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15 March 2017**

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**HOUSE OF COMMONS
OFFICIAL REPORT**

**PARLIAMENTARY
DEBATES**

(HANSARD)

Wednesday 15 March 2017

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

MIDDLE LEVEL BILL

Second Reading opposed and deferred until Wednesday 22 March (Standing Order No. 20).

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Judiciary

1. **Jim Shannon** (Strangford) (DUP): If he will make an assessment of the implications for his policies of recent statements by Gerry McGeough on the judiciary. [909171]

The Parliamentary Under-Secretary of State for Northern Ireland (Kris Hopkins): I condemn the irresponsible and disgraceful comments made by Gerry McGeough. I strongly support the work of the judiciary in Northern Ireland. Any attack on it is unacceptable.

Jim Shannon: I thank the Minister for his response, but I call on him to contact the Public Prosecution Service to find out why a man who was convicted of the attempted murder of my colleague Councillor Sammy Brush and released on licence following his conviction, and who is known to have a lengthy history of violence, is not being pursued by the Police Service of Northern Ireland and the PPS for his recent threat against Catholic members of the judiciary, whom he named as traitors. What will the Minister do to ensure that action is taken?

Kris Hopkins: I reiterate our condemnation of the comments made by Gerry McGeough. Our responsibility, if we are given the relevant information, is to consider whether we can suspend the licence. It is up to the independent commissioners to discuss that. It would be wrong for us to seek to fix the system further down. I trust our police service and the PPS to make the right decision.

Lady Hermon (North Down) (Ind): The Minister will know that Mr McGeough did not receive a comfort letter, apparently because of an internal feud within Sinn Féin. The scheme for issuing comfort letters to

those on the run—a scheme operated by Labour and Conservative Governments—was utterly deplorable, completely immoral and wrong. Will the Minister confirm for the record that no such scheme, or anything akin to an amnesty, is on the table for negotiation with Sinn Féin in dealing with legacy issues? That would be very helpful.

Kris Hopkins: Yes.

Power-sharing Agreement

2. **Maria Caulfield** (Lewes) (Con): What progress has been made on a power-sharing agreement following the recent elections in Northern Ireland. [909172]

The Secretary of State for Northern Ireland (James Brokenshire): The Government are committed to the resumption of devolved government in Northern Ireland, and I believe that the parties and the Irish Government share this commitment. Later today, I will return to Belfast to continue intensive discussions to establish a partnership Executive within the short timeframe available. Progress has been made but it needs to continue, with urgency, if we are to achieve a positive outcome.

Maria Caulfield: As a nurse, I am acutely aware of the need for the Northern Ireland Executive to set a budget to ensure that public services, particularly health services, are adequately funded. Without an Executive in place, that is almost impossible. Does the Secretary of State share my fear that the failure to restore the Executive is putting Northern Ireland at severe financial risk?

James Brokenshire: My hon. Friend highlights some of the issues surrounding setting a budget for Northern Ireland, which is a key priority. She highlights the health service, and I pay tribute to all those who work in the health service in Northern Ireland. They do an incredible job. There is a sense of the real potential and opportunity that a new Executive can take forward, and we must equally reflect on the £120 million identified in last week's Budget that an Executive could invest, through to 2021, to really take Northern Ireland forward.

Mr Nigel Dodds (Belfast North) (DUP): May I, on behalf of my colleagues, express my condolences and sympathy to the families of the crew of the Irish Coast Guard helicopter that has crashed? I am certain that everyone in Northern Ireland and the Irish Republic will be deeply sympathetic to the families at this time. I also extend my sympathy to the family of George Gilmore, who was murdered in Carrickfergus in recent days. It appears that this appalling and terrible crime was carried out by loyalist paramilitaries. Will the Secretary of State reiterate the determination of all of us to move forward on the Stormont House agreement in relation to the provisions to tackle paramilitarism, both republican and loyalist?

James Brokenshire: I join the right hon. Gentleman in his comments and thoughts about the crew of the Irish helicopter. That is a terrible tragedy and I know that the whole House will share that view. I also join him in condemning the appalling murder that has taken place. I spoke to the PSNI about the case this morning, and I

know that it is actively pursuing lines of inquiry. He also highlights the issue of paramilitarism, and I stand absolutely four-square behind our continuing work to confront that scourge. There is no justification for it at all. We are also providing funding to the tune of £25 million in support of that important work.

Mr Dodds: Further to that, the Secretary of State will be aware that the DUP is absolutely and totally committed in the current talks to getting devolution back up and running in Northern Ireland. We did not tear down the institutions or create the present crisis; others walked away. We are determined to restore the Executive as quickly as possible. What the Prime Minister said yesterday about ruling out a border poll was good, but will the Secretary of State confirm that the Irish Republic's involvement in the strand 1, 2 and 3 talks is limited to strands 2 and 3 on the relationships between Northern Ireland and the Republic, and that the Republic also has a role to play in answering questions about legacy issues?

James Brokenshire: I can certainly confirm that that is the approach that is being taken, which is consistent with the Belfast agreement. The contribution that the Irish Government are making in that context is positive, and we all feel a responsibility to see devolved Government back in place, delivering for Northern Ireland. I know that all the parties recognise that and are working hard to achieve it.

11. [909181] **Sir Edward Leigh** (Gainsborough) (Con): Having been a Member of Parliament for many years prior to devolution, I am acutely aware of the total inadequacy of direct rule. Will my right hon. Friend assure the House that he is undertaking the negotiations with the utmost urgency and intensity to get a deal on devolved government?

James Brokenshire: I can confirm to my hon. Friend that devolved government is the only thing that I am working towards. That is what the people of Northern Ireland voted for and that is what they want to see delivering change for Northern Ireland and having a positive impact on people's lives. We are approaching that with urgency.

Deidre Brock (Edinburgh North and Leith) (SNP): I am pleased to hear that the Secretary of State rules out the direct rule option, but what contingency planning is he doing? Is he prepared to extend the negotiation period if no agreement is reached?

James Brokenshire: The UK Government take their responsibilities seriously in providing political stability, but the focus—the real intent—is on securing an outcome and an agreement in that three-week period. I believe that that is doable and achievable, and it is with that approach, and with good will, that I hope the parties will engage to achieve that outcome. Speculating on alternative approaches is not helpful.

Mr Owen Paterson (North Shropshire) (Con): I echo the comments of the right hon. Member for Belfast North (Mr Dodds) on those who recently lost their lives.

Hard-working people in Northern Ireland will be staunchly behind the Secretary of State in his efforts to re-establish a new Administration following the elections. However, in order to concentrate minds, if local politicians are unwise enough not to form an Administration, will he consider taking measures to cease paying salaries and expenses to those who have been elected?

James Brokenshire: My right hon. Friend highlights a report that was published on that issue over the past week or so. My focus is on getting the parties together to reach an agreement within the three weeks. As I said, I think that that is doable with urgency and a sense of good will. That is what we need to focus on.

Stephen Pound (Ealing North) (Lab): Today is a rather sombre day in that it marks the Ides of March, but this Friday we will have the opportunity to hail glorious St Patrick. If you will allow me, Mr Speaker, I will wish you and the House the happiest St Patrick's day in advance.

Like many Members, I cannot remember a more serious time since the Good Friday agreement was signed, and I say on behalf of my Opposition colleagues that normal hostilities are suspended. We will be offering unequivocal support to the Secretary of State, the Minister and the Government. The time for internecine dispute in this place is over; the time for constructive engagement and working together is here and now. In that tone, and with reference to the talks the Secretary of State mentioned earlier, has there been a roundtable plenary involving any or all of the parties?

James Brokenshire: I thank the hon. Gentleman for his support. I think we share a cross-party approach on the serious issue of ensuring that we get an Executive back in place, delivering for Northern Ireland and following through on commitments and, indeed, the expectations of the public. I hope he will understand that I will not provide a running narrative on the talks, but I can say that I believe progress is being made. Some significant issues still need to be resolved, but we are none the less approaching this with good will.

Stephen Pound: I entirely accept that there is good will, but I am slightly concerned about the statement by the leader of one of the Northern Irish parties that some meetings have been cancelled. I wish to give the Secretary of State a fair following wind, as do we all. Has he received any representation from the charitable sector within Northern Ireland about problems it is facing due to the budgetary impasse?

James Brokenshire: The hon. Gentleman makes an important point, and it goes back to the fact that a budget has not been set, which has created uncertainty. We need to see the Executive in place within the three-week timescale, because there could be implications for a range of different issues within Northern Ireland. That is why the community and voluntary sector, the faith community and the business community have been firmly underlining the clear need to get devolved government working, stable and back, and that is where our focus needs to be.

Good Friday Agreement: Institutions

3. **Mike Gapes** (Ilford South) (Lab/Co-op): What discussions he has had with Ministers in the Republic of Ireland on the future of institutions established under the Good Friday agreement. [909173]

The Secretary of State for Northern Ireland (James Brokenshire): The Government stand firmly behind the institutions of the Belfast agreement and its successors. I have regular discussions with the Irish Government on a range of issues. Our immediate focus, consistent with the Belfast agreement, is working with the parties to resume the devolved Administration.

Mike Gapes: The Secretary of State will know that, at the time of the Good Friday agreement nearly 19 years ago, the European Union played a role alongside the Irish and British Governments. Does he envisage any role for international support to maintain the institutional frameworks, particularly the all-Ireland institutional co-operation that has been so important over recent years?

James Brokenshire: The hon. Gentleman is right to highlight the strong relationship between the UK Government, the Northern Ireland Executive and the Government of the Republic of Ireland. We stand four-square behind our commitments under the Belfast agreement and its successors, and at EU level I have picked up strong support for the Good Friday/Belfast agreement. We are determined to get the best possible deal for Northern Ireland, recognising our commitments and recognising the Belfast agreement.

15. [909185] **Mrs Sheryll Murray** (South East Cornwall) (Con): On the Good Friday agreement, will the Secretary of State ensure that the disgraceful treatment of my constituent Corporal Major Dennis Hutchings and others will be addressed as part of any further discussions on legacy issues?

James Brokenshire: My hon. Friend has raised the issue of her constituent on a number of occasions, and I pay tribute to her for her work as a constituency MP. She will understand that I am unable to comment on individual cases, but I can say that the current system for dealing with a range of issues related to legacy is not working for anyone. It is not working for service personnel and it is not working for victims, which is why it is important that we move forward with the Stormont House bodies to create the balanced, proportionate and fair system that everyone recognises is needed.

Mark Durkan (Foyle) (SDLP): Does the Secretary of State not understand that Brexit could have implications for the standing and currency of some of the implementation bodies that were created under strand 2 of the agreement? Also, does he appreciate that strand 2 offers an ambit of north-south co-operation and common implementation that could help to answer some of the problems that Brexit creates?

James Brokenshire: Before Christmas there was a good discussion at the North South Ministerial Council on the EU and other related issues. It is important to recognise the institutional framework that we have under

the Belfast agreement. That is something we support, and I draw the hon. Gentleman's attention to the White Paper, which highlighted that support and our recognition of it.

Gavin Robinson (Belfast East) (DUP): The Secretary of State will have heard the belligerent utterance of the former Sinn Féin director of Unionist engagement, who said that the Prime Minister can stick a hard or soft border

“where the sun doesn't shine”.

I invite the Secretary of State to remind Martina Anderson and all those in Sinn Féin that it is the Good Friday agreement that sets the terms for the future of Northern Ireland, that it is based on the majority will of the people and that it has not changed.

James Brokenshire: We stand behind the Belfast agreement and the principle of consent that is contained within it. The hon. Gentleman will have heard what the Prime Minister said on that issue yesterday. Of course we recognise that there are significant issues, which is why we have said that we do not want to see a return to the borders of the past and that we recognise the desire for an expansive free trade agreement with the EU. It is important that we continue that dialogue and discourse and that we focus on these serious issues in that way.

Stephen Pound (Ealing North) (Lab): My hon. Friend the Member for Ilford South (Mike Gapes) is right to refer to the role of the Irish Government, and I praise the Secretary of State for the good working relationship he has established with Minister Flanagan. I thank him for the statements made by his Minister yesterday at yet another of the many St Patrick's day celebrations, when he paid tribute not only to the role of our co-guarantor of the Good Friday agreement, the Dublin Government, but to Ambassador Dan Mulhall, who will be leaving us in London for Washington. Does the Secretary of State agree that Ambassador Mulhall has been a perfect example of how we can work together in the interests of all?

James Brokenshire: I have very much enjoyed and appreciated working with Ambassador Mulhall, whom we wish well in his new and perhaps challenging and exciting role. It is important to underline the strong relationship we have with the Irish Government on a range of issues. We want to see that continuing into the future, and that engagement will be continued with that spirit in mind.

Political Developments

4. **Edward Argar** (Charnwood) (Con): What assessment he has made of recent political developments in Northern Ireland. [909174]

7. **Wendy Morton** (Aldridge-Brownhills) (Con): What assessment he has made of recent political developments in Northern Ireland. [909177]

9. **Amanda Milling** (Cannock Chase) (Con): What assessment he has made of recent political developments in Northern Ireland. [909179]

10. **Rebecca Harris** (Castle Point) (Con): What assessment he has made of recent political developments in Northern Ireland. [909180]

The Secretary of State for Northern Ireland (James Brokenshire): Nearly 65% of the Northern Ireland electorate voted for continued devolved government. I have seen that endorsed over the past 10 days in a shared willingness among the parties to engage in intensive discussions, acknowledging what is at stake if an Executive are not formed. These are still significant challenges, but I believe that with continued positive intent we can secure a resolution that sees devolved government resumed.

Edward Argar: I welcome that answer from my right hon. Friend, just as I welcome the economic success story that is the Northern Irish economy over the past few years. Does he agree that a key part of that success has been effective, stable power-sharing government, which is another reason for all parties to resolve this situation as swiftly as possible?

James Brokenshire: I do recognise that, and my hon. Friend is right to highlight some of the important successes in the Northern Ireland economy. The labour market survey statistics that are out today show 56,000 more jobs since 2010 in Northern Ireland, which highlights what has been achieved and what can be achieved in future with a strong Executive in place.

Wendy Morton: I wish my right hon. Friend well in the discussions taking place in Northern Ireland. Does he agree that, whatever issues need to be overcome, devolved government within the UK remains by far and away the best option for Northern Ireland?

James Brokenshire: I strongly agree with my hon. Friend. The public voted overwhelmingly and clearly, with that increased turnout, for devolved government be put back in place, delivering for Northern Ireland, and I am determined to see that, too.

Amanda Milling: Does my right hon. Friend agree that the result of the Assembly election demonstrates the desire of the overwhelming majority of people in Northern Ireland for strong and stable devolved government?

James Brokenshire: Yes, I do. That stability is able to bring about further positive change in Northern Ireland, with further foreign direct investment and more jobs being created. That is what I strongly support, and I know that vision is also shared by the parties.

Rebecca Harris: Will my right hon. Friend confirm that in all their discussions the Government will maintain their full support for the Belfast agreement and its successors, including, crucially, the principle that Northern Ireland's position within the Union will always be determined by the principle of consent?

James Brokenshire: I am happy to confirm that. We stand four-square behind our commitments under the Belfast agreement, with the principle of consent being a firm part of that. I am also clear about the support that we see for the continuing institutions and structures, and giving effect to that.

13. [909183] **Ms Margaret Ritchie** (South Down) (SDLP): May I offer my condolences to those who lost their lives this week, particularly those in the Irish Coast Guard, who do so much good work in the north, particularly in my constituency?

Brexit is a crucial factor in the current political landscape in Northern Ireland and should be part of the ongoing talks process. Will the Secretary of State confirm that the issue of single status, where we do not go back to any borders of the past, is a feature of these talks?

James Brokenshire: I echo the hon. Lady's comments about those who lost their lives. We recognise Northern Ireland's unique circumstances—its economy, geography and history—and will ensure that they are properly taken into account as we prepare for EU exit. We want to ensure that those issues are properly reflected in the negotiations ahead so that we get the best possible deal for Northern Ireland.

Tom Elliott (Fermanagh and South Tyrone) (UUP): What does the Secretary of State see as the greatest stumbling blocks in the current talks? How confident is he that a deal will be established by 27 March?

James Brokenshire: As I have indicated, I think a deal can be achieved with good will and a real sense of urgency in the discussions ahead. Issues still need to be overcome, and as I have already said, it would not be constructive to provide a running narrative. I urge people to continue to engage and to be involved in those intensive talks, because that is how we will get a positive result.

Sammy Wilson (East Antrim) (DUP): I too express my condolences to the family of my constituent Mr Gilmore, who was murdered by paramilitaries this week. Given the attitude Sinn Féin have adopted regarding whom they will accept as First Minister, the role of the Secretary of State in talks and their desire to have soldiers and policemen prosecuted in the courts, does the Secretary of State believe there is much chance of success in the talks? If not, will he move quickly to fill the budget gap left by the Sinn Féin Finance Minister?

James Brokenshire: This remains doable—that is the important message we need to underline. Yes, of course, time is short, and yes, there is a range of issues that still need to be discussed and agreed on, but there is need for positive intent on all sides, which will be the best way to get the right outcome.

Mr Speaker: Order. These are extremely serious matters affecting Northern Ireland, the people of which might think it a tad discourteous if we do not have an attentive hearing for colleagues. Let us have an attentive hearing for Theresa Villiers.

Mrs Theresa Villiers (Chipping Barnet) (Con): The Government and the police have disclosed unprecedented amounts of information about the troubles, some of it extremely sensitive. Does the Secretary of State agree that some information is so sensitive that it can never go into the public domain because if it did, it would put lives at risk?

James Brokenshire: I agree with my right hon. Friend. With all her experience as the previous Secretary of State, she knows the sensitivity and importance of issues of national security, which remains the primary responsibility of the UK Government. In our actions, we will certainly continue to have that at the forefront of our mind.

D'Hondt System

5. **Sir Hugo Swire** (East Devon) (Con): What assessment he has made of the effectiveness of the d'Hondt system in Northern Ireland. [909175]

The Parliamentary Under-Secretary of State for Northern Ireland (Kris Hopkins) *rose—*

Hon. Members: Hear, hear!

Mr Speaker: The Minister should bask in his own popularity.

Kris Hopkins: I take it that reaction was not for me.

The use of the d'Hondt system is a stipulation of the Belfast agreement, as it ensures cross-community representation in the Executive. The Government are committed to upholding Northern Ireland's constitutional settlement, as outlined in the Belfast agreement and its successors.

Sir Hugo Swire: The priority must of course be to persuade all the parties back into government in Northern Ireland to avoid the prospect of direct rule. Given the recent instability, in the longer term is it worth having a discussion about a new form of government involving a Government and an Opposition?

Kris Hopkins: I thank my right hon. Friend for his question, but we are not considering a review at this moment in time. What is important now is to help the parties to come back together and form an Executive, and that is the Government's focus.

Mr Gregory Campbell (East Londonderry) (DUP): Does the Minister agree that, as the talks develop over the next few weeks, a likely consensus is going to emerge around the Stormont House agreement and all the contents therein? We should base progress, and hopefully agreement, on that, rather than on wish lists with no chance of success.

Kris Hopkins: It would be appropriate to build around the common consensus that is currently out there. There have already been agreements on Stormont House, so obviously that should be the centre point of the current talks.

Tourism

6. **Tom Pursglove** (Corby) (Con): What steps his Department is taking to promote tourism in Northern Ireland. [909176]

The Parliamentary Under-Secretary of State for Northern Ireland (Kris Hopkins): The Government will continue to use every possible opportunity to promote Northern Ireland as a world-class tourist destination.

Tom Pursglove: Tourism in Northern Ireland currently generates a revenue of £764 million and attracts 4.5 million visitors a year. In the light of Brexit, what steps will be taken in partnership to ensure that even further tourist growth is delivered?

Kris Hopkins: We have a commitment to an industrial strategy, engagement with all sectors in Northern Ireland, and additional funding of some £600 million a year for the GREAT Britain campaign.

