a series of long-established refugee resettlement schemes, such as the mandate and gateway schemes, and the Syrian vulnerable persons scheme. The Government have also recently announced a vulnerable child resettlement scheme—I dare say we will hear about too. However, the effect of those various ad hoc schemes is to add to the complexity and bureaucracy, as any of us who have dealt with refugees will know, and to exacerbate inconsistencies—Syrian children, but not Yemeni or Afghan children.

I am quite clear that the reason why the existing regime for refugee family reunion seems unfair and incoherent and not in the spirit of the UN conventions that we have signed has to do with the toxic debate on immigration that we are having. In the post-Brexit era, and in the era of Trump, I cannot let the issue of the general debate on migration go past.

Stella Creasy: Does my hon. Friend agree that this is not a debate that makes sense in Britain? Actually, we have had a proud tradition of taking and supporting refugees in this country. I am mindful that Creasy, like Farage, is a Huguenot surname, and that all of us come from communities that have benefited from the input of refugees. That is the true British, patriotic tradition that we should be supporting.

Ms Abbott: My hon. Friend is completely correct: this is not a debate that makes sense in the UK any more than it makes sense in the US—a country that was built on immigration, more than any other society that can be named. However, because migrants, refugees, asylum seekers and so on are conflated in the popular narrative, we are where we are.

With Brexit, Trump and the debate about the conditions under which we leave or do not leave the European Union, there is no doubt that the issue of migration is going to come up over and over again. I urge Members who have shown such sympathy and compassion to refugees, and on family reunions specifically, to hold their nerve on the question of immigration. It is so important that as politicians we have a debate on immigration that is based on the facts, not on urban myth. It is so important that we do not propagate notions that immigrants in some general sense drive down wages, when it is in fact predatory employers who drive down wages. It is so important that we do not join UKIP in the gutter when talking about migrants and refugees.

My hon. Friend the Member for Bristol West made eight very important points. I want to leave the Minister plenty of time to respond to each of them—not with waffle, not by trying to change the subject and not by referring to general things the Government may have done in the past. I say to the House that these are difficult times to argue for fair treatment for asylum seekers, refugees and immigrants, but precisely because it is a difficult time, it is so important that those of us who feel able to should stand up and be counted. After all, the point about refugees is that they are not just figures on a Home Office briefing; they are not just images on a television screen; they are not just the subject of Nigel Farage's speeches—they are people, and they deserve to be treated as people in a fair and humane fashion.

Sir Alan Meale (in the Chair): Before the Minister begins, I ask him to leave a small period of time at the end so that the hon. Member for Bristol West (Thangam Debbonaire) can wind up.

5.11 pm

The Minister for Immigration (Mr Robert Goodwill): I am happy to do so, Sir Alan. First, I congratulate the hon. Member for Bristol West (Thangam Debbonaire) on securing this debate on an important subject and pay tribute to the work of the all-party parliamentary group on refugees.

I want to make it clear that there is no need for a question mark when I say that refugees are welcome here. I was recently in Jordan and met a number of refugees, some of whom had just arrived from the berm. I had very helpful meetings with the United Nations High Commissioner for Refugees, which was selecting the most vulnerable families and children to come as part of the schemes we have in place. I am proud that we are the second biggest donor of humanitarian aid. That shows that we are determined to help those most in need in the most vulnerable locations, which in many cases is in the refugee camps, not, for example, in European Union countries.

I am aware of calls in favour of widening the family reunion immigration rules. That issue has been debated at length, including in both Houses during the passage of the Immigration Act 2016. The recent campaigns by the British Red Cross and the Refugee Council demonstrate the interest in this subject. This has been a good debate, and I welcome the thoughtful and passionate contributions from right hon. and hon. Members.

We recognise that families may be fragmented due to conflict and persecution and the speed and manner in which asylum seekers often flee their country of origin. That is why the Government have dedicated family reunion immigration rules and have granted more than 22,000 family reunion visas in the past five years. Our policy meets our international obligations and allows immediate family members who formed part of the family unit before the refugee sponsor fled their country to reunite with them in the UK. British citizens are able to sponsor their spouse or partner and children under the age of 18 to join them under the family immigration rules, providing they make the appropriate entry clearance application and meet the relevant criteria.

Ms Abbott: The Minister talks about how the system works. What does he have to say to the suggestion from my hon. Friend the Member for Bristol West (Thangam Debbonaire) that we should have a broader definition of family that is not just immediate family?

Mr Goodwill: I would not accept that. As I will say later in my remarks, we do not want to create the pull factor that results in people drowning in the Mediterranean or the Aegean. That is one of the major reasons why we are maintaining this policy.

Thangam Debbonaire: I urge the Minister to think about the fact that the so-called pull factor does not go away. These people are living in danger. They are fleeing for their lives. When we make safe and legal family reunion routes harder, we actually make it more likely that these people will end up in the hands of people traffickers and make these dangerous journeys.

Mr Goodwill: I understand the hon. Lady's point, but I will justify exactly where we are and why we believe we have got the right policies.

As I was saying, the rules reflect our obligations under article 8 of the European convention on human rights. Where an application does not meet the rules, our policy requires consideration of any exceptional or compassionate reasons for granting a visa outside the rules. That caters for extended family members of refugees and family members of British citizens who cannot meet the financial requirements of the rules.

Stuart C. McDonald: Will the Minister give way?

Mr Goodwill: I will make a little progress, otherwise I will not be able to answer the points made during the debate, given the time constraints.

In July, the Home Office published revised guidance on the types of cases that may benefit from a grant of leave outside the rules in exceptional circumstances, including adult dependent sons or daughters over the age of 18 who are not leading an independent life and are living in a conflict zone. The new guidance also provides more clarity for applicants and their sponsors, so that they can better understand the process and what is expected of them. I do not believe that widening the definition of family is practical or indeed necessary, especially as the numbers of people granted a family reunion visa are likely to increase in line with the numbers of recognised refugees in the UK.

A balance has to be struck between reuniting families quickly and not creating a situation where the UK becomes the destination of choice, with family members and children in particular being encouraged or even forced to leave their country and risk hazardous journeys to the UK. They should instead claim asylum in the first safe country they reach.

Stella Creasy: More of us might have sympathy for the Minister's argument about a pull factor were it not for the fact that only the UK and Denmark put this restriction in. Surely if there were a pull factor, it would be coming from other countries. Does he have any evidence that other countries offering this form of family reunification has been a pull factor? If not, I think it is time to put this straw argument to bed.

Mr Goodwill: The point was made by the hon. Member for Glasgow North East (Anne McLaughlin) that if children could sponsor parents, it would not be a pull factor. I point out that Eurostat figures show that in 2015, there were 35,250 claims from unaccompanied minors in Sweden and 14,400 claims from unaccompanied minors in Germany. Those are the countries with the highest number of unaccompanied asylum-seeking children and the most welcoming asylum policies.

We must not inadvertently create a situation where parents are incentivised to place their children's lives in the hands of traffickers or criminal gangs and risk dangerous journeys to Europe. Indeed, I was in Nigeria over the summer and had that precise point made to me by those whom I met there. The Government's priority is to provide humanitarian aid to those most in need in the regions affected by conflict. We have pledged £2.3 billion in humanitarian aid to Syria and neighbouring countries. We are also providing nearly £65 million in response to the Mediterranean migration crisis.

The Government remain strongly committed to resettlement. We are on track to resettle 20,000 Syrians by 2020, and there will be an update on those figures later in the week. That is in addition to the vulnerable children's resettlement scheme, which will resettle up to 3,000 children and individuals at risk by 2020, and our long-standing Gateway and Mandate schemes, which the shadow Immigration Minister mentioned. There is no limit to the number of refugees who can be resettled under the Mandate scheme, and individuals with close family ties in the UK may be eligible. That route also allows wider family members to be resettled in exceptional circumstances.