14. [909184] **Dr Alasdair McDonnell** (Belfast South) (SDLP): Does the Secretary of State accept that tourism has the potential to make an even more significant contribution to the Northern Ireland economy, particularly in deprived rural areas? Will he take steps to ensure that adequate resources are invested in the Northern Ireland tourist board and in Tourism Ireland to ensure that we have a product and that we market it?

Kris Hopkins: Just last week, my right hon. Friend the Chancellor committed additional money to funding in Northern Ireland. There is a responsibility to get the Executive back to offer leadership in this matter. I urge every Member in this House to visit Northern Ireland—take a weekend break—as it is an amazing place to visit.

Mr Speaker: Finally, constraints of time are against us, but Sir Jeffrey Donaldson must be heard.

Operation Banner

8. **Sir Jeffrey M. Donaldson** (Lagan Valley) (DUP): What discussions he has had with the Secretary of State for Defence on the provision of legal protection to veterans of the armed forces who served in Northern Ireland under Operation Banner. [909178]

The Parliamentary Under-Secretary of State for Northern Ireland (Kris Hopkins): This Government are unstinting in our admiration for the role that our armed forces have played in Northern Ireland in securing democracy and consent. The current process for addressing the past is not working, as my right hon. Friend the Secretary of State said earlier, and we will ensure that the new legacy bodies will be under legal obligations to be fair, balanced and proportionate. [*Interruption.*]

Mr Speaker: Order. Let us hear from Sir Jeffrey Donaldson.

Sir Jeffrey M. Donaldson: Given the scrapping of the Iraq inquiries and the judgment today in the case of Alexander Blackman, is it not time that the Government provided legal protection to the men and women who serve this country on the frontline?

Kris Hopkins: This Government never move away from their obligation to care for their veterans. We have put in huge resources to do that. I know that the right

hon. Gentleman is very passionate about looking after our armed forces personnel. I am more than happy to meet him to discuss this matter further.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [909256] **Huw Merriman** (Bexhill and Battle) (Con): If she will list her official engagements for Wednesday 15 March.

The Prime Minister (Mrs Theresa May): I am sure that Members will want to join me in wishing people across the UK and around the world a happy St Patrick's day this coming Friday.

This morning, I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall have further such meetings later today.

Huw Merriman: With my Irish blood, may I also wish people a happy St Patrick's day?

I welcome the Government's announcement that we will abide by the letter of our manifesto and also the spirit. Does the Prime Minister agree that, as we move towards balancing the books, we must ensure that we have a fair and sustainable tax system?

The Prime Minister: I thank my hon. Friend for his question. We made a commitment not to raise tax, and we put our commitment into the tax lock. The measures that we put forward in the Budget last week were consistent with those locks. As a number of my parliamentary colleagues have been pointing out in recent days—[*Interruption.*]

Mr Speaker: Order. This is intolerable. [*Interruption.*] I take no view on the matter, but I do take a view on the importance of hearing the questions and the answers.

The Prime Minister: As a number of my parliamentary colleagues have been pointing out in recent days, the trend towards greater self-employment does create a structural issue in the tax base on which we will have to act. We want to ensure that we maintain, as they have said, fairness in the tax system. We will await the report from Matthew Taylor on the future of employment; consider the Government's overall approach to employment status and rights to tax and entitlements; and bring forward further proposals, but we will not bring forward increases to national insurance contributions later in this Parliament.

Jeremy Corbyn (Islington North) (Lab): First, may I wish everyone in my constituency, in Ireland and all around the world a very happy St Patrick's day on the 17th?

We have just heard that the Prime Minister is about to drop the national insurance hike announced only a week ago. It seems to me that the Government are in a bit of chaos here with a Budget that unravels in seven days, a Conservative manifesto with a pensive Prime Minister on the front page saying that there would be no increase, and a week ago an increase being announced. If they are to drop the increase, as they are indicating, the Prime Minister should thank the Federation of

Small Businesses and all those who have pointed out both how unfair the increase would be and how big business evades an awful lot of national insurance through bogus self-employment.

The Prime Minister: I do not think the right hon. Gentleman listened to the answer I gave to my hon. Friend the Member for Bexhill and Battle (Huw Merriman). I normally stand at this Dispatch Box and say I will not take any lectures from the right hon. Gentleman, but when it comes to lectures on chaos he would be the first person I turned to.

Jeremy Corbyn: I think the Prime Minister should offer an apology for the chaos that her Government have caused during the past week and the stress they have caused to the 4.8 million self-employed people in this country. Will she offer that apology? Her hon. Friend the Under-Secretary of State for Wales did so a week ago; it is time she joined him. This measure, if carried through, will create a black hole in the budget. What is she going to do to fill that black hole?

The Prime Minister: If the right hon. Gentleman is so concerned about balancing the books, why is it Labour party policy to borrow half a trillion pounds and bankrupt Britain?

Jeremy Corbyn: Given that this Government propose to borrow more between now and 2020 than the entire borrowing of all Labour Governments put together, we do not need lectures from them on that.

I hope that in his statement later today the Chancellor will address the question of injustice to many people who are forced into bogus self-employment by unscrupulous companies, many of which force their workers to become self-employed and thereby avoid employer's national insurance contributions. It is a grossly unfair system where those in self-employment pay some national insurance, but employers do not and benefit from it. That is a gross injustice that must be addressed.

The Prime Minister: The right hon. Gentleman obviously has not noticed that one of the first things I did when I became Prime Minister was commission Matthew Taylor of the RSA to conduct a review of the employment market and employment rights and status, precisely because we recognised that the employment market is changing. He talks about the self-employed, so let us look at what we have done for the self-employed. Our increase in the personal allowance means that they now keep more of their earnings. They will have access to both tax-free childcare and 30 hours of free childcare a week, just like employees, and now they have access to the new state pension, worth over £1,800 more a year. What we know is that the Labour party's policies would bankrupt Britain and put firms out of business and people out of jobs.

Jeremy Corbyn: We have a Government U-turn, no apology, and a Budget that falls most heavily on those with the least broad shoulders, with cuts to schools, cuts to social care and cuts to support for people with disabilities. That is the agenda of the right hon. Lady's Government, and everybody knows it.

The Prime Minister: I do not think the right hon. Gentleman has got the hang of this. He is supposed to ask me a question when he stands up—[*Interruption.*]

Mr Speaker: Order. Let us hear the answer.

The Prime Minister: The right hon. Gentleman talks about schools. What have we done? We have protected the core schools budget and introduced the pupil premium. This Budget delivers money for more than 100 new schools, ensuring good school places for every child. This Budget delivers on skills for young people; we want them to be equipped for the jobs of the future. The Budget delivers £500 million for technical education. We also recognise the pressure on social care. This Budget delivers £2 billion more funding for social care—funding that would not be available with Labour's economic policies.

Jeremy Corbyn: It would be a very good idea if the Prime Minister listened to headteachers all over the country, who are desperately trying to work out how to balance the books in their schools, but are losing teachers, losing teaching assistants and losing support for their children because school budgets are being cut. She knows that. We all know that. Everybody out there knows that. They also know that, according to figures from the Institute for Fiscal Studies, average working families will be £1,400 worse off as a result of her Budget that was produced last week. What is she doing to help the worst off and poorest in our society, rather than continuing to cut local government and schools expenditure, and to underfund social care?

The Prime Minister: I will tell the right hon. Gentleman what we have delivered for the low paid. We have frozen VAT and fuel duty, and every basic rate taxpayer has had a tax cut worth £1,000. We have taken more than 3 million people out of paying income tax altogether. That is what we have done for the low paid. On schools, 1.8 million more children are now in good or outstanding schools. I want a good school place for every child. We have done it with free schools and academies, and with our changes to education—all opposed by the Labour party. Now it wants to oppose our giving every child a good school place. What do we know about the Labour party's policies? Well, the former shadow Chancellor, the hon. Member for Nottingham East (Chris Leslie), said that Labour's policies would mean doubling national insurance, doubling VAT and doubling council tax. That would not help the low paid or ordinary working families.

Jeremy Corbyn: The difference is that we want a good school and a good place for every child in every school in every community. Selective education—the reintroduction of grammar schools—does not achieve that. We want a staircase for all, not a ladder for the few, which is what Conservative policies actually are. The Prime Minister has also not addressed the unfairness of a Budget that cuts tax at the top end, continues to reduce corporation tax and encourages bogus self-employment. She has to address the issues of injustice and inequality in our society, and of a Government who are dedicated to widening the gap, not helping the hard-up or those who are working as self-employed, trying to make ends meet and not getting access to any benefits at the same time.

The Prime Minister: Inequality has gone down under this Government. The Budget shows that the top 1% of earners will actually contribute 27% in terms of the income that they are providing.

Let me address the issue of schools. The problem with what the right hon. Gentleman says is that the Labour party has opposed, and continues to oppose, every single education policy brought forward by this Government, delivering more good school places for children. The Labour party's approach is that parents shall take what they are given, good or bad. We believe in listening to parents.

Let us look ahead to what the right hon. Gentleman's policies would produce for this country: half a trillion pounds of borrowing—£500 billion more borrowing under the Labour party—more taxes, more spending and more borrowing. It would be a bankrupt Britain that would not give money for public services or help ordinary working families. It is the Conservative party that is helping ordinary working families. It is the Labour party that is failing to address the needs of the people of this country. We are delivering. He is just sitting there or going on protest marches.

Q3. [909258] **Jeremy Quin** (Horsham) (Con): As the facts change, I change my question. May I congratulate my right hon. Friend on proposing the most radical reform of technical education in a generation and delivering fair funding for all our schools? However, may I ask her, as part of the consultation, to ensure a minimum level of appropriate funding for all schools?

The Prime Minister: I thank my hon. Friend, because he has raised an important point. One of the issues we have addressed in the Budget is putting more money into skills training—into further education and technical education—for young people. I think that one of the most important things we can do is equip young people for their futures, and for the jobs of the future, so that they can get on in life. We are investing an extra half a billion pounds a year, as I said earlier, in England's technical education system to do this.

My hon. Friend referred to the issue of a minimum funding level. My right hon. Friend the Education Secretary confirmed last month that the Department for Education has heard representations on this issue. It is considering these issues, but the funding formula is a complex issue that has needed addressing for some time, and we will be looking at it carefully.

Angus Robertson (Moray) (SNP): We once had a Prime Minister who said,

“The lady's not for turning.”

My goodness, is it not welcome that the Prime Minister has today admitted that she is for turning, with her screeching, embarrassing U-turn on national insurance contributions?

Only days remain until the Prime Minister is going to invoke article 50 on leaving the European Union. Last July, she promised to secure a UK-wide approach—an agreement between the devolved Administrations of Scotland, Wales and Northern Ireland and the UK Government—before triggering article 50, so when will the Prime Minister announce the details of the agreement?

The Prime Minister: As I said to the right hon. Gentleman yesterday, and to others asking me questions on the timetable yesterday, we will trigger article 50 by

the end of March. There will be an opportunity for further discussions with the devolved Administrations over that period. On the issue of membership of the European Union, and his view on Scotland not being a member of the United Kingdom, I say this to him: he is comparing membership of an organisation that we have been a member of for 40 years with our country. We have been one country for over 300 years; we have fought together, we have worked together, we have achieved together, and constitutional game-playing must not be allowed to break the deep bonds of our shared history and our future together.

Angus Robertson: The Prime Minister can wag her finger as much as she likes; last year, she made a promise: she promised an agreement. I asked her about it yesterday; she did not answer. I have asked her about it now; she has not answered. When will she reach an agreement—not discussions—with the Scottish Government before triggering article 50? She has another opportunity. *[Interruption.]*

Mr Speaker: Order. I recognise the passions—*[Interruption.]* Mr Wishart, calm yourself, man. I am perfectly capable of doing this without your beneficent assistance. The right hon. Member for Moray (Angus Robertson) will be heard, however long it takes. *[Interruption.]* Yes, he will; he will continue, however long it takes. Carry on, Mr Robertson.

Angus Robertson: The Prime Minister promised an agreement; there is not an agreement. When will there be an agreement? Does she not understand that if she does not secure an agreement before triggering article 50—if she is not prepared to negotiate on behalf of the Scottish Government and secure membership of the single European market—people in Scotland will have a referendum, and we will have our say?

The Prime Minister: We have been in discussions with the Scottish Government and with the other devolved Administrations about the interests that they have as we prepare, as the United Kingdom Government, to negotiate a deal on behalf of the whole of the United Kingdom—a deal that will be a good deal for not just England, Wales and Northern Ireland, but the people of Scotland as well. As we go forward in negotiating that deal, I think the right hon. Gentleman should remember this: Scotland will be leaving the European Union, either as a member of the United Kingdom or if it were independent, as it is very clear from the Barroso document that it would not be a member of the European Union. What we need now is to unite, come together as a country, and ensure that we can get the best deal for the whole of the United Kingdom.

Q5. [909261] **Mr Andrew Turner** (Isle of Wight) (Con): This Government are working with local enterprise partnerships, councils and other partners to grow the economy, but despite being in the prosperous south-east, the Isle of Wight is 339th out of 379 in the UK competitiveness index. Will my right hon. Friend ensure that more growth funding is targeted at rural areas such as the island, with its many small and microbusinesses, to deliver a country that works for all?

The Prime Minister: My hon. Friend speaks well on behalf of his constituents, and he is right to do that. I know that he has consistently put forward the unique

characteristics of the Isle of Wight. We have already been able to support the island's economy through the local growth deal for the Solent—that is £183 million—and the Solent local enterprise partnership has been supporting the Isle of Wight rural small and medium-sized enterprise programme; my hon. Friend particularly referred to rural funding. I want to make sure that we make the best of the diverse strengths of all Britain's cities, regions and islands. I am sure that on the island, the business community and the council will work together to create the best possible conditions for growth and competitiveness in the future.

Q2. [909257] **Stephen Doughty** (Cardiff South and Penarth) (Lab/Co-op): Our two single markets are the backbone of our economy, yet the Prime Minister wants to rip us away from one, and the Scottish National party wants to break up the other. Is the risky and reckless approach she is taking to Brexit really a price worth paying to foster the break-up of Britain?

The Prime Minister: The hon. Gentleman is wrong when he says that I want to rip the United Kingdom away from the single market. What we want to do—*[Interruption.]* I am sorry to say to hon. Members on the Labour Benches that this is the same answer that I have given consistently in this House. We want to ensure that we get a good free trade agreement that gives us the maximum possible access to the single market, to enable us to trade with the single market and operate within the single market.

Q7. [909263] **Mrs Theresa Villiers** (Chipping Barnet) (Con): I welcome the support on business rates being given by the Budget to local high streets, which are so crucially valued in places such as my constituency of Barnet. Does the Prime Minister agree that we can give more help to small businesses if we secure the international agreement we need to ensure that all big businesses pay their taxes?

The Prime Minister: This is a very important issue, and one on which I think this Government have a record of which we can be proud, but of course there is more to do. Since 2010, through the work we have done on tackling tax evasion, avoidance and non-compliance, we have secured an additional £140 billion in compliance yield. Internationally, we have driven the global agenda. We have now got 100 countries signed up to the automatic exchange of financial account information, and we have pushed G7 and G20 partners to establish registers of beneficial ownership, but my right hon. Friend is right: there is more to do. We will continue to crack down on big companies not paying their tax. I want to see an economy that works for everyone, and that means that big companies should be paying their tax as well as everybody else.

Q4. [909259] **Mike Weir** (Angus) (SNP): In answer to my right hon. Friend the Member for Moray (Angus Robertson), the Prime Minister called for respect, but that is a two-way street. Where is her Government's respect for the Scottish Government's compromise proposal, which has just been ignored in these negotiations?

The Prime Minister: The compromise proposal has not been ignored; it has been discussed by Ministers with Ministers from the Scottish Government. There

are many areas within that proposal on which we agree, as I have said before, such as on ensuring our security from crime and terrorism, and maintaining and protecting workers' rights.

Q8. [909264] Will Quince (Colchester) (Con): Colchester hospital's A&E department has excellent staff, but suffers from poor layout and patient flow. Does the Prime Minister agree with me that the £100 million set out for triage in the Budget last week will enable hospitals such as mine to address this issue and improve patient outcomes?

The Prime Minister: My hon. Friend is right to recognise, and we should all recognise, the hard work and dedication of our excellent staff throughout the NHS. What we are seeing in the NHS is that A&Es are treating more people than ever before. We are spending half a trillion pounds on the NHS in England during this Parliament, and the NHS is going to see an increase in its funding of £10 billion in real terms, but there is sometimes an issue, as my hon. Friend says, about the configuration of A&E and enabling changes to take place to help the flow, and to help in dealing with potential patients as they come in. That is why my right hon. Friend the Chancellor announced last week £425 million in new capital investment in the NHS, which includes £100 million to help manage the demand on A&E services, enabling hospitals to make changes to ensure people are treated in the most appropriate way possible.

Q6. [909262] Nick Thomas-Symonds (Torfaen) (Lab): Over 200 staff at the Cwmbran pension centre in my constituency face an uncertain future, as they have been told they have to relocate to other areas over the next few years. Does the Prime Minister realise the impact this has on staff and the local economy, and will she meet me and representatives of the workforce to see what can be done to save Cwmbran pension centre?

The Prime Minister: I recognise the concern that the hon. Gentleman has raised for staff at that particular pension office in—

Nick Thomas-Symonds: Cwmbran.

The Prime Minister: Cwmbran. I recognise this is an issue. I am sure it is an issue that the Secretary of State for Work and Pensions will look at very closely, but of course the Government are looking to ensure both that we use our resources effectively, and provide the proper and appropriate service for the recipients of those particular benefits.

Q10. [909266] Victoria Atkins (Louth and Horncastle) (Con): Last weekend, thousands of people from across Lincolnshire came to the Revesby races in my constituency to enjoy the racing and the delicious local food, including award-winning Lincolnshire sausages. As the Government prepare to strike new international trade deals, will my right hon. Friend ensure that the high standards we expect of our food producers and farmers will be met and maintained in these deals, and will this Government continue to back British farming?

The Prime Minister: I can assure my hon. Friend that we will certainly do that. I remember, when I visited her prior to the general election in 2015, sampling some of the excellent Lincolnshire sausages that come from her

constituency. We have an opportunity to build a new future for our food and farming industry when we leave the European Union. We will maintain the UK's high standards of food safety and of animal welfare; that will be a priority for us. Any trade deals we enter into will need to be right for consumers, for businesses and for farmers, and will need to ensure our food safety and environmental protection, and of course the animal welfare standards I have just referred to. We recognise the need for certainty for businesses. We have already provided guarantees on support for farmers up to 2020, and I can assure her that we will continue to back British farmers.

Q9. [909265] Callum McCaig (Aberdeen South) (SNP): The UK has one of the worst performing currencies in the world, and it has a trade deficit of £133 billion and a national debt approaching £1.7 trillion. May I ask the Prime Minister: does she really believe that the UK could afford to be an independent country?

The Prime Minister: If he wants—*[Interruption.]*

Mr Speaker: Order. There is too much noise in the Chamber. Hon. Members on the SNP Benches are very over-excited individuals. I want to hear the Prime Minister's reply. Let us hear the reply.

The Prime Minister: If the hon. Member for Aberdeen South (Callum McCaig) wants to talk about figures in relation to the UK economy, it is the world's sixth largest economy, and this Government have reduced the deficit by two thirds. If he would care to look at today's employment figures she will see that employment is at a record high and unemployment has not been lower since 1975.

Q11. [909267] Tim Loughton (East Worthing and Shoreham) (Con): Today is the Ides of March—and, yet again, Brutus opposite missed badly—so will the Prime Minister take the opportunity to stick the knife into the ridiculous Court of Justice of the European Union, which ruled yesterday that employers can ban their staff from wearing signs of religious or political belief, and reiterate that reasonable freedom of expression should never be snuffed out by insidious political correctness?

The Prime Minister: We have, as my hon. Friend knows, a strong tradition in this country of freedom of expression. It is the right of all women to choose how they dress and we do not intend to legislate on this issue. He raised the broader issue of symbols, but this case came up particularly in relation to the wearing of the veil. There will be times when it is right to ask for a veil to be removed, such as at border security or, perhaps, in court. Individual institutions can make their own policies, but it is not for Government to tell women what they can and cannot wear. We want to continue that strong tradition of freedom of expression.

Q13. [909269] Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): Our First Minister was elected with the largest vote in Scottish parliamentary history, on a manifesto that stated that the Scottish Parliament—*[Interruption.]*

Mr Speaker: Order. The question will be heard.

Ms Ahmed-Sheikh: Thank you, Mr Speaker. I will start again. Our First Minister was elected with the largest vote in Scottish parliamentary history, on a manifesto pledge that the Scottish Parliament should have the right to hold an independence referendum

“if there is a significant and material change in the circumstances...such as Scotland being taken out of the EU against our will.”

My question to the Prime Minister is simple: does she agree that Governments should stick to their manifesto promises? If so, she cannot object to the First Minister sticking to hers.

The Prime Minister: I of course recognise that a vote took place for the Scottish Parliament, and that the First Minister was returned as the First Minister of a minority Government, but I refer the hon. Lady to two other votes that took place. In September 2014, the Scottish people were given the opportunity to vote on whether or not they wished to remain in the United Kingdom. They chose that Scotland should remain part of the United Kingdom. That was described by the right hon. Member for Gordon (Alex Salmond) as a “once in a generation” vote. The other vote to take note of was on 23 June last year, when the people of the United Kingdom voted to leave the European Union, and that is what we are going to do.

Q12. [909268] **Geoffrey Clifton-Brown** (The Cotswolds) (Con): With 80% of small and medium-sized enterprises reluctant to export, does my right hon. Friend agree that the prospect of Brexit gives those firms—particularly those from Scotland—a golden opportunity to use the great British entrepreneurial spirit to go out into the world and succeed?

The Prime Minister: My hon. Friend is absolutely right. Small businesses and entrepreneurs are essential to an economy that is working for everyone. The opportunity that comes from Brexit is to see those firms go out and export across the world, and to do those trade deals that will be of benefit to them, to their communities and to our economy. We want to encourage more businesses to go out there and export. That is exactly what my right hon. Friend the Secretary of State for International Trade is doing. This is an important part of building a stronger, fairer Britain for the future.

Q14. [909270] **Hannah Bardell** (Livingston) (SNP): Her Majesty’s Revenue and Customs employs more than 1,000 vital staff in my Livingston constituency. Despite widespread criticism from the National Audit Office and the Public Accounts Committee, and despite Livingston having the most engaged and productive staff, the Prime Minister’s Government are determined to move jobs from Livingston to Edinburgh. Staff do not want to move there and rental costs will be higher. To compound that, last week Ethicon announced that 400 jobs are set to go at its Livingston site. Will the Prime Minister therefore change her mind on HMRC jobs in Livingston, and meet me to ensure that public sector jobs that are vital to Livingston stay in Livingston?

The Prime Minister: HMRC is indeed relocating from 170 outdated offices to 13 large, modern regional centres. The new centres will be equipped with the digital infrastructure and facilities that are needed to build a

more highly skilled and flexible workforce, to enable the modernisation of ways of working, make tax collection more efficient and effective, and bring significant improvements to HMRC’s customer services.

Dr Caroline Johnson (Sleaford and North Hykeham) (Con): The people of Sleaford and North Hykeham voted strongly in favour of Brexit, and I was very proud to be here in the House on Monday to vote in support of the European Union (Notification of Withdrawal) Bill. Will my right hon. Friend the Prime Minister confirm that she shares my commitment to a Brexit that works in the best interests of everyone in our country?

The Prime Minister: I have to say—[*Interruption.*]

Mr Speaker: Order. The hon. Member for Perth and North Perthshire (Pete Wishart) was shouting from beyond the Bar, which is very disorderly. On top of that, a few moments ago he was gesticulating in a most eccentric manner. I am becoming concerned about the hon. Gentleman, who must now calm himself.

The Prime Minister: Thank you, Mr Speaker. My hon. Friend the Member for Sleaford and North Hykeham (Dr Johnson) is absolutely right. As she says, her constituency voted overwhelmingly to leave the European Union. The point is that the people of the United Kingdom voted by a majority to leave the European Union. As we do that, we will ensure that the deal we achieve in our negotiations is the right deal for the whole of the United Kingdom—for people in England, Scotland, Wales and Northern Ireland.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): The Prime Minister has just made a £2 billion Budget U-turn in the space of a week. Last year, the Government made a £4 billion U-turn in the space of five days. Is that why they want to abolish spring Budgets—because they just keep ripping them up?

The Prime Minister: I welcome the measures in the spring Budget to improve school places for children, and to ensure that we put money—[*Interruption.*]

Mr Speaker: Order. The hon. Member for Lichfield (Michael Fabricant) is another very eccentric fellow shouting very loudly. You must not shout down your own Prime Minister! Let us hear the Prime Minister.

The Prime Minister: Thank you, Mr Speaker. I welcome the measures in the spring Budget to ensure we put money into schools, skills and social care. I would have thought the right hon. Member for Normanton, Pontefract and Castleford (Yvette Cooper) would accept that putting money into schools, skills and social care is good for this country.

Rebecca Pow (Taunton Deane) (Con): Will the Prime Minister join me in welcoming the news today that Sergeant Blackman’s murder conviction has been downgraded to manslaughter, in part thanks to the release of previously unheard evidence? That is fantastic news for his wife Claire, who lives in my constituency and who has campaigned so unstintingly. My hon. Friend the Member for South Dorset (Richard Drax), who I believe is returning from chambers, proved a very

worthy advocate in this case, and I commend his hard work. Does the Prime Minister agree that, within the correct legal framework, those who defend our peace and protect our world from evil should be treated with fairness and understanding and given the adequate resources, including mental health support, that they deserve?

The Prime Minister: Of course we respect the court's decision. The Ministry of Defence will be looking very closely at the judgment. I assure the House that the Ministry of Defence has co-operated fully at each stage of Sergeant Blackman's case. It will continue to provide support to the family, as it has done since the charges were first brought. I would just say, on the general point, that our Royal Marines have a worldwide reputation as one of the world's elite fighting forces. They make an incredible contribution to our country and we should pay tribute to them all.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): The Disasters Emergency Committee has launched its east Africa crisis appeal. In the context of that crisis, does the Prime Minister share my concern that President Trump is considering major cuts to spending by the US on aid? Will the Government take every opportunity to press the Americans to remain fully part of the global humanitarian system?

The Prime Minister: I assure the hon. Gentleman that we recognise the severity and urgency of the crisis taking place in east Africa. More than 20 million people

face the risk of dying from starvation because of war and drought. Again, it is this country that is leading the way in delivering life-saving support. We have announced that we will match, pound for pound, the first £5 million donated by the public to the Disasters Emergency Committee's new east Africa crisis appeal, to which he referred. I assure him that we take every opportunity to ensure that countries around the world recognise the importance of international aid, and of supporting countries when we see terrible disasters such as this famine coming into being. The UK's record, and what we do, enable us to say to others that they should do more.

Henry Smith (Crawley) (Con): It is my honour to chair the all-party parliamentary group on blood cancer. Today we launched an inquiry into greater awareness of the condition and the patient experience. I seek assurances from my right hon. Friend that the additional £10 billion going into the NHS in this Parliament will in some way be spent on ensuring that we tackle this third-biggest cancer killer.

The Prime Minister: My hon. Friend is right to raise this subject. Many people have not heard much about this particular cancer, and are probably not much aware of it as an issue. I can assure him about what the NHS is doing. Over the last few years, we have seen a significant improvement in cancer survival rates. We have seen an increase in the number of people being referred on because of potential cancer cases, and an increase in the number of people being treated for cancer. This is a record on which we want to build.

Personal Independence Payments

12.42 pm

Debbie Abrahams (Oldham East and Saddleworth) (Lab) (*Urgent Question*): To ask the Secretary of State for Work and Pensions to make a statement regarding the recommendations of the Social Security Advisory Committee on the new Personal Independence Payment (Amendment) Regulations 2017, which are due to come into force tomorrow.

Damian Green (The Secretary of State for Work and Pensions): Recent legal judgments have interpreted the assessment criteria for personal independence payments in ways that are different from what was originally intended. The Department presented regulations, which clarify the original policy intent, to the Social Security Advisory Committee. I welcome the SSAC's careful consideration and we are looking closely at its suggestions.

Let me be clear. The SSAC decided that it did not require the regulations to be formally referred to it and would therefore not consult publicly on them. I believe it was right to move quickly to clarify the criteria, and it is clear that the SSAC is not challenging that decision.

I want to make it clear again that this is not a policy change and nor is it intended to make new savings. This is about restoring the original intention of the benefit, which has been expanded by the legal judgments, and providing clarity and certainty for claimants. I reiterate my commitment that there will be no further welfare savings beyond those already legislated for. This will not result in any claimants seeing a reduction in the amount of PIP previously awarded by the Department for Work and Pensions.

Debbie Abrahams: You will recall, Mr Speaker, that on 23 February the Government issued these new regulations by which disabled people or people with a chronic mental health condition would be assessed for eligibility to personal independence payments. These regulations were laid down without any consultation with the Social Security Advisory Committee and without any debate.

As the Secretary of State said, the Committee examined this issue on 8 March and sent a letter with its recommendations to the Secretary of State, which was published yesterday. The Committee made a number of recommendations, including the need to consult more widely on the proposed changes and to test or pilot them before they come into force, so will the Secretary of State commit to implementing these recommendations in full before the regulations come into force?

Parliament has had no opportunity to debate the regulations fully, or to vote on them. When will it be able to do so? The Committee found that

“it is possible that some claimants may have been awarded the mobility component or a higher rate of mobility component...following earlier decisions by the Upper Tribunal on this issue.”

That directly contradicts statements by the Prime Minister and the Minister for Disabled People, Health and Work that no one would see a reduction in their PIP award. Will the Secretary of State take this opportunity to correct the record? Will he guarantee that that will not be the case when claimants are reassessed?

The Government's decision to change the law on PIP is a clear demonstration of the fact that people with mental health conditions are not given equal treatment. Does the Secretary of State agree with his Department's new guidance, issued yesterday, which states that mobility impairments caused by psychological issues are “not relevant”? An analysis published today by Scope shows that 89% of PIP cases resulted in successful decisions for claimants following either mandatory reconsideration or appeal. Will the Secretary of State now review the flawed PIP process as a matter of urgency?

We have argued for some time in favour of parity of esteem for mental and physical health. The Prime Minister famously said that there needed to be more support for people with mental health conditions. Will not the Government finally honour that pledge?

Damian Green: Let me deal with the hon. Lady's questions in turn.

We will of course respond to the letter from the Social Security Advisory Committee. Obviously, we take everything that it has said very seriously. We will also maintain the practice—in which the Government have always engaged—of continuous improvement in the PIP guidance. The assessment guidance is freely available, and can be viewed on gov.uk. We are constantly changing it, and the way to do that is to make parliamentary regulations, which is precisely what we are doing in this case. I am conscious that the hon. Lady has personally prayed against these regulations, which gives Parliament a chance to scrutinise them. That process will go through the normal channels, as it always does.

The hon. Lady asked a number of other detailed questions. I can only repeat what I have said before, and what has been said by my hon. Friend the Minister for Disabled People, Health and Work: no claimants will see a reduction in the amount of benefit that they were previously awarded by the DWP. The Committee says that a tribunal may have lifted the awards of some people, and it is indeed possible that that has happened. We will not claim back money that those people have received during the period before the new regulations come into force, and no one will receive less than they were awarded by the DWP. That is what I have said all along. [*Interruption.*] As the hon. Lady knows, reassessment happens regularly in the case of PIP and other benefits.

Let me now respond to a very serious point made by the hon. Lady. I want to clear up the position and reassure people, because I think that millions would be put into a state of unnecessary distress if they thought that PIP was not fair to those with mental health conditions. The truth is that PIP is a much better benefit for people with such conditions than its predecessor, disability living allowance. Under the regulations, people with a cognitive impairment alone can receive the highest rate of the mobility component of PIP. It is simply not the case that people with mental health conditions will not be able to do so. If the hon. Lady reads the regulations, she will see why that has happened.

Even if the hon. Lady and other Opposition Members are not willing to accept what I have said, may I please ask them to go away and look at the facts? The facts are these: 65% of PIP recipients with a mental health condition received the enhanced-rate daily living component, whereas 22% used to receive it under DLA. As for the specific mobility aspect, to which the hon.

Lady referred. 27% of PIP recipients with a mental health condition receive the enhanced-rate mobility component, whereas 9% received it under DLA. It is perfectly clear from the facts that the regulations restore PIP to its original policy intent, and that that policy intent is better for people with mental health conditions than earlier benefits were.

Stephen Crabb (Preseli Pembrokeshire) (Con): Can my right hon. Friend name any other country that spends as much in direct cash payments for people living with as wide a range of physical, mental and psychological disabilities and illnesses as we do here in the UK? Is that not something we should be proud of?

Damian Green: We should indeed. My right hon. Friend previously did this job, and he and I share the passion to make sure that the benefit system is as fair as possible to those who deserve to receive these benefits. That is why we spend £50 billion a year on disability benefits and why PIP is an improvement on previous benefits, particularly for people with mental health conditions.

Corri Wilson (Ayr, Carrick and Cumnock) (SNP): The Government continually trot out the line that serious mental ill health should be treated in the same way as any other illness, but their response to these rulings betrays the old attitudes and stigmas towards mental illness. They cannot keep shifting the goalposts every time they lose a battle at court. If a person needs help, he or she needs help regardless of the nature of their disability or health condition.

The Scottish Parliament is in the process of taking over responsibility for personal independence payments, and until that time the UK Government need to be consistent and stop mucking people about. So many of the people becoming destitute in our communities, being sanctioned, falling through the safety net and becoming dependent on food banks are people with mental health problems. Why will the Government not acknowledge that? Will the Minister back away from this ill-judged move, or are they intent on bulldozing this through regardless of the opinions of this House?

Damian Green: I can only say to the hon. Lady that the premise on which she based that question—which is that those with mental health conditions, as opposed to physical disabilities, are in some way being treated unfairly under this benefit—is simply and demonstrably wrong. I will not weary the House by quoting again the facts I have just quoted, but if we are to have an intelligent discussion about the details of benefit policy—this House deserves to have such a discussion—we have to base it on the facts, and the facts are that PIP is a better benefit for people with mental health conditions than the old disability living allowance.

Justin Tomlinson (North Swindon) (Con): The Government are rightly spending an extra £3 billion a year supporting those with long-term health conditions and disabilities. Does the Secretary of State agree that if we are to continue to improve the system, that should be done in conjunction with the expertise of charities, stakeholders and users, and not be based on ad hoc legal decisions?

Damian Green: My hon. Friend, who obviously has great personal expertise in this area, is precisely right. There is a continuous dialogue between the Department and the charities. Sometimes we agree and sometimes we do not agree, but that dialogue is very important and I am determined to maintain it precisely so that when we make changes they are practical ones that make sure that the original good intent of the benefit is maintained.

Frank Field (Birkenhead) (Lab): Despite what the Secretary of State says about the current benefit favouring those who do not have physical disabilities, the evidence coming to the Select Committee which is inquiring into PIP shows that those with other disadvantages find it difficult to qualify. Might he look carefully at the form and at the way his staff interpret it for people who do not have physical disabilities and who have difficulties in qualifying?

Damian Green: The right hon. Gentleman knows that there is a review going on precisely to address the points he very reasonably makes. Clearly, there is a degree of complexity with any benefit and we will need to keep working on it. We are waiting for the review carried out by Paul Gray, chairman of the SSAC. Knowing Paul, I am sure he will have some trenchant recommendations, and we will obviously look at them very carefully and use them as the basis for further improvement of this benefit.

Heidi Allen (South Cambridgeshire) (Con): While I agree that PIP is indeed a big improvement on DLA and that nobody stands to lose from this change, for me the court ruling has highlighted the fact that there are still flaws in the PIP process and that more can be done for mental health claimants; I know that as I have sat through two PIP assessments myself. Therefore, rather than just legislating to ignore this ruling, should we not use it as a catalyst to look at the whole PIP process from the beginning?

Damian Green: My hon. Friend is right that we need continually to look at improvements, and I think they are done better as part of a coherent process rather than as a result of individual court judgments. I am sure that she will agree that the improvements in the benefit system need to go hand in hand with the many improvements we are now beginning to see in the health service's treatment of people with mental health conditions. All of this must be tackled as a coherent whole across government so that we improve all the services available to people with mental health conditions.

Ms Angela Eagle (Wallasey) (Lab): I have to say that I am finding an increasing discrepancy between the way that the Secretary of State is describing the PIP benefit and the people who are coming to my advice surgeries in tears, having been completely let down by the system. We all want to see a society where we give support to the most vulnerable, and that is who we are talking about here. Will the Secretary of State now undertake to ensure that some of his highest officials come and visit us in our advice surgeries and look at how this system is actually working out on the frontline, because it is not remotely like how he is portraying it today?

Damian Green: We all know from our own constituency surgeries that there are individual cases that might need to be taken up, sometimes simply because people disagree with a decision, or if there are delays. I am absolutely aware of that. *[Interruption.]* I point out to the hon. Member for Oldham East and Saddleworth (Debbie Abrahams), who is characteristically chuntering from a sedentary position, that the appeal rate against PIP is extremely low, so actually the facts again do not suggest those kind of problems. But we are absolutely keen to improve this. That is why in the coming weeks we will be setting up service user panels precisely so that we get the real world, on-the-ground experience available to the Department that the hon. Lady wishes us to have.

Sir Desmond Swayne (New Forest West) (Con): It is odd to be asked to pilot something that merely restores the status quo ante—or have I misunderstood the committee’s recommendation?

Damian Green: I appreciate my right hon. Friend’s concern. The committee makes a number of recommendations, and, as ever with the SSAC, I will take all of those recommendations very seriously and respond to them fully.

Greg Mulholland (Leeds North West) (LD): My hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) has tabled an early-day motion signed by 143 Members, including the Leader of the Opposition. Why are the Government so keen on ignoring this place and Parliament and on bulldozing this unpopular change through? Will the Secretary of State agree to a proper debate in this House on this unpopular measure?

Damian Green: Since, I think, this is the second time that we have discussed this issue in a week, it is hard to argue that Parliament is not having a say. We have followed the usual procedure: we have tabled a statutory instrument, which the hon. Gentleman and his party leader, the hon. Member for Westmorland and Lonsdale (Tim Farron), are free to pray against, and which then goes through the usual channels. This is a perfectly normal procedure.

Richard Graham (Gloucester) (Con): There appear to be two frequent misunderstandings about the legal judgments: first, that the Government amendment amounts to a cut, and, secondly, that people with mental health disabilities get less under PIP than under DLA. So will my right hon. Friend confirm again that actually there is no cut at all to people who previously had an award through PIP, and, secondly, that actually those with mental health disabilities get more under PIP than they did under DLA?

Damian Green: I am happy to reassure my hon. Friend that nobody who had an award from the Department for Work and Pensions will have that award reduced, and indeed that PIP is demonstrably a much better benefit than DLA for people with mental health conditions. Is there room for improvement? There is always room for improvement in life.

Stephen Timms (East Ham) (Lab): This is a cut and it directly targets people with mental health problems. The regulation, which is taking effect tomorrow, inserts

into the qualifying conditions for PIP, in the section about planning and following a journey, the phrase “For reasons other than psychological distress”.

Why is psychological distress being carved out in this way, and a cut made as a result?