The hon. Member for Bristol West mentioned the time taken to grant asylum claims. I point out to the House that we have turned asylum performance around. Since the end of 2014, we have consistently met our ambition of deciding 98% of straightforward cases within six months. We are committed to improving the process for those applying for family reunion, and my officials have been working with the British Red Cross to ensure that the application process is as smooth as possible and decisions are made in a timely fashion, to ensure that families are separated for the shortest possible time. In 2015, the Home Office was deciding family reunion applications within an average of 40 days.

I have met the chief executive of the British Red Cross, Mike Adamson, to discuss many of the issues we have debated today, and my officials are looking at what more we can do to improve our service to those applying for family reunion, including redesigning the application form. A simpler application form, as well as the improved guidance, will help applicants better to understand the family reunion process.

There have been calls, including today, for legal aid to be made available for family reunion applications, but I do not believe, with the changes we have made and continue to make, that it is necessary. Applications for family reunion are free of charge, and in deciding how to allocate legal aid support, the Government must be mindful that this is all taxpayers' money.

UK Visas and Immigration is formulating plans to consolidate decision making for family reunion applications into one team based in the United Kingdom. That work was initiated following the inspection of family reunion applications by the independent chief inspector of borders and immigration. I am grateful to David Bolt for conducting such a thorough inspection. I assure the House that the Home Office treats all applications for family reunion with compassion and sensitivity and will continue to do so. The Government have accepted all the recommendations in the chief inspector's report and work is under way to implement them.

I want to reassure Members that I have listened carefully to the arguments put forward today in favour of widening the family reunion criteria. The Government recognise the important principle of family unity, but our policies must be balanced, and we must not inadvertently and perversely create a situation in which families see an advantage in sending people ahead, in particular children, putting their lives at risk by attempting perilous journeys into and across Europe: tragically, such journeys have cost many lives. I therefore remain of the view that widening the criteria to include many other categories of people is neither practical nor sustainable.

5.28 pm

Thangam Debbonaire: Thank you, Sir Alan, for allowing me to sum up. I thank all right hon. and hon. Members for their contributions and the Minister for answering. It will not surprise anyone, and surely not him, to know that I am incredibly disappointed by his response. I was not expecting promises on any of the eight points, but it is disappointing that the Minister emphasises exceptional circumstances rather than the reality of people's lives. All of us, at our darkest times and our best of times, want our family with us.

There is no evidence of this pull factor. People come because they are desperate, not because they have read in a brochure that the UK is an easy touch. For the sake of the young men I met today who want to bring their

old parents here from Syria, for the sake of the woman whose children were too old to come here by the time she was granted status, and for our conscience as public servants, I ask the Minister to reconsider and to make refugee family reunion work for refugees, to whom we owe a legal and moral obligation. I ask him if he will meet me to discuss that.

Question put and agreed to.

Resolved,

That this House has considered immigration rules for refugee family reunion.

5.29 pm

Sitting adjourned.

Written Statements

Tuesday 29 November 2016

DEFENCE

Coalition Operations against Daesh

The Secretary of State for Defence (Sir Michael Fallon):

The coalition has today published its findings from an incident report into the coalition air strikes in Dayr Az Zawr on 17 September 2016.

While the report has concluded that the decision to identify the targets as Daesh military objectives was both reasonable and supported by the weight of information available at the time, post-strike analysis indicates it more likely than not that a Syrian regime aligned force was struck after being mistaken for Daesh.

The Ministry of Defence will always carefully examine any credible evidence that suggests we have struck a target in error. We have contributed fully to the coalition's investigation into this incident.

The UK armed forces operate under strict rules of engagement, which govern the use of force, and we take all reasonable steps to avoid non-combatant casualties. All strikes conducted by the RAF are carried out in accordance with robust rules of engagement, UK interpretation of the law of armed conflict and rigorous targeting processes and are approved through a strict assessment process undertaken by a team including British military, policy and legal advisers.

Both the coalition and the UK are reviewing the report's conclusions and we will act on any lessons identified in order to mitigate the risks of such an error recurring.

[HCWS292]

National Shipbuilding Strategy

The Secretary of State for Defence (Sir Michael Fallon):

Sir John Parker has submitted his independent report to inform the United Kingdom national shipbuilding strategy. He has consulted widely with Government, industry and the trades unions during his work.

I have today placed copies of the report in the Library of the House and it will be made available on the Government website, www.gov.uk.

The report is a balanced critique of the challenges faced by Government and industry in the naval shipbuilding sector in recent years. However, Sir John has identified a "renaissance" in a range of regional shipyards across the United Kingdom where he has found entrepreneurial attitudes and an enthusiasm to embrace change. His report includes 34 far-reaching recommendations to transform the United Kingdom's shipbuilding industry which will lay the foundations for a modern, efficient and competitive sector capable of meeting the country's future defence and security needs. It will also bring prosperity benefits for shipyards and their supply chains across the country. These are for the Ministry of Defence (MOD), wider Government and industry to consider.

The Government welcome the report and are committed to delivering a modern national shipbuilding strategy. We see it as a vital part of our industrial strategy focusing on increasing economic growth across the country and investing in a more skilled workforce: which is this Government's approach for rebalancing Britain and delivering an economy that works for everyone, not just a privileged few. While many of the recommendations are for Government, the themes of Sir John's report—modern digital engineering, industrial innovation, competitiveness, focus on apprenticeships and jobs, export focus—also show where industry, working with Government, needs to invest in order to increase opportunities for the shipbuilding sector across the United Kingdom and enable it to thrive and grow. It also means using our shipbuilding expertise to become a leading producer of ships for export. We must use the opportunities that Brexit provides to become a global trading power again.

Shipbuilding is an important part of our economy. The MOD estimates that the Government spent around £1.4 billion on shipbuilding and repair in financial year 2014-15, of which approximately 96% was spent with five UK prime contractors. Around 15,000 people are directly employed in UK shipbuilding and repair, with an additional 10,000 jobs indirectly supported through the wider supply chain in the UK. Realising Sir John's ambition for shipbuilding would benefit the whole of the United Kingdom.

Our vision therefore is for a strong shipbuilding sector, backed up by a modern industrial strategy.

It is important that the Government give Sir John's work the full consideration that it deserves. I have asked officials, working with others across Government, to examine the report and recommendations, and to discuss them with industry. The Government will then publish a full and considered response and implementation plan in spring 2017. This response will be the national shipbuilding strategy.

I would like to place on record my thanks to Sir John for providing such a thorough analysis of naval shipbuilding and recommendations for a new era of co-operation and drive across the shipbuilding enterprise.

[HCWS288]

ENVIRONMENT, FOOD AND RURAL AFFAIRS

November Agriculture Council

The Minister of State, Department for Environment, Food and Rural Affairs (George Eustice): I represented the UK at the Agriculture and Fisheries Council on 14 and 15 November in Brussels.

Commissioner Vella presented a proposal for a Council regulation setting deep sea fishing opportunities for 2017 and 2018. Commissioner Vella noted there were challenges in setting total allowable catches (TACs). The UK, Poland, Sweden and Denmark stressed the need to protect stocks, although Denmark noted that the TACs should not be lowered too far or these stocks would become obstacles to fully implementing the landing obligation. A compromise text mitigated some of the proposed cuts, while still providing adequate protections, and was therefore unanimously agreed.

Commissioner Vella presented proposals for the North Sea multi-annual plan (MAP). The UK, Sweden, Germany, Denmark, Belgium and Poland expressed their general support for the proposal. However, the UK, echoed by France and Denmark had concerns that some of the additional controls would increase the administrative burden without any commensurate benefit.

Mr Cees Veerman, Chairman of the Agricultural Markets Taskforce (AMT), presented the report of the AMT and the main recommendations within it, which set the agenda for future work. They included strengthening market transparency, and setting out a framework including a list of prohibited, basic unfair trading practices (UTPs) which would carry the penalty of sanctions. The UK welcomed that the AMT largely based the recommendations for UTPs on the work of the UK groceries code adjudicator.