Damian Green: I am afraid that the right hon. Gentleman is simply wrong in his premise. A person

“with cognitive or sensory impairments who cannot, due to their impairment, work out where to go, follow directions or deal with unexpected changes in their journey”

even when the journey is familiar, would score 12 points under descriptor F on mobility activity. I apologise for getting into the technical weeds here, Mr Speaker. Hence, that person would be entitled to the enhanced rate of the mobility component. That is the situation that pertains now, and that is why more people with mental health conditions are getting the higher rate of PIP—three times as many as did so under DLA—so it is simply not the case that this discriminates against people with mental health conditions.

Dr Tania Mathias (Twickenham) (Con): Will the Minister ensure that the mobility factor in PIP is maintained? It is important to all of us in the community. It is vital for all of us that our friends and family who have mental health problems, dementia or cognitive problems from strokes are out and about and visible in our community. Can he assure me that the descriptors and assessments are formulated according to need, and that no condition is ever excluded?

Damian Green: My hon. Friend’s last remark is precisely right, and I can give her the assurance that she seeks. PIP is about the effects on daily life or on mobility. It is not based on the underlying condition. That was the key change when PIP was introduced, and of course we are maintaining that.

Kate Green (Stretford and Urmston) (Lab): I want to understand exactly what the Secretary of State said a few moments ago when he said that nobody would face a cut in their benefit. Did I understand him correctly when he said that, while people would not see their initial DWP benefit award cut as a result of these regulations, they could see their benefit reduced to the original award level when the benefit has been increased by a tribunal and these regulations now supersede the judgement of that tribunal?

Damian Green: That is indeed what I said. We think that there may be a handful of people whose appeals have gone through the courts in this very small period, and that money will not be clawed back from them. That is what I said earlier on.

Mr David Burrowes (Enfield, Southgate) (Con): Will the Secretary of State make it crystal clear that the Government’s original intention for PIP, as outlined in the Welfare Reform Act 2012, remains? It was stated:

“The PIP assessment will look at disabled people as individuals and not just label them by their health condition or impairment.”—*[Official Report, 26 November 2012; Vol. 554, c. 148W.]*

Damian Green: I am happy to confirm that to my hon. Friend. I think that he and I would agree that that was a significant step forward when it was introduced,

and I am determined that we maintain progress in that direction so that people who have a disability—whether a physical or mental impairment—can lead as full a life as possible.

Sammy Wilson (East Antrim) (DUP): I agree with the Minister that we need to have a discussion on this whole issue. However, these changes have been introduced without such a discussion, and the assessment has been made that 160,000 current claimants will be ruled out as a result of the changes. Does the Minister dispute that? Is he contesting his own Department's assessment?

Damian Green: No. I think that the hon. Gentleman has slightly misunderstood the effect of the court case. I am not changing anything; I am just putting forward regulations that restore us to where we were in November. The court case said that the regulations were unclear and suggested changes that would indeed, conceivably, apply to very large numbers of people. So what we are doing with these regulations is simply returning to the position that was there before.

Kevin Foster (Torbay) (Con): It is appropriate to be discussing this on the day on which the Devon Partnership NHS Trust's mental health services have been rated "good" by the Care Quality Commission. This marks some improvement. Given the erroneous comments that we keep on hearing about cuts, will the Secretary of State confirm that the constituents who are getting in touch with me who have had an award from the DWP will not see any reduction in what they are receiving?

Damian Green: I extend my congratulations to the Devon Partnership NHS Trust. I am glad to hear that mental health services are good in my hon. Friend's part of the world and yes, absolutely, those who have had an award from the DWP will continue to get that award in the normal way.

Owen Smith (Pontypridd) (Lab): Further to the Secretary of State's response to my hon. Friend the Member for Stretford and Urmston (Kate Green), will he confirm that he is saying that some people who have been awarded additional resources by a tribunal will see their income cut as a result of these regulations? Will he also confirm that an extraordinary number—89%—of the relatively low number of appeals relating to PIP are overturned? Does that not show that there is something deeply wrong with the system?

Damian Green: I think the problem that the hon. Gentleman identifies with the system as it is running at the moment is that a huge number of the very small number of people who go to appeal introduce new evidence during the appeal process. That is the main reason why the figures are as he says. It is clearly better all round—not least for the avoidance of delay for claimants—if we can get all the medical evidence in at the start of the process. That might well preclude the necessity of any kind of reassessment or appeal in the first place.

David Rutley (Macclesfield) (Con): I am grateful to my right hon. Friend for the clarification that he has provided today. What steps is he taking to meet and engage with charities and other stakeholders to clarify the impact of these regulations?

Damian Green: The Minister for Disabled People, Health and Work and I are in constant contact with charities and other groups concerned with this area, precisely because we want to improve the system in a systematic and coherent way so that we are not simply responding to individual cases in front of the courts. I am sure everyone would agree that that is a more sensible way to proceed in continuing the improvements we have seen under PIP.

Chris Stephens (Glasgow South West) (SNP): I asked the Secretary of State this question two weeks ago. If he is arguing that the purpose of PIP is to cover the extra costs that people incur because of a disability, why are those with mental health conditions being paid a lower rate than someone with a physical disability if they struggle to plan or follow a journey?

Damian Green: They are not. I can only repeat what I have said before, and if necessary, I will quote the facts again, or the detailed case that I gave to the right hon. Member for East Ham (Stephen Timms). I could go into the details, but I suspect that your patience would be tested by that, Mr Speaker. Do you want me to read the descriptors out again? [*Interruption.*] But seriously, the point is that it is perfectly possible to qualify for the standard rate or the enhanced rate purely with a mental health condition, so it is not the case that people with mental health conditions are discriminated against.

Mr Philip Hollobone (Kettering) (Con): You have just indicated, Mr Speaker, that your patience would not be tested were the Secretary of State to give a detailed example that might clarify the situation for the House. May I invite him so to do?

Damian Green: Let me read it out again. A person "with a cognitive impairment who cannot, due to their impairment, work out where to go, follow directions or deal with unexpected changes in their journey", even when the journey is familiar, would score 12 points under descriptor F on mobility activity 1, which covers planning and following journeys, and hence be entitled to the enhanced rate of the mobility component. Examples of such conditions could include dementia or a learning disability such as Down's syndrome. I hope that that reassures you, Mr Speaker, and the whole House.

Derek Twigg (Halton) (Lab): I want to press the Secretary of State on the question of assessments. Will he look again at the quality and professionalism involved? I just cannot understand why some of the people who come to see me have not been awarded their benefit. I have had experience of cases such as these over a number of years now, and I have never come across such difficult cases as those I have seen recently.

Damian Green: I am happy to reassure the hon. Gentleman that I am already doing that. As I said in answer to a previous question, the chairman of the SSAC is doing one of his regular reports on PIP as a whole, and that will focus very much on the quality of assessments. I take the hon. Gentleman's point, and we are all concerned to ensure that the assessments are not only of high quality but consistent across the country. That is an important improvement that I want to see in the system.

Andrew Stephenson (Pendle) (Con): Will the Secretary of State confirm that this Government are investing more in benefits for disabled people and more in mental health than ever before?

Damian Green: I can confirm that, and I have already quoted the specific figure for disability benefits. We now spend £11.4 billion on mental health services every year, and we will be spending more on disability benefits in every year of this Parliament than was spent in 2010.

Ms Margaret Ritchie (South Down) (SDLP): In the view of the mental health charity Mind, the new regulations and guidance contradict the stated aims of the primary legislation. What information has been transferred to the Department for Communities in Northern Ireland, where parity applies, regarding the new guidance? Will the Secretary of State ensure that the regulations are taken off the table to allow a full debate in Parliament and to ensure that nobody with a mental health impairment is financially penalised in any way?

Damian Green: I can only repeat that the regulations, which are being returned to their original state, do not discriminate against people with mental conditions. If anyone observing these proceedings is unnecessarily worried by that assertion, I regret that. I am happy to assure the hon. Lady that the Minister for Disabled People, Health and Work has made direct contact to ensure that information is flowing properly.

Ian C. Lucas (Wrexham) (Lab): The only clarity and certainty that PIP is bringing to my constituents is real distress every day. At 12.14 pm today, I received an email that said:

“I would be grateful if you would contact PIP and address my complaint about taking PIP off me. I do fear that this has caused me to consider taking my own life”.

Complaints of that type come in to our constituency surgeries on a daily basis. The system is broken. It needs to be completely revisited and reconstructed. It cannot be mended.

Damian Green: I do not agree with the hon. Gentleman. Any benefits system will obviously have difficult individual cases, and decisions have to be made, but to say that the whole system is broken is going much too far. I can only point out that just 3% of all PIP claims are overturned on appeal, which suggests that the benefit is largely working for the vast majority of people who receive it, but there will always be individual cases where people disagree with the assessment.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): It is clear from the Social Security Advisory Committee's letter to the Minister for Disabled People, Health and Work that there is some confusion outside the Department about the policy intent and the psychological distress of planning and following a journey. We need much greater communication from the Department, so when we can expect an updated version of the PIP assessment guide?

Damian Green: As I am sure the hon. Lady knows, we redo the assessment guide on a regular basis, and the next changes will be available in the next couple of months. It is freely available on the internet for hon.

Members to view. It is not some secret guide that goes out to assessors from the Department; all the guidance is public.

Liz McInnes (Heywood and Middleton) (Lab): Only last week, I was contacted by a constituent who has been refused PIP despite having previously been in receipt of DLA. She managed to get to her assessment only because her daughter took her and supported her through it. However, the physiotherapist who did the assessment said that her mental health issues were insignificant because she had managed to attend and to communicate with him. Does the Secretary of State agree that for the process to be fair, the person doing the assessment should, as a bare minimum, be qualified in the appropriate medical specialty?

Damian Green: It is obviously impossible to generalise from one case, but if the hon. Lady wants me to look at that case, I will be happy to do so. We are determined to maintain the highest levels of professionalism among the healthcare professionals who do the assessments.

Neil Gray (Airdrie and Shotts) (SNP): The transition from DLA to PIP has been incredibly distressing, and the new assessment criteria and the number of Motability cars that have been returned only to be reissued on appeal are just two examples of why. Now there is this rushed, unscrutinised decision. Given the repeated questions from Members on the Opposition Benches about constituency cases, is the Secretary of State concerned about the erosion of our constituents' trust in the system?

Damian Green: No, because I do not believe that to be the case. Of the many people who receive PIP, vast numbers find it satisfactory and a better benefit than DLA. Specifically on mental health conditions, far more people receive PIP than received DLA, so I just do not accept the hon. Gentleman's basic analysis of the situation.

Clive Efford (Eltham) (Lab): Will the Secretary of State guarantee that no PIP assessors are required to turn down a quota of their assessments? I find it impossible to understand some of the decisions they make. There can be an arm's length of medical evidence in front of them, but they turn some people down, particularly those with mental health issues. If he does not know the answer, will he go away and investigate the situation? Something is wrong. So many examples have been given to him that he cannot dismiss them as the odd case.

Damian Green: I absolutely assure the hon. Gentleman that no pass or fail quota is given to any assessor.

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): I refer the House to my entry in the Register of Members' Financial Interests. As chair of the all-party parliamentary group for disability, people from across the UK continually contact me to say that the process contains little assessment of psychological problems and does not seek information from mental health practitioners. The Secretary of State must be aware that a cognitive impairment is just not the same as a mental health problem. In fact, neither dementia nor a learning disability, the examples he gave, is a

mental health problem, so he should go back, do his homework and find out what a mental health problem actually is.

Damian Green: I can give other examples that do include mental health issues, but I understand the hon. Lady's point that there are obviously different forms of condition. Cognitive impairment is not necessarily the same as a mental health impairment, which covers a much wider and, in many cases, different range of conditions. However, all of them are covered fairly by PIP, so the contention from Opposition Members that the benefit is somehow bad at source is wrong. I can see that when I look at the number of people receiving it, particularly those with mental health conditions, who have not received any benefit in the past. I hope that the House will acknowledge that fact.

Michael Fabricant (Lichfield) (Con): I have been listening to these exchanges, and I am trying to judge to what extent there is controversy over PIP. There clearly is controversy in this Chamber, and I do from time to time get letters from constituents regarding PIP. However, will my right hon. Friend indicate what percentage of total claims are disputed?

Damian Green: As I have just said, 3% of all claims are overturned on appeal. Now 3% represents many cases, and as I have said various times today, I am always looking to improve the situation and ensure that assessments are better and more consistent. However, having only 3% overturned does not give rise to the picture painted by many Opposition Members that the system is in some way broken.

Julie Cooper (Burnley) (Lab): Does the Minister accept that many people with mental health issues who apply for PIP are so distressed by the whole process that they never even go to appeal when they are turned down? Also, far from spending more on this, we are actually spending less as a proportion of our GDP.

Damian Green: I am not entirely clear about the hon. Lady's last point. I am unsure whether she wants a target percentage of GDP for particular benefits, which seems a slightly odd way to run the welfare state. On her first point, I do not want to weary the House by repeating what I have said before, but ensuring that people with mental health conditions have proper access to benefits is and always has been extremely difficult. We are spending so much money across Government—£11.4 billion this year—on mental health conditions precisely to remove some of the barriers preventing people from claiming benefits to which they are entitled.

Alan Brown (Kilmarnock and Loudoun) (SNP): Earlier, the Secretary of State blithely said that there would be further updates and guidance in a couple of months. A couple of months is not good enough. What is he doing now to make sure that assessors have the correct information to properly assess claimants and provide them with the support they need?

Damian Green: Assessors work from the PIP assessment guide, which is available for scrutiny by Members and the public. Assessors are given that guidance in the most transparent and public way possible.

Lilian Greenwood (Nottingham South) (Lab): The Royal College of Psychiatrists, charities including Rethink

Mental Illness and Scope, the Select Committee on Work and Pensions and many of our constituents all tell us that the Government are failing properly to support all disabled people who need help. Now the Social Security Advisory Committee has said that the Government should not proceed with the changes without further testing and consultation. What does it take to get the Secretary of State to listen?

Damian Green: I do not agree with the hon. Lady's characterisation of what the SSAC said. The SSAC has the power to consult if it wants to recommend that we should not proceed, and it has specifically decided not to do that kind of consultation. Her characterisation of what the SSAC has said is off beam.

Gavin Newlands (Paisley and Renfrewshire North) (SNP): Thousands of disabled people who rely on the Motability scheme have had their car removed by this Government. In November 2016 the Minister for Disabled People, Health and Work said that the Government were looking at allowing PIP claimants to keep their car pending appeal, and possibly at widening access to the scheme. Three weeks ago the Prime Minister was unable to answer my question and update the House on the progress of that review, and she promised to write an as-yet undelivered letter to me. Can the Secretary of State update the House today?

Damian Green: Not with any detail. We are conducting a review, and when that review is finished I will update the House.

Mary Glindon (North Tyneside) (Lab) rose—

Chris Bryant (Rhondda) (Lab) rose—

Mr Speaker: I call Mrs Mary Glindon.

Mary Glindon: Further to a previous question, Muscular Dystrophy UK has said today that figures show that 900 mobility vehicles a week are being removed from people due to the PIP reforms but that many of the vehicles are subsequently returned on appeal. Will the Government ensure that a mobility vehicle cannot be taken away from any individual until there is a final decision on their eligibility for the enhanced rate?

Damian Green: We constantly work closely with Motability and, as I said in answer to the hon. Member for Paisley and Renfrewshire North (Gavin Newlands), we are currently reviewing the whole scheme, so I beg the House's patience while we conduct that review.

Chris Bryant: Thank you very much for spotting me, Mr Speaker. The Secretary of State seems to think—he has said it several times now—that just because we prayed against the statutory instrument, we are bound to have a one-and-a-half hour debate and a vote. That is completely untrue. The only person who can guarantee a debate and a vote is the Secretary of State. I promise not to tell anyone else, but if he could stand up now and be completely unambiguous in telling us that we will have a debate and a vote in this Chamber, we would be very grateful.

Damian Green: In his long and distinguished career, the hon. Gentleman has been shadow Leader of the House, so he knows perfectly well that such things are a matter for the usual channels. It is therefore somewhat above my pay grade.

Visible Religious Symbols: European Court Ruling

1.24 pm

Mrs Maria Miller (Basingstoke) (Con) (*Urgent Question*): To ask the Parliamentary Under-Secretary of State for Women and Equalities if she will make a statement on the recent Court of Justice of the European Union ruling allowing employers to ban workers from wearing religious dress and symbols in the workplace.

The Parliamentary Under-Secretary of State for Women and Equalities (Caroline Dinenage): I thank my right hon. Friend for raising this important issue and for giving the Government an opportunity to inform and, I hope, reassure the House about the two Court of Justice of the European Union judgments issued yesterday. The Government are completely opposed to discrimination, including on grounds of gender or religion, or both. It is the right of all women to choose how they dress, and we do not believe that the judgments change that. Exactly the same legal protections apply today as applied before the rulings.

In both the Achbita case and the Bougnaoui case, the judgment was that there was no direct discrimination, but that there was some discrimination. A rule is directly discriminatory if it treats someone less favourably because of their sex, race, religion or whatever. A rule is indirectly discriminatory if, on the face of it, it treats everyone the same, but some people, because of their race, religion, sex and so on, find it harder to comply than others do. Indirect discrimination may be justifiable if an employer is acting in a proportionate manner to achieve a legitimate aim.

The judgments confirm the existing long-standing position of EU and domestic law that an employer's dress code, where it applies to and is applied in the same way to all employees, may be justifiable if the employer can show legitimate and proportionate grounds for it. Various cases show that such an employer needs to be prepared to justify those grounds in front of a court or tribunal if need be. That will remain the case and that is the case with these judgments, which will now revert to the domestic courts.

I am aware of some concern that the judgments potentially conflict with the judgments of the European Court of Human Rights, particularly in the case of Nadia Eweida, the British Airways stewardess banned from wearing a small crucifix but whose case the ECHR upheld. We do not believe that the different judgments are in conflict. Both the CJEU and the ECHR were trying to assess the balance in each case between the religious needs of the employee and the needs of the employer. In Eweida, the assessment favoured the employee; in another ECHR case, and also in the Achbita case, the assessment favoured the employer. We will still take action to ensure that the current legal position is set out. We will be working with the Equality and Human Rights Commission to update guidance for employers on dealing with religion or belief in the workplace. The guidance will be revised to take account of the CJEU judgments, too. We will make it absolutely clear to all concerned that the Equality Act 2010 and the rights of women and religious employees remain unchanged.

Like any judgment of the CJEU, for the time being, Achbita and Bougnaoui need to be taken into account by domestic courts and tribunals as they consider future cases. The law is clear and remains unchanged. However, because of our absolute commitment to ensuring that discrimination and prejudice are never encouraged or sanctioned, we will keep the issue under very close review.

Mrs Miller: In this country, we have a long tradition of respecting religious freedom and, frankly, many people will listen in disbelief to the Court's ruling that a corporate multinational such as G4S risks having its corporate neutrality undermined by a receptionist in Belgium wearing a headscarf. At what point did the law decide that expressing religious belief through a cross, a turban or a headscarf is a threat to organisational neutrality? Here in the House of Commons, our staff pride themselves on their neutrality, but will such organisations be forced to consider this new ruling? If not, in what circumstances could an organisation legitimately require such neutrality from its workers? Surely there are serious potential implications for those who deliver public services.

One group is specifically affected—Muslim women, who already experience twice the unemployment rate of the general population. The Government need to monitor the situation carefully to ensure that employers do not use the ruling to effectively exclude thousands of Muslim women from the workplace.

We are leaving the EU soon, but the ruling will potentially continue to influence the way in which the Equality Act is interpreted by the courts. Parliamentarians need clarity, workers need clarity and employers need clarity, and we want to ensure that this ruling does not have damaging consequences for freedom of religious belief in our country.

Caroline Dinenage: My right hon. Friend is right to raise this case. As I said, the UK has some of the strongest equality legislation in the world and our laws give people robust protection from religious discrimination in the workplace. It is and remains unlawful to directly discriminate against someone because of their religion or to create spurious rules that would prevent them from wearing religious clothing or jewellery. Employers can enforce a dress code, but it must be for proportionate and legitimate reasons, and must apply equally to all employees. If an employer wants to have a neutral dress code with no religious symbols being worn, it must apply equally to all employees and all religions.