Commissioner Hogan and Vice-President Katainen presented the DG AGRI report on the cumulative impact of free trade association (FTA) concessions on agriculture. Commissioner Hogan stressed that it did not represent a projected outcome of the 12 ongoing or potential EU-third country FTAs within its scope. The report analysed the cumulative economic impacts of tariff liberalisation through two theoretical scenarios. Overall, the conclusions were balanced and confirmed potential for net trade gains. Vice-President Katainen set the report in the context of the EU's wider free trade, jobs and growth agenda. The UK underlined its long-standing support for tariff-free access and reduced non-tariff barriers, but noted that agriculture goes beyond questions of simple economics.

Any other business items

The UK introduced an item on behalf of the North Western Waters regional group on the landing obligation. It drew attention to the good progress made so far in implementing the landing obligation, a key part of the last reform of the common fisheries policy (CFP), but also the potential problem of choke species had to be dealt with. The UK presented ongoing work in the regions on this issue and pressed the Commission to heed it. The UK points were supported by Portugal, Germany, Ireland, Denmark, Belgium, France, Spain, the Netherlands, Latvia and Sweden, with many thanking the UK for bringing this important issue to the table.

Greece voiced their concerns that the difference between customary names and standard names for geographical indication protected products undermined the EU system. The Commission pushed back by pointing out that the current legal wording ensures sufficient security.

Commissioner Andriukaitis announced that the Commission will establish and host the first meeting of the animal welfare platform, which will discuss best practice in this field, during the Maltese presidency. The UK's support for this call and the need for a review of rest periods in line with current scientific advice was praised by several animal welfare charities via online media platforms.

Denmark raised concerns about the increased use of antimicrobials in the veterinary sector in some member states and called for immediate action. The UK, along with eight other member states supported this call.

[HCWS289]

INTERNATIONAL DEVELOPMENT

IBRD Loan to the Government of Iraq

The Secretary of State for International Development (Priti Patel): I have today laid a departmental minute outlining updated details of a contingent liability of the

US dollar equivalent of £360 million which the Department for International Development (DFID) has undertaken, in respect of the World Bank Group.

On 25 October, I laid a departmental minute setting out DFID's intention to guarantee a portion of a forthcoming development policy loan from the International Bank for Reconstruction and Development (IBRD) arm of the World Bank to the Government of Iraq, subject to finalising the details of the terms of the guarantee. Further consideration of the implications of the original arrangements for the treatment of the World Bank by credit rating agencies has led me to amend the element of the proposal relating to the treatment of any payments recovered from the Government of Iraq, in the event of a default and the guarantee subsequently being triggered.

The revised proposal entails the World Bank transferring the right to pursue and retain recoveries to the UK Government, should it wish to do so. This amendment to the guarantee arrangement will avoid undermining the Bank's preferred creditor status, which is so critical to its ability to borrow at very favourable rates from the market and pass these on to its borrowers.

The change to the treatment of recoveries should have minimal, if any, impact on the probability of a default by the Government of Iraq. There remain strong incentives for Iraq avoiding entering into arrears as doing so would lead to the IBRD not agreeing any new lending, and not providing any lending agreed under existing loans; it would also entail the payment of penalty charges by the Government of Iraq.

In the event that a default did occur, and the guarantee is called, the UK would still provide compensation to the World Bank, in proportion to the UK's guaranteed share of the overall IBRD loan. If this liability is called, provision for any DFID payment would be sought through the normal Supply procedure.

[HCWS291]

TRANSPORT

EU Transport Council

The Secretary of State for Transport (Chris Grayling): I will attend the only Transport Council under the Slovakian presidency (the presidency), taking place in Brussels on Thursday 1 December.

The presidency is aiming for a general approach on the proposed regulation on common rules in the field of civil aviation safety and establishing a European Union Aviation Safety Agency. The proposed general approach embodies the principle of proportionality and encourages the use of performance based regulations. It also makes small but appropriate extensions to the scope of the European Aviation Safety Agency's responsibilities.

The presidency is also aiming for general approaches on two proposals aimed to simplifying and streamlining existing passenger ship safety legislation.