Dress codes are a matter for individual employers and will depend on the particular type of work involved, the environment and the safety considerations, above all. The CJEU has found that these cases would constitute indirect discrimination and has referred them back to the national courts to consider whether, based on the specifics, they would be unlawful. The UK's legal position has not changed. The EHRC has already published guidance for employers on religion and belief in the workplace, and we will work with it to update that guidance to take account of these rulings and to carefully explain how they should be interpreted in UK workplaces. But I must reiterate that this Government are absolutely committed to supporting people into work whatever their background, making Britain a country that works for everyone and not just the privileged few.

Sarah Champion (Rotherham) (Lab): I thank the right hon. Member for Basingstoke (Mrs Miller) for raising this important issue. The ruling is not as clearcut as press articles would have us believe, but it does raise real concerns about religious freedom in the workplace, including for Muslim women who choose to wear the hijab. When making their ruling, the judges relied on the concept of workplace policies that require neutrality. Neutrality has specific cultural significance in Belgium and other European countries, based on their particular meaning of secularism, which does not resonate in Britain. Does the Minister agree that this concept of neutrality is illogical, as a customer, patient or service user could not make a valid assumption as to the religious persuasion of a company, or perceive that a company is particularly favouring one religious group or another, by virtue of how its employees dress?

Women and men must be allowed to choose their expression of faith. Simply put, this judgment is not consistent with the British liberal and human rights tradition. Of real concern are the implications that this may now have for faith communities. Already, the far right across Europe is rallying on the judgment. I thank the Minister for making a clear statement today that people can express their faith, in a professional manner, in the workplace, but can she confirm that this Government believe that preventing women from wearing the hijab, as exemplified in this case, is simply and unconditionally wrong?

What is the Government's position on the concept of a dress code for staff that requires neutrality in the workplace? I am pleased that the Minister has confirmed that she will be working with the EHRC on updating the guidance to employers on this ruling. Will she confirm that it will reinforce the rights of employees in the UK to express their religious freedom?

G4S holds a number of Government contracts. Has the Minister reinforced with G4S, the employer in this situation, its employees' rights to wear clothing necessary for their religious practice in the UK?

Caroline Dinéage: It would be helpful if I were to talk a little about the background to this, in order to aid our wider understanding. We are dealing with two cases here. The first, Achbita, was about whether a dress code banning the outward expression of personal belief was directly or indirectly discriminatory against a female Muslim who was sacked for wearing a headscarf. The second, Bougnaoui, concerned the same point, but it also raised the issue of whether a customer's request not to be served by an employee wearing a headscarf can be a genuine occupational requirement. The ruling confirmed the current position under EU and domestic discrimination law: that a dress code that applies and is applied in the same way to all employees does not constitute direct discrimination but may constitute indirect discrimination. However, importantly, an employer's willingness to take account of a customer's wishes about staff wearing religious dress does not constitute a genuine occupational requirement. It is very important to point that out.

As I have stated, employers can enforce a dress code, but it must be proportionate and legitimate, and must apply equally to all employees. If an employer wants a neutral dress code with no religious or political symbols being worn, that must equally apply to all employees and religions. However, it remains unlawful to directly

discriminate against someone because of their religion and to create any kind of spurious rules that will prevent the wearing of religious clothing or jewellery. The Government take this very seriously. Hate crime of any form will not be tolerated. The Government will not stand by and let that happen. We are very clear about where we stand on this. People will be protected in their workplace and, as I said, we will be reinforcing the guidance on religion and belief in the workplace which the EHRC has published. We will be making sure that employers are well aware of their responsibilities in that way.

Sir Eric Pickles (Brentwood and Ongar) (Con): I am very pleased to hear that the Government are going to issue new guidelines. I hope that they will reflect British values, which demand that Muslim women should be able to wear the hijab, that Sikhs should be able to wear a kippah and that Christians can wear a cross. If we remove that basic right, the nature of British values changes. Any company that wants to be neutral and to deny its employees the ability to express their religion takes away from those employees and is fundamentally not British.

Caroline Dinéage: My right hon. Friend is absolutely right; the Government believe, and I believe, that people need to be able to feel strong in their religious identities, and we are ensuring that the voices of people of faith can be heard up and down this country. As now, any dress code or dress ban that an employer imposes must be for legitimate and proportionate reasons, and the employer must be prepared to defend it before a court or tribunal if necessary. Ultimately, those dress codes are for individual employers to decide on, but we are clear that any form of discrimination on the grounds of religion or faith will not be tolerated and is unlawful.

Neil Gray (Airdrie and Shotts) (SNP): This is an incredibly sensitive issue which will cause concern across these isles. It is clear that right-wing leaders across Europe have already attempted to misrepresent the ruling for their own ends, so I hope that we will see clear leadership from the UK Government to counter that rhetoric and ensure that it does not take hold here.

What the Minister has already said and what the Prime Minister said earlier is a good start. We should be absolutely clear that women and men should be free to choose what they wear, and we certainly should not be discriminatory on the basis of religion. The Court of Justice judgment ruled that uniformity is key in any workplace policy on religious or political neutrality, and that this cannot be applied on an ad hoc basis. However, there are concerns about the potential for this to be hijacked by some for the purpose of anti-Muslim or similarly intolerant sentiment. If Police Scotland can decide to include the hijab as part of its uniform, what action will the UK Government take to ensure that discrimination against individuals of any religion will not be tolerated in the workplace?

Caroline Dinéage: The Prime Minister was very clear that what a woman wears is her choice and no one else's. Obviously, there is a clear difference in the following respect: it would be ridiculous to presume that, if someone wanted to wear loose clothing or dangling jewellery

[*Caroline Dinéage*]

when working in or around machinery, it was sensible to allow them to do so in contravention of any health and safety considerations. But in normal day-to-day jobs it would seem to be very ill-advised to prevent people from wearing the items of clothing that reflect their religious faith or belief.

On what the hon. Gentleman says about the far-right response, let me say that we have one of the strongest legislative frameworks in the world to protect communities from hostility, violence and bigotry. We keep these policies under review all the time, as we want to ensure that they remain effective and appropriate in the face of any kind of new and emerging threats. He must be assured that those who perpetrate hate crimes of any kind will be punished with the full force of the law.

Michael Fabricant (Lichfield) (Con): I am heartened by the Minister's robust response to this. My experience in France has been that the attitude there towards the wearing of the hijab has exacerbated problems between different sections of the community. Just the other day, I saw a Sikh police officer wearing a turban, which just demonstrates our tolerant attitude in this country. So I commend the Minister and ask—as I must do to keep in order—that she maintains this position.

Caroline Dinéage: Multiculturalism and the multiplicity of different faiths and religions in this country is one of our great strengths. We should recognise that many people follow their faith and that some people follow none, but we want a society that treats people equally and with respect, whatever their faith happens to be, or if they have none.

Rushanara Ali (Bethnal Green and Bow) (Lab): The Minister will appreciate how distressing the ruling is, not only for British Muslim women who choose to wear the hijab but for many other faith communities. She will be aware that G4S, the British company involved, has form. It presided over a shambolic temporary jobs arrangement during the Olympics, when the British Army had to be brought in. First, will G4S's Government contracts be reviewed, because what it has done is unacceptable and un-British? Secondly, once the Government have worked with the EHRC to reform the guidance, will the Minister report to Parliament to reassure us that, as Members on both sides of the House have stated, British values, which are distinct from the ruling, are upheld, and that the right of women to wear what they wish to wear in the workplace, within reason and with reasonable accommodation, is upheld?

Caroline Dinéage: The hon. Lady is absolutely right to point out that women should be respected; indeed, all workers and their religious individuality should be respected. Employers have a right to enforce a dress code, but she is right to point out that certain employers interpret that right differently from others. We certainly take religious tolerance, and tolerance more generally, into consideration when considering Government contracts. This situation is a shame, because we are very tolerant in this country and we are making massive progress. Some 45% more Muslim women were in work in 2015 than in 2011. We know that there is much more to do to

ensure that no one is left behind, but we are committed to supporting people in their workplace, whatever their background, which is why it is so important that this issue was brought to the House today.

Mr David Burrowes (Enfield, Southgate) (Con): Will the Minister confirm that in this country a member of an airline's cabin staff or a receptionist has the right to express their faith freely by wearing a cross or a headscarf, and that that cannot be suppressed by any so-called neutral dress code?

Caroline Dinéage: Yes, my hon. Friend is absolutely right that people are entitled to express their religious thoughts or beliefs in what they wear. It becomes an issue only if there is some kind of health and safety aspect. As I have said before, companies are entitled to enforce their own dress code, but it is very clear that that dress code must apply equally to all employees, whatever their faith, religion or gender, and the Government are keen to promote that.

Lady Hermon (North Down) (Ind): I am very troubled by the judgments. If the provisions of the CJEU's judgments are held to be directly effective, they can be relied on by employers in the UK without further ado. In my estimation, that would be deplorable. Will the Minister confirm that the Government are keeping open the option of legislating—and, indeed, the option of introducing emergency legislation—to make sure that the United Kingdom's very fine laws on discrimination, which uphold one's right to manifest one's views and religion, are not undermined by the CJEU? The assurance that the Government will turn to legislation, should the need arise, would be very helpful.

Caroline Dinéage: It is important to point out that the CJEU judgement is advice that goes back to the nations that brought forward the cases. Each country has the right to enforce the judgment in the way it sees fit. I am confident that the UK has some of the strongest equalities legislation in the world, including the Equality Act 2010, which enshrines equality in domestic law. Nevertheless, we will always keep that under review to ensure that people continue to be protected in the best possible way.

Several hon. Members *rose*—

Mr Speaker: Mr Lefroy, what has happened? The feller was standing earlier. The House wants to hear him.

Jeremy Lefroy (Stafford) (Con): Mr Speaker, I apologise: my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) asked the question I was going to ask, and I did not want to detain the House any longer.

Mr Speaker: Extraordinary self-effacement; the hon. Gentleman is setting a very dangerous precedent.

Dr Matthew Offord (Hendon) (Con): Although the judgment applies to men and women, does the Minister agree that it sends an appalling message, particularly to Muslim women in places such as my constituency? Will she reassure me that she will take tangible action to reassure specific faith communities that the United Kingdom certainly will not go down this route?

Caroline Dinenge: Yes, that is really important, and my hon. Friend is absolutely right to point it out. The Government are working so hard to tackle the barriers faced by different black and minority ethnic groups. We are engaging Muslim communities through a number of faith and integration projects; we are developing a new English language offer that will be targeted at Muslim women but available to other groups; and we are trialling new and innovative ways for Jobcentre Plus to engage with and tailor their services to BME communities. I hate to think that all the good work we are doing to build trust and faith in communities would ever be undermined.

Mr Chuka Umunna (Streatham) (Lab): I do not like this word “tolerate.” In this country, we do not tolerate people; we respect and embrace all cultures. Despite that, we know that Islamophobia is not only widespread but rampant. As a solicitor, for the best part of a decade I advised employees and employers on employment law. My worry is that those who read the reports on the CJEU decision will see it as a green light to engage in further discrimination in the workplace. What specifically will the Government do to ensure that employers do not take from the judgments the idea that they can carry on discriminating, particularly against Muslim women, who are more likely to be discriminated against in the workplace than many other groups?

Caroline Dinenge: As I have already made clear, we are working closely with the Equality and Human Rights Commission to update guidance for employers on dealing with religion or belief in the workplace. Nevertheless, we will continue to revise the guidance so that it takes account of the judgment. We want to be absolutely clear to all concerned that the Equality Act remains unchanged, as do the rights of women and religious employees, which we will continue to protect.

David T. C. Davies (Monmouth) (Con): I am sure I am not alone in seeing a big difference between a headscarf, crucifix or turban, and the burqa or niqab. How will the judgment affect the two police forces of which I am aware that currently state they are willing to consider applications from female police officers who might want to wear a full niqab or burqa?

Caroline Dinenge: The Government wholeheartedly support the invaluable work being done by people throughout the country who are inspired by that faith. If it is safe for them to continue to wear their religious garments while doing their job, we very much feel they should be encouraged to do so.

Shabana Mahmood (Birmingham, Ladywood) (Lab): This ruling sends an appalling message to faith communities in our countries, and many visibly religious people at work today will feel more scrutinised and more insecure as a result. The ruling also creates a lower threshold for religious freedom than we enjoy under UK legislation. Many thousands of people in my constituency are affected; they need a clear and continuing signal from the Government that they will support our national legal settlement. I am grateful for what the Minister has already said on that, but how will she and the Government monitor the ruling’s impact on employees currently in

the workplace? What steps will she take to prevent any further marginalisation of visibly religious people in the workplace?

Caroline Dinenge: The hon. Lady is absolutely right to raise that issue. The Government believe that people need to be able to feel strong in their religious identities. We have to continue to ensure that the voices of people of faith are heard in Government. We should recognise that people are completely free to follow their faith. We want a society that treats people equally and with respect, so we will always keep this matter under review and take the necessary action if and when it becomes apparent that we need to.

Mr Philip Hollobone (Kettering) (Con): This is a complicated issue, but my constituents in Kettering would view it as yet another inappropriate judgment from a European court, telling us what to do when we have not sought its advice in the first place. Will the Minister clarify what power the ECJ will have over this country once we have left the European Union?

Caroline Dinenge: We know we are leaving the European Union. We are committed to a successful withdrawal and to forming a new relationship with Europe, and at that stage the court will have no power. We will preserve all the rights that employees currently enjoy and ensure that the robust protections that European legislation affords them are enshrined in domestic law.

Sarah Olney (Richmond Park) (LD): The Minister talks about neutral dress codes applying to both genders, but does she accept that even if a no-headscarves rule applies to both genders it effectively discriminates against only women, and that a no-turbans rule effectively discriminates against only men? Is not something more robust required?

Caroline Dinenge: It is absolutely clear that a no-headscarves rule or a no-turbans rule would be illegal, as it would constitute direct discrimination. The only form of discrimination that is allowed is a blanket ban on any form of religious clothing or symbols, under the legislation referred to in yesterday’s court case.

Andrew Stephenson (Pendle) (Con): Many of my constituents feel that the ban clearly targets Muslim women who wish to wear the hijab. Given the improving but still below-average employment rate among Muslim women, does the Minister not feel that the ruling sends out completely the wrong message as we try to build a country that works for everyone?

Caroline Dinenge: It does send out an unhelpful message, particularly as this Government take really seriously discrimination in any form. We will renew our efforts to ensure that no one is held back by any outdated attitudes or practices.

Yasmin Qureshi (Bolton South East) (Lab): A person’s ability to do 99.9% of jobs, including that of security guard, is not affected by whether they wear a skull cap, headscarf, turban, cross, mangalsutra or tilaka. Can this ECJ judgment be rejected in domestic law to prevent confusion among employers about its having any bearing on this country? As G4S receives public funding and is discriminating against people, can its contract be reviewed?

Caroline Dinéage: Domestic equality legislation is very clear. Employers do not need to change any legitimate policies on dress code in the workplace, but it is vital that employers and employees understand what the law allows them to do, and that is what this is about. We do not want any employers mistakenly thinking that this ruling gives them any authority to sack public-facing staff who wear headscarves or any other religious symbols. Those protections are already clear in domestic law, and we will always make sure that they are most strongly enforced.

David Rutley (Macclesfield) (Con): At a time when many Members of this House—both across parties and in the Government—are working to promote the principles of freedom of religion or belief internationally, does my hon. Friend agree that it is vital that we work hard to protect long-standing religious freedoms here at home?

Caroline Dinéage: Yes, my hon. Friend is absolutely right. We have one of the strongest legislative frameworks in the world to protect communities from hostility, violence and bigotry. We continue to promote that on the world stage, as it is fundamental to everything this country stands for—tolerance and the embracing of other cultures as we make them part of our national identity.

Stephen Timms (East Ham) (Lab): This is a worrying judgment for all people of faith. Has the Minister seen that the Church of England this morning described the judgment as “troubling”? Will she confirm that she understands why the Church of England has taken that view, and that it is right to do so?

Caroline Dinéage: The right hon. Gentleman is right to bring that up, because the judgment applies to religious symbols, whatever the faith of the individual who happens to be wearing them. The ruling will be equally troubling for the Church of England, for people of Muslim faith, for people of whatever faith and indeed for people of none.

Wes Streeting (Ilford North) (Lab): Sophia Dar, a Muslim woman in my constituency, was attacked in broad daylight on Oxford Street, one of the busiest shopping streets in the world, let alone London, by a man who forcibly tried to remove her hijab from her head. Do not these judgments reinforce a sense that other people have the right to tell people of faith what they can and cannot wear and how they choose to practise or not practise their faith? In addition to the very welcome guidelines to which the Minister has committed today, will she look at what we can do to enforce existing laws that protect people from religious discrimination so that the attacker of my constituent is brought to very heavy justice?

Caroline Dinéage: I am very sorry to hear about the hon. Gentleman’s constituent. That sounds like a very distressing thing to happen. Those who perpetrate hate crimes of any kind will be punished with the full force of the law. We are committed to tackling hate crime and have produced a new hate crime action plan that focuses on reducing hate crime, increasing reporting and increasing support for victims.

Dr Rupa Huq (Ealing Central and Acton) (Lab): We have all heard about hijabs being ripped from girls’ heads by people emboldened by the referendum result—admittedly, that was an unintended consequence of the result. I am encouraged by the Minister’s words. Will she do all she can to ensure that this illiberal judgment, which has nothing to do with workplace performance, does not have its own unwelcome by-product? Apparently, Muslim women are 70% more likely to be unemployed than non-Muslim women. The judgment could be a recruiting sergeant for Islamic extremist groups. Will she have a word with colleagues about proposed cuts to provision for English for Speakers of other languages.

Caroline Dinéage: The hon. Lady is right: hate crime, whatever form it takes, should never be tolerated. It should be punished with the full force of the law, and the Government take that very seriously.

Carol Monaghan (Glasgow North West) (SNP): I am heartened to hear the Minister’s comments and her very clear guidelines, but I am still concerned that this ruling may allow intolerant employers to ban symbols such as the hijab or even a cross on the forehead. How are the Government planning to monitor employers, and how will they make it possible for employees to report problems without fear of repercussions?

Caroline Dinéage: That is an important question. We are very clear that employers do not need to change legitimate policies on dress codes in the workplace, but it is vital that employers and employees understand what the law allows. Employers cannot act unscrupulously in some mistaken interpretation of the law, and employees must not feel that they cannot report any incidents of this kind.

Helen Goodman (Bishop Auckland) (Lab): When I was married, as part of the service my husband gave me a ring. We all know that that is culturally loaded. Wedding rings are allowed, but headscarves on young Muslim women are a problem. I ask the Minister for the fifth time—unlike the hon. Member for Stafford (Jeremy Lefroy)—what she will do about G4S.

Caroline Dinéage: Ironically, my husband did the same—I have a ring, too. The hon. Lady makes a valid point, and it is one that we keep under consideration. This is not a domestic issue and it has not happened with G4S in the UK, but we take it very seriously and will keep it in mind when making any decisions.

Kate Green (Stretford and Urmston) (Lab): I welcome the tone of the exchanges in the House and I know that they will be very well received by the many Muslim and Sikh constituents whom I have the honour to represent. I also welcome what the Minister said about new guidance to be produced by the Equality and Human Rights Commission. May I ask her to ensure that the EHRC has the resources necessary to carry out its enforcement function, about which, as she knows, there are significant concerns?

Caroline Dinéage: Let me be clear: this is existing EHRC guidance, but we will work with the commission to make sure that in the light of the most recent judgment it is updated and entirely fit for purpose. I am confident

that the EHRC has sufficient funds to do its job efficiently. The hon. Lady might be interested to know that even after some recent changes in its workforce, the commission still has four times more staff than we have in the Government Equalities Office.