The first of these is an amending directive on safety rules and standards for passenger ships. This directive sets harmonised safety standards for seagoing passenger ships operating on domestic routes throughout the UK,

and the proposed amendments look to simplify the current legislation. In particular, this deregulatory approach proposes that standards for passenger ships below 24 metres are better suited to regulation at national level.

The second is a proposal for a directive on a system of inspections for the safe operation of ro-ro ferry and high-speed passenger craft in regular service. The proposed revision updates, clarifies and simplifies the existing survey (inspection) requirements for ro-ro ferries and high-speed passenger craft, while maintaining the same level of safety and key delivery mechanisms.

There will be a progress report on a related proposal to amend two directives; one on the registration of persons sailing on board passenger ships operating to or from ports of the member states of the community, and one on reporting formalities for ships arriving in and/or departing from ports of the member states. Negotiations are at an early stage, and the presidency's progress report summarises the discussions so far. Discussions on this proposal will continue during the forthcoming Maltese presidency in 2017.

The presidency has proposed a policy debate on the extension of the European fund for strategic investments (EFSI) and connecting europe facility (CEF) blending,

which provides further funding for EFSI. The proposal will continue to enhance the financial case for projects and value for money from the EU budgets.

Under Any Other Business, the Commission will provide an update on the outcome of the 39th Assembly of the International Civil Aviation Organisation held in September and October 2016, combined with the latest developments in the International Maritime Organisation. The Commission will also provide information on the state of play on security in the transport sector, its planned package of road initiatives, road safety, developments in EU-type approval legislation and the progress made on the implication of the 'emissions irregularities'. The Commission will update on the state of play on GALILEO, present its European strategy for low emission mobility, and provide information on its initiative on "Women in Transport". The Cyprus delegation will provide information on the draft common aviation area agreement between the Republic of Turkey and the European Union and its member states. The Dutch delegation will then update the Council on co-operation in the field of connected and automated driving. Finally, the Maltese delegation will inform the Council on the work programme for their forthcoming presidency.

[HCWS290]

Petition

Tuesday 29 November 2016

OBSERVATIONS

COMMUNITIES AND LOCAL GOVERNMENT

Symmetry Park Logistics

The Humble Petition of residents of Isham, Northamptonshire and the surrounding area,

Sheweth,

That the Petitioners believe that the proposed planning application for the logistics development site known as symmetry park, outside, but adjacent to the village of Isham—planning application—KET/2016/0606 is unacceptable, because it is twice the size of Isham, will very significantly increase the volume of traffic going through the village, increase noise, air and light pollution to unacceptable levels and is opposed by the vast majority of local residents.

Wherefore your Petitioners pray that your Honourable House urges the Department for Communities and Local Government to encourage the Borough Council of Kettering to reject the current planning application.

And your Petitioners, as in duty bound, will ever pray, &c.—[Presented by Mr Peter Bone, Official Report, 2 November 2016; Vol. 616, c. 1006.]

[P001972]

Observations from the Minister for Housing and Planning (Gavin Barwell); received on 23 November 2016:

Kettering Borough Council is responsible for the day to day planning of its area. The Government's policy is not to interfere with the jurisdiction of a local planning authority unless it is necessary to do so. This is because local authority Councillors are elected to represent the views of local people and, in the main, it is these Councillors who are in the best position to decide whether a development should go ahead. In determining a planning application the local planning authority are required to have regard to all material considerations including the development plan, national policies and views expressed by third parties. It is, of course, for local planning authorities to provide whatever justification that may be appropriate to give for their decisions and procedures.

Officials have been in contact with planning officers at Kettering Borough Council. If the Council is minded to approve the planning application the Secretary of State will carefully consider this case against call-in policy, as set out in the written ministerial statement by the hon. Member for Grantham and Stamford (Nick Boles) on 26 October 2012. The policy makes it clear that the power to call in a planning application will be used only very selectively. The Government are committed to giving more power to councils and communities to make their own decisions on planning issues, and believe planning decisions should be made at the local level wherever possible.

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