Rob Marris (Wolverhampton South West) (Lab): I am the chair of the all-party parliamentary group for British Sikhs. I thank you, Mr Speaker, for again this year hosting the Vaisakhi celebration, on 18 April in Speaker's Rooms. I welcome the Minister's statement today, but will Her Majesty's Government make representations to the Governments of France and Belgium, which overtly have state-sponsored discrimination against Sikhs, including British Sikhs who move to France or Belgium?

Caroline Dinenage: That is a matter for my colleagues in the Foreign and Commonwealth Office, but we will have that conversation with them. We take discrimination seriously and will continue to ensure that no one is held back by any outdated attitude or practice.

Lady Hermon (North Down) (Ind): On a point of order, Mr Speaker.

Mr Speaker: We tend to come to points of order after statements. We can hear from the hon. Lady at that point.

Lady Hermon: It pertains to this statement.

Mr Speaker: The spirit of generosity gets the better of me. If the hon. Lady is extremely brief, we will hear her point of order.

Lady Hermon: I am enormously grateful to you, Mr Speaker. This is a very important point. The great repeal Bill will incorporate all existing EU law at the moment of Brexit. It will therefore incorporate the two judgments of the European Court of Justice that we have just discussed. Will you seek confirmation from the Prime Minister and her Government, if possible, that the two judgments will not be allowed to remain part of our domestic law one moment past Brexit?

Mr Speaker: I am extremely grateful to the hon. Lady, but I fear she invests me with a power that I do not possess. It is not for me to ask the Government to take a position one way or the other. All I would say is that I have no reason to dissent from her interpretation of the legal and, in a sense, parliamentary position. However, the whole point of that upcoming Bill to be introduced by the Government is that it imports from Europe into our law a body of material with the option then to preserve, to amend or to repeal, case by case, as the Government propose and ultimately the House decides. On the basis of the hon. Lady's expression of interest in this important matter, I feel certain that, when any such matter comes up for consideration, she will leap from her seat to acquaint the House with her views, and we all look forward to that.

Class 4 National Insurance Contributions

2.2 pm

The Chancellor of the Exchequer (Mr Philip Hammond): With permission, Mr Speaker, I wish to make a statement on national insurance contributions paid by the self-employed.

As I set out in the Budget last Wednesday, the gap between benefits available to the self-employed and those in employment has closed significantly over the last few years. Most notably, the introduction of the new state pension in April 2016 is worth an additional £1,800 to a self-employed person for each year of retirement. It remains our judgment, as I said last week, that the current differences in benefit entitlement no longer justify the scale of difference in the level of total national insurance contributions paid in respect of employees and the self-employed.

Right hon. and hon. Members will be aware that there has been a sharp increase in self-employment over the last few years. Our analysis suggests that a significant part of that increase is driven by differences in tax treatment. Her Majesty's Revenue and Customs estimates that the cost to the public finances of this trend is around £5 billion this year alone, and the Office for Budget Responsibility estimates that the parallel increase in incorporation will cost more than £9 billion a year by the end of the Parliament. That represents a significant risk to the tax base, and thus to the funding of our vital public services.

The measures I announced in the Budget sought to reflect more fairly the differences in entitlement in the contributions made by the self-employed. The Government continue to believe that addressing this unfairness is the right approach. However, since the Budget, parliamentary colleagues and others have questioned whether the proposed increase in class 4 contributions is compatible with the tax lock commitments made in our 2015 manifesto.

Ahead of last year's autumn statement, the Prime Minister and I decided that however difficult the fiscal challenges we face, the tax lock and spending ring fence commitments we have made for this Parliament should be honoured in full. I made that clear in my autumn statement to this House. As far as national insurance contributions are concerned, the locks were legislated for in the National Insurance Contributions (Rate Ceilings) Act 2015. When the Bill was introduced, it was made clear by Ministers that the lock would apply only to class 1 contributions. The measures I set out in the Budget fall within the constraints set out by the tax lock legislation and the spending ring fences. However, it is clear from discussions with colleagues over the last few days that this legislative test of the manifesto commitment does not meet a wider understanding of the spirit of that commitment.

It is very important both to me and to my right hon. Friend the Prime Minister that we comply with not just the letter but the spirit of the commitments that were made. Therefore, as I set out in my letter this morning to the Chair of the Select Committee on the Treasury, my right hon. Friend the Member for Chichester (Mr Tyrie), I have decided not to proceed with the class 4 NICs measures set out in the Budget. There will be no increases in NIC rates in this Parliament.

[Mr Philip Hammond]

For the avoidance of doubt, and as I set out in the Budget, we will go ahead with the abolition of class 2 national insurance contributions from April 2018. Class 2 is an outdated and regressive tax, and it remains right that it should go. I will set out in the autumn Budget further measures to fund, in full, today's decision.

I undertook in the Budget speech to consult over the summer on options to address the principal outstanding area of difference in benefit entitlement between the employed and the self-employed: parental benefits. We will go ahead with that review, but we now intend to widen the exercise to look at the other areas of difference in treatment, alongside the Government's consideration of the forthcoming report by Matthew Taylor, chief executive of the RSA, on the implications for employment rights of different ways of working in a rapidly changing economy. Once we have completed these pieces of work, the Government will set out how we intend to take forward and fund reforms in this area.

Reducing the unfairness of the difference in the tax treatment of those who are employed and those who are self-employed remains the right thing to do, but this Government set great store in the faith and trust of the British people, especially as we embark on the process of negotiating our exit from the European Union. By making this change today, we are listening to colleagues and demonstrating our determination to fulfil both the letter and the spirit of our manifesto tax commitments. I commend this statement to the House.

2.8 pm

John McDonnell (Hayes and Harlington) (Lab): This is chaos. It is shocking and humiliating that the Chancellor has been forced to come here to reverse a key Budget decision announced less than a week ago. If the Chancellor had spent less time writing stale jokes for his speech and the Prime Minister less time guffawing like a feeding seal on the Treasury Bench, we would not have been landed in this mess.

Let us be clear: this was a £2 billion tax hike for many low and middle earners, and a clearcut and cynical breaking of a manifesto promise. Sickeningly, at the same time as the Chancellor was cutting taxes for the rich and corporations, large numbers of self-employed people have been put through the mangle over the past week, worried about how they would cope with this tax increase, yet today there is not a word of apology. Nobody should be too arrogant to use the word "sorry" when they blunder so disastrously.

Let me thank all those who helped to force this reversal. My right hon. Friend the leader of the Labour party was the first to raise the matter in his response to the Budget. Labour MPs, many other Members across the House, the Federation of Small Businesses and several trade unions forced the Chancellor to see sense, but this blunder has consequences that he now has to address. The £2 billion that would have been raised was to go some way to tackling the social care crisis. We need to know where these desperately needed funds will come from now. We need guarantees from the Chancellor that no working people will be hit, either now or in the autumn statement, with stealth or other tax rises, and that there will be no further cuts to public services to pay for this blunder.

The Prime Minister and the Cabinet would have been briefed on the contents of the Budget in advance. Did the Prime Minister or any Cabinet Member raise their concerns with the Chancellor before he announced the measure? The Chancellor has announced a review. We need him to set a clear deadline for that review, and to give a commitment that its findings will be reported and debated on the Floor of this Chamber. We need him to address the real issues facing the self-employed: the scourge of bogus self-employment; the exploitation that goes on under that guise; the pressure from large corporations to reduce costs relating to the self-employed unrealistically; the problem of late payments; the lack of access to maternity pay; no paternity pay; no adoption pay; no sick pay; no compassionate leave; and no carer's leave. That is the real agenda that should have been addressed last week, not tax hikes.

We welcome this reversal, but we now need an honest and forthright commitment that the self-employed agenda will be addressed. These people are the engine of our economy. They deserve to be respected, not attacked in the way they were seven days ago.

Mr Hammond: To echo what my right hon. Friend the Prime Minister said in Question Time, I am rather reluctant to take lessons from the right hon. Gentleman on anything except, perhaps, chaos theory; he certainly knows something about that. He talks about being forced to make a decision. We have listened to our colleagues and the voices of public opinion. In my view, that is how Parliament should work. We listen to what our colleagues say and make our decisions based on that. As I said to the House a few moments ago, we remain clear that the issue needs to be addressed. We have recognised that there is a legitimate view that the commitments that were made need to be interpreted widely; we have said that we will interpret them in that way and not go ahead with any national insurance contributions increases in this Parliament.

The right hon. Gentleman mentioned the leader of the Labour party, who, apart from in his performance today at Prime Minister's questions, has scarcely mentioned class 4 national insurance contributions; he scarcely did so in his response to the Budget. I do not know whether the right hon. Member for Hayes and Harlington (John McDonnell) is even aware of this, but the Labour party actually has a self-employment commission, which it established last November. At the time it was established, the hon. Member for Oldham East and Saddleworth (Debbie Abrahams), the shadow Secretary of State for Work and Pensions, acknowledged the need to address the discrepancies in access to entitlements and the contributions that pay for them. Despite the understandable tone of the right hon. Member for Hayes and Harlington, I hope that he agrees that, on the substantive underlying issues, there is a significant degree of agreement across the House that there is a discrepancy and a threat to the tax base that will have to be addressed over time.

The right hon. Gentleman talks about additional benefits for the self-employed. Of course we will review the issues around parental benefits, as I said in the Budget—we will actually take the review wider than that—but I hope that he agrees that if additional benefits are to be made available, we will have to look at how to pay for them, and it will not be done by borrowing half a trillion pounds that the country cannot afford and our children will be left paying for.

Mr Andrew Tyrie (Chichester) (Con): This announcement bolsters trust in the Government's other commitments, and removes the perception of a cigarette paper between No. 10 and No. 11, so it is doubly welcome. Does the Chancellor agree that a differential should, none the less, remain in the long run to reflect the additional risk taken by the self-employed when they are doing their job?

Mr Hammond: In the Budget speech last week, I made it very clear that we were seeking to close the gap a little. We were not seeking to equalise the contributions treatment of the employed and self-employed, as there are very good reasons why there may well need to be a gap. That is why we will look at this in the round—contributions, entitlements and the way the whole package works for the self-employed. Let us come back to this once we have completed the review, have the Matthew Taylor work and can look at the problem in the round.

Stewart Hosie (Dundee East) (SNP): I said last week that this decision would come back to haunt the Chancellor, and it has, but little did I expect that when it did, No. 10 and No. 11 would be briefing against each other. It is almost as if the halcyon days of Gordon Brown and Tony Blair never really went away. However, I welcome the U-turn today, not least because about 140,000 Scottish self-employed people would have been affected by the proposal, and many of them would have earned slightly below, on or only slightly more than the average wage. I am delighted that the Scottish National party went in to bat for the squeezed middle against this Chancellor.

Today's U-turn has all the characteristics of the pasty tax, the caravan tax and the omnishambles Budget. The Chancellor said that he would fill the gap in the autumn, and I will listen carefully to what he says then, but will he give us an assurance today that he will not simply find another clever way of dipping into the pockets of modestly paid self-employed people? More importantly, if he changes the tax or national insurance regime for self-employed people in the future, will he have proper consultation in advance with their representatives, so that they are not hit with the uncertainty that they have faced over the past week?

Mr Hammond: On the last point, we will, of course, consult people widely over the course of the summer as we carry out the review. The hon. Gentleman will know that it is intrinsic in the Budget process that it is difficult to have any kind of proper consultation when preparing a Budget. He asked about measures in the autumn Budget. I said that all spending measures in the spring Budget would be fully funded by revenue raises or reductions in spending elsewhere in that Budget, so that it was broadly fiscally neutral. As a result of the decision I have announced today, the spring Budget is no longer broadly fiscally neutral, but I am committed to addressing that issue in the autumn. The intention remains to balance the measures that we are delivering between spending and taxation.

Mrs Anne-Marie Trevelyan (Berwick-upon-Tweed) (Con): I thank the Chancellor for listening to the voices of colleagues and deciding to reverse the proposals. The genuinely self-employed carry real financial risk by working for themselves. I know that a Conservative Government really want a tax system that will support

risk-takers and growth-creators, so will the Chancellor commit to working over the coming months with colleagues who believe it is time to take a holistic and simplifying view on personal taxation for the self-employed that will support wholeheartedly those who build new businesses and take a risk?

Mr Hammond: Yes, I can assure my hon. Friend that this Government will always be on the side of those who genuinely strive to take risks, to innovate, to grow businesses and to contribute in that way to the economy. However, the right hon. Member for Hayes and Harlington, in his response to the statement, addressed the issue of bogus self-employment, and he is right: there is a problem of bogus self-employment. There is a problem of employers who are refusing to employ people, requiring them to be "self-employed". There is a problem of individuals being advised by high street accountants that they can save tax by restructuring the way they work. We do believe that people should have choices, and we do believe that there should be a diversity of ways of working in the economy—we just do not believe that that should be driven by unfair tax advantages.

Several hon. Members *rose*—

Mr Speaker: Order. I remind the House that colleagues who arrived in the Chamber after the start of the statement should not stand or expect to be called. That is a very long-standing convention of the House.

Chris Leslie (Nottingham East) (Lab/Co-op): This is obviously an acutely embarrassing episode for the Chancellor, but will he not acknowledge that it is also quite embarrassing for those of his colleagues, including the Prime Minister, whom he sent out there to defend this breaking of the manifesto commitment? Has he already apologised to the Prime Minister and to his colleagues, or will he take this opportunity to say sorry to them from the Dispatch Box?

Mr Hammond: I find it a bit extraordinary that that should be the hon. Gentleman's intervention. He, after all, is the one who said that Labour would fund its £500 billion plans by doubling income tax, doubling national insurance, doubling council tax and doubling VAT. He is the one who sounded the alarm on the Opposition side.

Look, I have had extensive conversations with colleagues since the Budget, over the weekend, and in the Lobby last night and on Monday. I have had lots of discussions with the Prime Minister over the last few days, as the hon. Gentleman would expect. As he would also expect, I am not about to give the House the full detail of those private conversations.

Nicky Morgan (Loughborough) (Con): I commend my right hon. Friend for his statement today and for recognising what colleagues and others have been saying to him. I also commend him for recognising that the employment market in this country is changing: there are more people who are self-employed, and that needs to be addressed. Does he not think it is right that it is the Conservative party that is asking those questions about how we balance our books, rather than the Labour party, which has no clue whatever about how to pay off the deficit or pay off our debt?

Mr Hammond: I am grateful to my right hon. Friend. We have, absolutely, recognised the view of colleagues on the crucial issue of the manifesto commitment. However, on the substantive issue of the differences in treatment of people who are employed and people who are self-employed, there is a fundamental structural challenge that will have to be addressed, and that includes the question of how we extend appropriate benefits to people who are in self-employment, so that they get the full range of entitlements, as well as contributing in an appropriate way. We are clear that the right thing to do now is to rule out any increases in national insurance contributions during this Parliament, but that does not mean that we should not do the work, carry out this review and present our findings in due course, and we will do so.

Ms Angela Eagle (Wallasey) (Lab): Of 28 measures in this Budget, the Chancellor has had to come in a humiliating fashion to the House today to cast away the one that actually raised money. He has just told us that £14 billion of tax revenue is at risk because of the way national insurance is encouraging people to become, apparently, self-employed, and encouraging other abuses. He has told us he is not going to deal with that in this Parliament, so what is he going to do to safeguard the tax base in the meantime, while he does his review and belatedly puts into effect the manifesto commitment on which he fought the last election?

Mr Hammond: I have to say that that was an extraordinary contribution, because the hon. Lady cannot have it both ways or, to put it another way, have her cake and eat it. She wants me to adopt a broad interpretation of manifesto commitments and to adhere to it, and she wants me to protect the revenue base by addressing the difference in contribution treatment between the employed and the self-employed. I say to her, as I have just said to my right hon. Friend the Member for Loughborough (Nicky Morgan), that we will have to address that difference in due course. However, given the interpretation that is clearly out there of the manifesto commitment that was made, our priority now is to show that we will deliver on the spirit as well as the letter of that commitment, and we will not increase national insurance contributions in this Parliament.

Sir Oliver Letwin (West Dorset) (Con): I am sure my right hon. Friend is right to deal with this issue in the round, but I hope he will not allow that in any way to deflect him from the very sensible Budget judgment he made in respect of fiscal neutrality or from the need for the structural reforms he is putting forward. Did he notice, as I did, that the shadow Chancellor asked him to fill the gap without reducing spending or increasing taxes? Does he know how that could be fulfilled?

Mr Hammond: The straight answer to my right hon. Friend is that only in the la la land that the Labour party occupies is that trick possible. Of course, my right hon. Friend is right to draw attention to the issue, and I emphasise again my commitment in this Budget to fiscal neutrality—the right hon. Member for Hayes and Harlington, of course, does not believe in fiscal neutrality.

John McDonnell: Oh, dear me. You just, in a week, reversed a decision—

Mr Hammond: The right hon. Gentleman says, “Dear me”. I repeat: he does not—[*Interruption.*]

Mr Speaker: Order. We cannot have these shouting matches across the Chamber. [*Interruption.*] It is not for me to tell anybody to do anything. I am asking people not to do things that they should not do: shouting across the Box. I now exhort the Chancellor to continue with his response.

Mr Hammond: Thank you, Mr Speaker.

The right hon. Gentleman does not believe in fiscal neutrality—that is a fact. He believes in borrowing £500 billion of additional money, and saddling our children and our grandchildren with that debt. However, I very much take my right hon. Friend’s advice on maintaining fiscal neutrality and dealing with the structural issue that underlies this statement.

Frank Field (Birkenhead) (Lab): To make up the loss in revenue, might the Chancellor consider bearing down on those employers who force their employees into self-employment against their wishes, destabilise their lives and thereby get out of paying national insurance contributions, which all good employers do pay?

Mr Hammond: The right hon. Gentleman is right. As I have said, there is, as the economy changes shape, an increasing tendency for employers, in effect to drive people out of employment and into what is thinly disguised self-employment. That is one of the issues that Matthew Taylor is looking at in his review. I have had the opportunity to have a preliminary meeting with him. We are very much looking forward to receiving his report in due course, and we will respond to it.

Jake Berry (Rossendale and Darwen) (Con): I declare my interest as a self-employed solicitor. I commend the Chancellor for coming to the House today and putting forward his views about changes in self-employment. Will he join me in commending the literally thousands of people across Rossendale and Darwen who go out, start businesses, make money and are self-employed? When they voted in the last general election, they knew that a Conservative Government would not only protect their tax rates, but create the economic environment in which they could start and grow their business.

Mr Hammond: My hon. Friend is absolutely right: it is about the environment being conducive to people starting and running small businesses. I congratulate those in Rossendale who do that—who get up every morning and who are prepared to take those risks. They will now benefit from the abolition of class 2 national insurance contributions, making them that little bit better off.

Rachel Reeves (Leeds West) (Lab): Will the Chancellor confirm when the decision to make this U-turn was made? Is not the truth that this was the Prime Minister’s decision, not his?

Mr Hammond: Clearly, that is the story the hon. Lady would like to believe, but, unfortunately, it is not true. As Members would expect, I have been discussing

the Budget and these issues with the Prime Minister since last Wednesday, just as I have discussed them with many colleagues over the weekend, and we have had several meetings over the last few days. The final decision to make this announcement to the House was made this morning—just after 8 o'clock—and I have come here at the earliest reasonable opportunity to inform the House.

Mrs Anne Main (St Albans) (Con): There are 7,000 self-employed individuals in St Albans, representing 16% of the economically active. I thank the Chancellor for listening to the representations that I made in my letter to him. Those people will welcome the three-year end-of-Parliament commitment that he has made on this matter, which gives certainty. He is absolutely right to look at this issue. He is a very honourable man in coming here and honouring our manifesto today, and he should ignore the criticisms from the Opposition.

Mr Hammond: I am grateful to my hon. Friend. I have to say that I generally find it much more fruitful listening to the advice and thoughts of my hon. Friends than to the comments from the Opposition.

Alex Salmond (Gordon) (SNP): We all noted that the Chancellor brought along the First Lord of the Treasury today for support, solidarity, counselling and hand-holding as he made his abject statement. Who first realised that the Government were in flagrant breach of their manifesto commitment—was it the Chancellor or the Prime Minister? If manifestos are now paramount and all parties must seek to implement them, will the Chancellor confirm, since he intends to go ahead with these changes, that they will appear in the Conservative manifesto at the next election so that the self-employed can vote accordingly?

Mr Hammond: I have made a statement today about the Government's intentions: no national insurance contribution rate increases for the remainder of this Parliament. I am not making a statement about the Conservative party's manifesto for the next general election; the right hon. Gentleman will have to contain himself for a while on that particular issue. On the question of who first raised the issue of the manifesto, I think, to give credit where credit is due, that it was Laura Kuenssberg on the BBC shortly after my comments in the Budget speech.

Dr Matthew Offord (Hendon) (Con): I commend the Chancellor for coming to the House today. He is entirely correct to assert that the National Insurance Contributions (Rate Ceilings) Act 2015 applied only to class 1 contributions. I do not recall Labour's Treasury Front Benches at the time ever mentioning any other contributions. Once again, I thank him for coming here, because he is a listening Chancellor who will continue to listen to those on the Conservative Benches—the sensible side of the House—unlike some previous Labour Chancellors who not only did not listen to anyone but brought the economy to its knees.

Mr Hammond: My hon. Friend is right. I did not mention this because it is not something that I particularly want to make a big issue of, but it is true that when the National Insurance Contributions (Rate Ceilings) Bill was debated in this House, Ministers made it clear that they were legislating to lock class 1 only. No amendments

were tabled and no issue was raised. Indeed, the hon. Member for Salford and Eccles (Rebecca Long Bailey), who was then a shadow Treasury Minister, said at the Dispatch Box that this Bill discharged the Conservative party's commitment on national insurance contributions in the manifesto. *[Interruption.]* Well, the hon. Lady might want to check *Hansard*.

Helen Goodman (Bishop Auckland) (Lab): I know that the Chancellor of the Exchequer will want an endorsement from me like a hole in the head, but I am rather disappointed because there is a lot wrong with national insurance. In the wider review, will he also look at the absurd way in which it kicks in at £8,000, well below the personal tax allowance, and at the very unfair top 2% rate?

Mr Hammond: I am grateful to the hon. Lady for her comments. It is important to separate the two issues involved: the substantive underlying issue about the way in which national insurance contributions and entitlement to contributory benefit work, and the equally important but separate issue of the way in which manifesto commitments work. The review that we will conduct will look specifically at the differences between the self-employed and the employed, and the access of the self-employed to contributory benefits, so her suggestion is beyond the scope of that particular piece of work. However, as she especially will be aware, all these things are routinely reviewed by the Treasury in the run-up to fiscal events.

Mr Jacob Rees-Mogg (North East Somerset) (Con): May I thank my right hon. Friend for his wisdom in being open to changing his mind, which shows the serious-mindedness of Her Majesty's Government; and for his propriety in telling this House first and doing it himself, not sending someone else on his behalf? May I also commend him for his singular achievement of converting a number of desiccated socialists to support for lower taxation?

Mr Hammond: I am grateful to my hon. Friend, but what I see on the Opposition Benches these days is very often not so much desiccated socialists as dedicated opportunists.

Greg Mulholland (Leeds North West) (LD): This Budget was disappointing and unambitious, and is now mired in this chaos. Is it not now time to properly consider having an NHS tax specific to funding our NHS, which did not receive enough funding? As the Chancellor knows, this has the support of the majority of the British public.

Mr Hammond: What we need to fund our NHS is a strong economy and a Government who have the political will to make the commitment that we have made to a £10 billion post-inflation increase in NHS spending. It is very nice to have a contribution from the Liberal Democrat Benches. I do not know whether that is a precursor of the Liberal Democrat manifesto for the next general election—we shall wait to see.

Anna Soubry (Broxtowe) (Con): I commend the Chancellor for his statement. As somebody who was self-employed for many years, I know that the current

[Anna Soubry]

system undoubtedly needs reform, in terms of contributions and benefits, so I look forward to Matthew Taylor's report. Given that so many of the self-employed are sole traders and micro business owners, may I urge the Chancellor to look at the great work that Angela Knight has done on how the whole system could be improved? I am very happy to have a meeting with one of his junior Ministers, if he cannot have any such meeting himself, to discuss that further.

Mr Hammond: Angela Knight is the chairman of the Office of Tax Simplification, and we will of course seek its advice in this matter. I am grateful to my right hon. Friend.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): May I just confirm the slightly astonishing thing that the Chancellor said a few moments ago—that the first person to raise the Tory manifesto with him was the BBC's Laura Kuenssberg? Is it actually the case that nobody in No. 10 and nobody in No. 11 checked the Conservative manifesto before he wrote the Budget?

Mr Hammond: I did say that, but let me be clear: I think that Laura Kuenssberg was the first person after I spoke to raise the issue outside. The Government have always been clear, as I said on Wednesday evening and on Thursday, many times, and the Prime Minister said on Thursday evening, that we have always regarded the legislated tax locks as being the commitment we were working to. Our whole approach in the Treasury—all the work we do—is based around the tax locks that are in place. I accept, however, that there is a gap between the specific tax locks that were legislated and the wording that was used in the manifesto. We have today accepted that the more expansive interpretation should be the one that prevails, and that is why I have made the statement that I have.

Neil Carmichael (Stroud) (Con): I certainly welcome this statement because it underlines very strongly the case for fairness and also salutes the important work that self-employed people do. Does the Chancellor of the Exchequer agree that if we enter a period of turbulence for whatever reason, it is fundamentally necessary to have a strong fiscal basis, and that is what he is achieving through acting in this way?

Mr Hammond: As I said in the Budget speech and previously in the autumn statement, we are seeking to do three things: to keep Britain on track for balancing the budget as early as possible in the next Parliament through fiscal discipline; to invest in Britain's future to raise our productivity and ensure a decent standard of living for everybody across this country, on which we made further steps in this Budget by investing in skills; and to ensure that we have enough fiscal headroom in our fiscal position to allow for any events that arise over the coming years. We need the ability to manoeuvre as we go through what will be a period of unusual uncertainty in the planning of our economy.

Wes Streeting (Ilford North) (Lab): More than 10,000 people in Ilford North will welcome the Chancellor's damascene conversion to the novel idea that parties

might keep the promises in their manifesto. What does it say about the competence of this Government, on a day when they reveal that there are no costings for a hard Brexit, that this year, on his watch, we will have two Budgets, two policies on national insurance in a week, and a £2 billion black hole in his Budget? Whatever happened to the long-term economic plan?

Mr Hammond: I have set out our long-term plan. The hon. Gentleman knows the fiscal figures, because they were published last week. As I have said, I do not resile at all from the commitment that I have made that we will, overall, be broadly fiscally neutral. I will introduce additional measures—[*Interruption.*] Well, it would not be appropriate for me to do so today, but I will bring forward additional measures in the autumn Budget to address the cost of the changes that I have announced today. By the way, if I could just give him a piece of advice, before he goes in too hard on keeping manifesto promises, he might just want to check his own party's record in government on that particular score.

Steve Double (St Austell and Newquay) (Con): On behalf of the 9,000 self-employed people in St Austell and Newquay, may I thank the Chancellor for his statement today and for being willing to listen to the sensible voices of Conservative Members and the business community in making this change? Will he confirm that there is absolutely nothing wrong in someone legitimately choosing to be self-employed and in charge of their own work destiny, and that this party will always be on the side of the entrepreneurs, who are the heart of our economy?

Mr Hammond: Yes. I can say to the self-employed of St Austell and, indeed, more widely across the UK that this Government will always support enterprise and those who start and grow businesses. As I said in the Budget speech, we believe that people should have choices about the way they work. There are very many good reasons for choosing self-employment, and there are many good reasons for choosing to incorporate. It is incumbent on us to make sure that unfair tax benefits are not one of the things that drive people to make such decisions.

Sammy Wilson (East Antrim) (DUP): The 130,000 self-employed people in Northern Ireland, who make up a seventh of the workforce, will welcome this change of heart by the Government. Does the Chancellor recognise, however, that the imposition of quarterly tax returns, which has been delayed for one year, and the closing of the flat-rate VAT system will also have an impact on self-employed people? Instead of targeting those who are genuinely self-employed and who have contributed to today's low unemployment figures, should he not concentrate his efforts on the large corporations, such as the BBC, that abuse the tax system and have self-employment contracts to avoid paying tax?

Mr Hammond: As the hon. Gentleman will know, this Government have introduced a raft of measures over the years to target the avoidance of tax by large corporations, and we have raised a very substantial amount of additional tax—well over £100 billion—through those measures. The VAT flat rate scheme, which he mentioned, was introduced to assist the smallest businesses,

but it had been turned into a systematic route for abuse, and I am afraid that we had to deal with it to make sure that the tax base was not eroded. However, we will always seek to support the genuinely self-employed hard-working people who are the backbone of this country's economy.

Michelle Donelan (Chippenham) (Con): On behalf of all the hard-working self-employed people in Wiltshire, I thank the Chancellor for his announcement today and welcome it. The introduction of a new state pension marks a significant increase in retirement provision for the self-employed, but without any auto-enrolment scheme, they still do not have parity on pensions. Will the Chancellor please remember that and look at it?

Mr Hammond: Yes. As we have now cast more widely our review of the differences in how employees and the self-employed are treated, it is right that we should look at that particular aspect as well, and we will do so.

John Woodcock (Barrow and Furness) (Lab/Co-op): Can we just be clear: is the Chancellor saying that he was not aware that he was breaking his own manifesto promise until the BBC pointed it out, or that he was aware of it but was just hoping no one noticed?

Mr Hammond: Neither. We understand the commitment that we made to have been discharged by the passage through the House of the National Insurance Contributions (Rate Ceilings) Act 2015, which set out very clearly the scope that the then Chancellor decided to apply to the national insurance contributions lock. That is how the Treasury has worked since 2015, with the locks and ring-fences that were put in place. They are part of the everyday workings of the Treasury, and that was what we worked to in this case. However, I have accepted today that there is a broader interpretation—based on the manifesto itself, not the legislation that implemented it—and that is why I have come to the House and made this statement.

Bob Blackman (Harrow East) (Con): I congratulate my right hon. Friend on listening to the self-employed and to representations from Conservative Members in particular. Will he confirm that the announcements he has made today about the abolition of class 2 national insurance contributions and their transfer to class 4 contributions mean, in effect, that every single self-employed person in this country will experience a tax cut over the next two years?

Mr Hammond: Yes. It will not be over the next two years, but in one go, with a tax cut of about £130 a year in April 2018. That is because class 2 is a regressive tax—it is a flat-rate reduction for everybody who is self-employed, regardless of the level of their income.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): This is of course a welcome U-turn, but if it is right to rethink this decision, is it not also right to look at the decisions that were overlooked last week? The Chancellor spoke in his statement about unfairness in treatment. May I remind him of the thousands of WASPI—Women Against State Pension Inequality—women who protested outside the Chamber last week, and ask him when his Government will redeem in full their contractual obligations to them?

Mr Hammond: We have already addressed the concerns of women affected by the change in pension age. Of course I am aware of the residual concerns being expressed by that group of people, and we hear those concerns, but we have addressed the principal issue.

Mr Peter Bone (Wellingborough) (Con): I very much welcome the Chancellor's statement. In Wellingborough, we had a parliamentary meeting on Saturday morning, when the view on the general principle in the manifesto was mentioned. Will he look to the future, however? He may be able to narrow the difference between the employed and the self-employed by reducing the contribution that the employed make, so will he do that from the Brexit dividend?

Mr Hammond: My hon. Friend never misses an opportunity to bring us back to his agenda. I have had suggestions from various parties that the gap between the contributions of the employed and the self-employed could be narrowed by the device of lowering the contributions of the employed. However, 85% of the working population are employed, and any reduction in the contribution of the employed would be a huge fiscal cost and would—in our world—have to be paid for, although the right hon. Member for Hayes and Harlington may have a different view.

Christian Matheson (City of Chester) (Lab): The clear impression given by today's announcement is of a reactive Government who are not in control of their own agenda. Following on from the question of my hon. Friend the Member for Barrow and Furness (John Woodcock), may I specifically ask the Chancellor whether he knew that his policy contradicted the 2015 Conservative manifesto? If he is such a good listening Chancellor, why did he not listen to representations before he made his statement and not go ahead with his announcement last week?

Mr Hammond: Because those representations were not made before the statement. In fact, as the hon. Gentleman will remember, there was quite a lot of speculation in the media in the week before the Budget about a possible increase in class 4 national insurance contributions, but I did not see any reference to the manifesto in any of those media discussions. We believe that the National Insurance Contributions (Rate Ceilings) Act put into law the lock that we put in place, and I did not hear anybody suggest anything to the contrary during the press speculation in the week before the Budget.

Amanda Solloway (Derby North) (Con): I want to add my congratulations to the Chancellor on his announcement. Self-employment is key to our economy and to the people of Derby. We have many great examples of successful and thriving businesses, thanks to the ongoing policies of this Government. Will my right hon. Friend assure me, however, that he will look at all the ways in which he can encourage the continued growth of those essential businesses?

Mr Hammond: Yes. It is precisely growing small businesses that we must seek to encourage. The subset of the self-employed who employ people—it is actually quite a small subset—are very much to be encouraged, because that is a way of promoting growth and creating job opportunities in our communities.

Owen Smith (Pontypridd) (Lab): May I commend the Chancellor for the bravery of his statement? I ask him to pass on our sincere thanks to Laura Kuenssberg for pointing out to him that it was a duff decision and to the Prime Minister for forcing him to reverse it before breakfast.

Mr Hammond: I have explained to the House what happened and what the view is inside Government about the tax locks that we put in place. The hon. Gentleman is entitled to his opinion and he has expressed it.

Nigel Mills (Amber Valley) (Con): I thank the Chancellor for his change of mind today. I urge him to carry on with some parts of the proposal, namely considering how we can ensure that the very highest earners, who tend to be self-employed, pay the right amount of tax, including partners in limited liability partnerships, who have the advantages of limited liability and of not paying national insurance.

Mr Hammond: My hon. Friend is right. It is a relatively small group, but about 90,000 self-employed people, many of them on very high earnings, benefit enormously from the way the system operates, particularly those who use limited liability partnerships. That is an essential part of the review of this issue in the round that we have to do.

Andy Slaughter (Hammersmith) (Lab): Unlike some of my hon. Friends, I can readily understand why the Chancellor resisted reading the Tory manifesto until Laura Kuenssberg drew his attention to it last week, but I cannot understand his position now. Is it, "I was absolutely right to raise national insurance contributions for the self-employed, and that's why I'm not going to do it"?

Mr Hammond: I think I have made my position quite clear. I have distinguished between the two issues. On the substance of the issue, it is absolutely right to address the discrepancy, which is no longer justified by the difference in access to benefits. However, it is also right that we accept the wider interpretation of the manifesto commitment that my hon. Friends have expressed to me. That is why we have said that we will continue to review the issue in the round and will come back to Parliament with our decisions arising from the review, but we will not increase national insurance contributions in this Parliament.

Robert Jenrick (Newark) (Con): My constituents, almost a quarter of whom are self-employed, will welcome the decision today, but they also find it extraordinary when they read in the papers that the chief executive of their local hospital trust is paid £400,000 a year through a personal service company—a practice, incidentally, that got completely out of control under the last Labour Government. Will my right hon. Friend the Chancellor continue to tackle those issues, particularly in the public sector?

Mr Hammond: I empathise enormously with the self-employed of my hon. Friend's constituency. He will know that I once lived among them. I sympathise with the point he has raised about public sector employees using personal service companies, but he will know that

we have legislated so that, from next April, public sector engagers of people who use personal service companies will be responsible for deducting the tax and national insurance contributions that those people would be paying if they were employed directly as employees.

Chris Evans (Islwyn) (Lab/Co-op): Will the Chancellor give small businesspeople an assurance that the three years he talks about is not simply a stay of execution and that we will not see another Tory tax hike in three years' time?

Mr Hammond: I have made it clear that there will be no increase in national insurance contributions during the remainder of this Parliament. As I have said, I am not setting out today the Conservative manifesto for the next general election. I am making a commitment for this Parliament, and I hope the House will be satisfied with that.

Robert Courts (Witney) (Con): I declare an interest as someone who was self-employed until a few months ago. [HON. MEMBERS: "Hear, hear."] Thank you. As a member of the Federation of Small Businesses and the chairman of the all-party parliamentary group for small and micro businesses, I welcome today's announcement from the Chancellor and thank him for it, as will the nearly one fifth of my constituents in Witney and west Oxfordshire who are self-employed. Will the Chancellor give a little more detail on the scope of the review he will undertake over the summer?

Mr Hammond: Yes. First we will respond to Matthew Taylor's report, which looks more widely at employment rights in a rapidly changing economy. We will look at parental benefits, which are the principal area where there is still a discrepancy in what is available for the self-employed and the employed. There are other relatively minor areas, but we will look at all of them and seek to, as it were, audit the differences in treatment between the employed and self-employed. The House and people outside will then be able to see in the round the difference in access to benefits and entitlements and the difference in contributions, and form a judgment about how we should move forward.

Mr David Hanson (Delyn) (Lab): Just so that I do not have to wait 30 years to read the minutes of the Cabinet meeting, will the Chancellor confirm that the decision last week was the unanimous decision of the Cabinet? As he is seeking savings to fill the £2 billion hole, will he start with the £320 million towards free schools that he announced last week?

Mr Hammond: I am sorry to disappoint the right hon. Gentleman, but he will have to wait 30 years. I am not about to tell him what happened in the Cabinet, but he will know that all decisions are the unanimous decisions of the Cabinet.

Richard Drax (South Dorset) (Con): I congratulate my right hon. Friend on his wise and dignified statement today, and thank him for it. Conservative Members understand that we have to live within our means. Is it not time to look at the overseas aid budget and the figure of 0.7% of GDP? I suggest that if we need some money, that is an area we should look at.

Mr Hammond: There again, we have a manifesto commitment to spend 0.7% of GDP on overseas aid. That commitment has been legislated for and is therefore locked, unless this House were to decide otherwise.

Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP): This is another right boorach. The last Chancellor who had to make a U-turn lasted only a few weeks thereafter, so before this Chancellor leaves office, will he confirm that, since he said that this decision was only made at 8 o'clock in the morning, that means it has not been taken to the full Cabinet?

Mr Speaker: I am very grateful to the hon. Gentleman; I shall add the word "boorach" to my vocabulary.

Mr Hammond: Yes, the decision was made by me and the Prime Minister this morning.

Michael Fabricant (Lichfield) (Con): I thank my right hon. Friend for reacting so quickly to the representations made to him by colleagues and, indeed, by Laura Kuenssberg. But I ask him in all seriousness to listen on occasion to the Labour party, because there are lessons to be learned. Labour would have leaked this statement out at a weekend, not immediately prior to Prime Minister's questions. It would not have come to the House and made an oral statement; there would have been a written statement. I say to my right hon. Friend that he is really far too open.

Mr Hammond: As you would expect, Mr Speaker, we try, if it is at all possible, to ensure that the House is always informed first of these matters. After my right hon. Friend the Prime Minister and I met this morning, I wrote to the Chairman of the Treasury Committee and placed a copy of that letter in the Library of the House, and I have made this statement at the earliest opportunity available to me.

Danny Kinahan (South Antrim) (UUP): We have already heard that Northern Ireland has some 134,000 self-employed people. We also know that it is critical that we increase the private sector in Northern Ireland. At the same time, we have 50% fewer new businesses. Will the Chancellor ensure that the future consultation on this matter considers all the aspects of its effects on the Northern Ireland economy?

Mr Hammond: Yes; as the hon. Gentleman alluded to, there are specific issues in Northern Ireland, where the public sector still occupies a dominant role in the economy. Of course, we all share the objective of increasing the share of the private sector in the Northern Ireland economy. Small businesses can play an important role in that. The lessons of this review will be generally applicable across the United Kingdom, but they will certainly play an important role in Northern Ireland.

Ben Howlett (Bath) (Con): Although it might not be palatable to Opposition Members, as somebody who was self-employed for many years before entering this place, I think the Chancellor was absolutely right last week to make his announcement and rebalance the tax base, as more self-employed people enter the jobs market. He was also right to listen to the comments of Government Members. I appreciate that my right hon. Friend does not want to make comments about the next manifesto,

but does he agree that we should look at proposals to effectively scrap this very outdated tax and merge it into a single tax, which would be an awful lot more progressive?

Mr Hammond: As my hon. Friend will probably know, ideas about merging the tax and national insurance systems have been around for longer than I have. Although it is a superficially attractive proposition, it is fraught with practical difficulties. The Office of Tax Simplification looked at it recently, and I am sure my hon. Friend will have read its report. I say to the House that all matters relating to tax are kept continually under review at every fiscal event.

Mike Gapes (Ilford South) (Lab/Co-op): Last week, the Chancellor made what at the time was a very funny joke about a Chancellor of the Exchequer sacked just a few weeks after a Budget. Does he, in retrospect, agree with Lord Lamont that this was a rookie mistake?

Mr Hammond: I set out the basis on which we made the difficult decision to proceed with changes to class 4 national insurance, packaged with the abolition of class 2 national insurance, to try to make the system a little bit fairer. We listened to our hon. Friends and decided to withdraw the proposals, conduct a wide-ranging review and set out to Parliament later in the year how we intend to proceed.

Dr Andrew Murrison (South West Wiltshire) (Con): I congratulate my right hon. Friend on his statement, and warmly thank him for listening to colleagues and their constituents. Notwithstanding his comments to my hon. Friend the Member for Bath (Ben Howlett), may I invite him to look afresh at the possibility of hypothecating national insurance contributions, so that contributors to NICs, employers and the public can see a clearer link between their contributions and the services they receive?

Mr Hammond: There is a soft hypothecation around national insurance contributions: 20% of the fund goes to the national health service. They fund the state pension to which self-employed people now have full access for the first time—an extraordinary enhancement in the entitlement. I am told that, for a 45-year-old man, the enhanced pension in retirement, £1,800 or more a year, would cost about £50,000 as a capital sum to purchase an annuity in the marketplace. That is an extraordinary expansion of the entitlement offered to the self-employed.

Paula Sherriff (Dewsbury) (Lab): Well, well. They do say a week is a long time in politics and I am sure the Chancellor would agree with me on this occasion. Now, £2 billion would account for over 10,000 police officers, 10,000 teachers, 12,000 nurses and 5,000 doctors. Will the Chancellor guarantee that none of those posts will be cut as a result of his Government's gross incompetence?

Mr Hammond: The hon. Lady might also have remarked that £2 billion was the amount we put into social care funding in the Budget last week, alongside additional capital for the NHS, investment in schools and investment in skills. [*Interruption.*] Not enough, she says. I understand why she says that, because the shadow Chancellor tells her, "You can borrow for everything you want to do. Don't worry, the kids will pick up the tab."

John McDonnell: Read your own manifesto.

Mr Hammond: I am listening carefully to the right hon. Gentleman, but I am not hearing anything worth listening to.

David Morris (Morecambe and Lunesdale) (Con): I was self-employed for 27 years before I came into this House, and I have campaigned long and hard for the abolition of class 2. My hon. Friend the Member for Harrow East (Bob Blackman) said that this is a tax cut, which it is. Will the Chancellor allude to what the self-employed will be getting? As a self-employment ambassador to the former Prime Minister, I know the self-employment sector is very keen to find out exactly what it will get for this extra annuity.

Mr Hammond: The self-employed benefit from increased personal allowances, taking 3 million people out of tax altogether, and a tax cut for 29 million people. From April this year, the self-employed, like the employed, will have access to tax-free childcare and the additional childcare offer for three and four-year-olds. That is a new extension of the entitlement to the self-employed. As I mentioned, the extension last year of the state pension to the self-employed on the same basis as employees really was a dramatic step-change in the way the system operates. It is worth noting that with all these enhanced entitlements there has been no change at all to the contribution asked of self-employed people.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): The *Evening Standard* delivered a damning verdict on its front page today, “Hammond U-turn on Budget Fiasco: Chancellor’s job on line as he climbs down over tax rise for entrepreneurs.” It is looking like the last spring Budget may also be the Chancellor’s last Budget. In fact, we just heard him endorse Laura Kuenssberg from the BBC. How does he intend to build trust in his competence following this utterly shambolic episode?

Mr Hammond: I explained how we approached this issue. We have a bigger job to do here. The country is embarking on a great venture that will shape the future of this country for many years to come. National insurance class 4 contributions are important, but I suggest they are not the only challenge facing the country today. It is important that we focus on the other issues that are vital to get right.

Andrew Bingham (High Peak) (Con): I applaud my right hon. Friend on three counts: his ability to understand, listen and act. He understands that the changes can be seen as a break with a manifesto commitment, he listened to colleagues on the Conservative Benches, and he acted swiftly and with certainty to give self-employed people the clarity that people in business want. In the review, will he ensure that we never lose sight of the fact that the self-employed are the risk takers and the entrepreneurs who power our economy, at great risk and uncertainty to themselves?

Mr Hammond: As I have said many times today and am very happy to say again, we will always support those who are taking risks to grow and found new businesses. Our job—I take this very seriously and my right hon. Friend the Prime Minister takes it very seriously—is to do what is right for the country. When it

becomes apparent that we have to do something because it is the right thing for the country—that is what has become apparent to us over the past couple of days—we will do it, however difficult it is. That is what I have done today.

Geraint Davies (Swansea West) (Lab/Co-op): I realise that the Budget has now become a consultation exercise. Will the Chancellor confirm that at the time he and his colleagues put together the manifesto commitment not to put up national insurance, VAT or income tax, there had been no economic impact assessment of Brexit; and that the economic cost of Brexit, from hard Brexit and tariffs, will fall wholly on public services and the poor?

Mr Hammond: It is certainly the case that at the time of the last general election the referendum had not taken place. Indeed, if a Conservative Government had not been elected a referendum would not have taken place. The hon. Gentleman knows and understands that very well. I have explained today how we approached the manifesto commitments, how we delivered them into law and how we have reviewed the way they are seen in the light of representations from colleagues.

Huw Merriman (Bexhill and Battle) (Con): There has been much talk about the manifesto. This is the manifesto that promised to protect the elderly. In delivering an extra £2 billion for social care, does the Chancellor agree that those of us on the Government Benches need to support him when he makes difficult decisions to raise the cash? The alternative is putting future generations into horrendous debt.

Mr Hammond: My hon. Friend is exactly right. As I have already said several times today, we will not adopt the convenient ruse the right hon. Member for Hayes and Harlington has of pretending that we can borrow for everything without any cost. If something needs doing, such as funding our social care system, we have to be prepared to pay for it. Simply pretending that we can borrow for it and pass the debts to our children is not a credible fiscal position.

Alan Brown (Kilmarnock and Loudoun) (SNP): This farce has come about partly because of the lack of transparency in the estimates and Budget process. The Government should look at it again. Given that the Chancellor admits his spring Budget is no longer fiscally neutral, I have a few suggestions for what he can look at again: the higher rate threshold, nearly £3 billion; lifetime ISA up to £20,000, £3 billion; corporation tax giveaway, £23.5 billion; and inheritance tax giveaway, nearly £3 billion. That is £32 billion worth of giveaways over the next few years in this Budget. Why does he not look at those measures again when he talks about balancing the books?

Mr Hammond: We know that the Scottish National party believes in higher taxes, because everyone earning more than £45,000 will be paying £314 a year more tax in Scotland next year than in England.

Charlie Elphicke (Dover) (Con): I commend the Chancellor for his statement and urge him to take firm action on fake self-employment, which is tax dodging by big businesses that are shirking their responsibilities

and should know better. Will he also consider the case for a wide-ranging reform for a new deal for the self-employed, not just on the tax side of the ledger, but in respect of workplace support, so that we could have fairness and a level playing field between different types of worker?

Mr Hammond: That is the purpose of the report that Matthew Taylor is writing to look at the differences in treatment as the economy changes shape. My hon. Friend is absolutely right that there are examples of employers egregiously forcing employees into bogus self-employment, but there are also much more complex cases—for example, where new digital platforms are allowing people to work in different ways. Are they employees; are they self-employed; are they something else in between? We need to ask those questions because, as the economy changes shape, this will become an increasingly important issue for us to address.

Mark Durkan (Foyle) (SDLP): The Chancellor now accepts that the shape, pace and burden of the change that he announced were going to be problematic, and he makes the case for longer-managed and balanced change. He has told us that he needs to consider the issues in the round, looking at contributions and entitlements. Why cannot that same benchmark extend to the WASPI women, who find themselves victimised by the pace and shape of change? He describes their outstanding grievances merely as residual concerns. If Laura Kuenssberg does a report that points out that the WASPI women's grievances are much more than residual concerns, will he reconsider?

Mr Hammond: As I have said, we have considered the issue of women affected by the pension age changes and we have provided some transitional funding. I am aware that there are people who believe that that is not sufficient and who would like more. I understand that, but the role of Government is always to balance the claims of individuals against the interests of the taxpayer, who has to fund these things in the end, and we think we have got that balance right.

Mr Philip Hollobone (Kettering) (Con): Away from the Chamber of the House of Commons, out there in the real world, there is an army of self-employed people who are working their socks off from dawn to dusk and often longer. They often take great personal risks. They are the heroes and heroines of wealth creation. Without their efforts, we simply would not be able to afford the public services that we all enjoy. On behalf of the self-employed people of Kettering, I commend my right hon. Friend's statement and thank him for thinking again.

Mr Hammond: I am grateful to my hon. Friend, and I extend my sincere good wishes to all the people of Kettering—self-employed or otherwise—and everywhere else.

Tracy Brabin (Batley and Spen) (Lab): Although the freelance cultural industries and the self-employed of Batley and Spen are very grateful for this U-turn, it is the slashing of the dividend drawdown from £5,000 to £2,000 that makes a massive difference. Some people are living on this when they cannot get work for month after month. Will the Chancellor do a U-turn on that as well?

Mr Hammond: I hear what the hon. Lady says, but this is a measure that will affect only people who have a share portfolio worth typically more than £50,000. It is a measure that affects a relatively small number of people. If we want to fund things such as social care with additional cash injections, we have to raise the money from somewhere. I am sorry if that is a hard lesson. I know it is one that the right hon. Member for Hayes and Harlington will avoid at all costs, but fiscal discipline requires us to find a way of funding the high-value public spending that we need to do. I believe that the Budget measures we have announced are an appropriate way to raise the funding needed to support our social care, the national health service, skills and schools as our economy goes forward.

Jeremy Lefroy (Stafford) (Con): I welcome the Chancellor's statement and the fact that he is the first Chancellor to see the budget deficit fall below 3% in at least 10 years, building on the work of his predecessor. I thank my hon. Friend the Member for Salisbury (John Glen), who I believe must have had quite a busy week since the Budget, for all the work he has done on this. Does the Chancellor agree that, if we are to have the first-class services that we all need, we have to raise the revenue? The time for raising revenue to pay for these, rather than for cuts, is now.

Mr Hammond: Yes, although I remind my hon. Friend that we have embarked on an efficiency review, seeking to make a further £3.5 billion of efficiency savings in departmental expenditure, of which I have committed to reinvest £1 billion in our priorities. Getting the balance right between taxation, efficiency in public expenditure and borrowing where it is right to do so is important. I have borrowed for infrastructure investment and for productivity-enhancing infrastructure in the autumn statement. Where it is right to do so, we will borrow, but it is not right to borrow for everyday expenditure in the way that the right hon. Member for Hayes and Harlington suggests.

James Cartlidge (South Suffolk) (Con): Auto-enrolment has been a great success story for the employed, but there is a major practical barrier in selling it to the self-employed, who do not normally have one single payroll controller. However, is my right hon. Friend aware that, with the rise of the gig economy, millions of workers are self-employed and, effectively, working for one big company? Is he also aware that, when I asked representatives of Hermes, Deliveroo, Amazon and Uber in the Select Committee whether they would be willing to consider such a scheme for their gig workers, they were very positive about the prospect of the Government bringing one in?

Mr Hammond: As I have said, we will include looking at auto-enrolment in the broader review that we are going to undertake of the differences in treatment between employees and the self-employed, which is clearly a significant area.

Sir Desmond Swayne (New Forest West) (Con): On a point of order, Mr Speaker. May I make a germane point of order?

Mr Speaker: It is quite a proud and ambitious boast of the right hon. Gentleman that his point of order will be germane. The first thing to establish is that I will

[Mr Speaker]

exceptionally take points of order now if they flow directly from the matters with which we have just been dealing. Otherwise, they will have to wait.

Alex Salmond: On a point of order, Mr Speaker. I, too, have an extremely germane point of order.

Mr Speaker: Extremely germane? Well, there is a Dutch auction in relevance taking place here.

Rebecca Long Bailey (Salford and Eccles) (Lab): On a point of order, Mr Speaker.

Mr Speaker: I am going to take the hon. Member for Salford and Eccles (Rebecca Long Bailey), who is speaking from the Front Bench, first, and I shall save the other Members for the delectation of the House.

Rebecca Long Bailey: In response to questions, the Chancellor stated that I had confirmed, with reference to the National Insurance Contributions (Rate Ceilings) Bill, that this discharged the Tories' national insurance manifesto pledge. For the benefit of the record, I stated that it was part of their wider pledge to cap income tax, VAT and national insurance contributions. On Second Reading, I stated that it was part of the Government's policy to cap national insurance contributions for this Parliament and went on to state:

"If they are going to legislate for every pre-election promise, surely they should apply that to every manifesto pledge. They are certainly not doing that."—[*Official Report*, 27 October 2015; Vol. 601, c. 19.]

Interestingly—

Mr Speaker: Order. I am sorry, but I cannot have a lengthy dilation. That is not appropriate. If the hon. Lady has something specifically for me, which she can encapsulate in a short sentence of no more than 20 words, I will treat of it.

Rebecca Long Bailey: I respectfully request that the Chancellor retracts the comments he made earlier on that very question. They are factually incorrect.

Mr Speaker: The hon. Lady has made her request. The Chancellor can respond, but he is not procedurally obliged to do so. If the right hon. Gentleman wants to respond briefly, he may.

Mr Hammond: Further to that point of order, Let me merely and briefly read the hon. Lady's words as recorded in Hansard:

"As we have heard, this Bill enacts the Conservatives' manifesto pledge not to increase NICs in this Parliament."—[*Official Report*, 3 November 2015; Vol. 601, c. 914.]

Mr Speaker: I cannot instruct Members on which sentence they should read, but I rather suspect that if Members wish to return to these matters, they may choose to do so.

Sir Desmond Swayne *rose*—

Alex Salmond *rose*—

Mr Speaker: Two Members are standing, both of whom are distinguished products of the University of St Andrews. They seem to be in some fierce competition with each other as to the respective relevance of their points of order. I call Mr Salmond.

Alex Salmond: On a point of order, A wise choice, Sir. My point of order, extremely germanely, is about collective responsibility for the Budget. Traditionally, it was held that a Budget was outwith collective responsibility, but more recently, the practice has been to take the Budget to Cabinet and then bring it to the House, thus ensuring collective responsibility. The Chancellor told us a few seconds ago that this mark 2 Budget could not, by definition, have been subject to that Cabinet responsibility, because he and the Prime Minister decided on it at breakfast this morning.

May I have a ruling, Mr Speaker, on two emergency measures? First, may I suggest that, to ensure that all Ministers are bound to support the Chancellor through collective responsibility, there should be an emergency Cabinet meeting to give the change to the Budget the sanction of that collective responsibility? Secondly, may I suggest that Laura Kuenssberg of the BBC should be brought into the Cabinet so that its members can get it right the first time?

Mr Speaker: Far be it from me to have to say this to the right hon. Gentleman, but I think that he has raised a notably political point under the elegant cloak of constitutionalism. He does have some experience and dexterity in these matters, and I am therefore not altogether surprised at his ingenuity on this occasion. However, I do not think that it warrants a response from the Chair beyond that which I have offered. His point is on the record.

Mr Peter Bone: But not germane. [*Laughter.*]

Mr Speaker: I do not wish to adjudicate upon how relevant it is—

Mr Bone: Division?

Mr Speaker: But it has been heard, and I do not wish further time to be taken up by a Division of the House. Now we must hear the point of order from Sir Desmond Swayne.

Sir Desmond Swayne: On a point of order, Mr Speaker. As a slavish supporter of the Government, I am in some difficulty. My article for the *Forest Journal*, robustly supporting the Chancellor's earlier policy, is already with the printer. [*Laughter.*] Having been persuaded of the correctness of the course that the Chancellor is now following, I merely needed an opportunity to recant. [*Laughter.*]

Mr Speaker: I hope that the right hon. Gentleman is satisfied that, by a wanton abuse of the point of order procedure, he has found his own salvation. We will leave it there for now.

I am glad that the House is in such a good mood, and I am sure that it has an insatiable appetite for the next statement. However, I have just been advised that this might be a convenient moment at which to announce

the result of deferred Divisions. We are building up a sense of anticipation for the Secretary of State for International Development.

I have now to announce the result of the day's deferred Divisions. In respect of the question relating to social security, the Ayes were 292 and the Noes were 236, so the question was agreed to. In respect of the question relating to the Crown, the Ayes were 464 and the Noes were 56.

[The Division list is published at the end of today's debates.]

Counter-Daesh Update

3.22 pm

The Secretary of State for International Development (Priti Patel): With permission, Mr Speaker, I shall update the House on the ongoing campaign against Daesh in Iraq and Syria, including the UK's role in this collective effort. I shall deal first with Mosul, the last major population centre held by Daesh in Iraq and a city key to the counter-Daesh campaign.

Retaking Mosul will be a body blow to Daesh and a major victory for the Iraqi Government, but this is not going to be an easy fight. It will be tough to retake the city, tougher to rebuild it after three years of Daesh rule, and tougher still to win back the trust of the population. Since the House was last updated in November, Iraqi forces have made significant progress against Daesh in Mosul, with substantial support from coalition aircraft including those of the Royal Air Force. East Mosul was retaken on 24 January.

We should pay tribute to the skills and tenacity demonstrated by the Iraqi security forces in clearing Daesh from east Mosul, and to their commitment to protecting civilians during that difficult fight. The liberated community of east Mosul have testified daily to the horror and the sheer brutality that they have experienced. The United Nations has received

"innumerable reports of...gross abuses of human rights"

perpetrated by Daesh, including the use of human shields and snipers to kill civilians, and the existence of mass graves—a reminder to us all of why bringing Daesh to justice is so vital. Thirty schools in east Mosul have already reopened, allowing 16,000 children to return to education. UK assistance through the UN is providing access to water, health and municipal services, and our funding for the UN Mine Action Service will assist in the removal of explosive devices.

On 19 February, Iraqi forces launched the next phase of the operation: the liberation of west Mosul. We should congratulate them on their steady progress so far, including the recent capture of the regional government offices and the courthouse. We will continue to encourage the Government of Iraq to ensure that the protection and wellbeing of civilians are paramount during the ongoing operations.

As a global humanitarian leader, the UK remains at the forefront of efforts to support the Government of Iraq's response to the humanitarian crisis in Iraq. Since June 2014, the Department for International Development has committed £169.5 million to the crisis. A significant proportion of those funds is contributing to the Mosul humanitarian response, and has allowed our partners to make preparations before the start of military operations. We are giving very practical and often life-saving help to vulnerable families. It includes trucking in millions of litres of clean water to people in east Mosul who face severe water shortages, providing shelter, distributing support kits containing blankets and heaters to thousands of displaced families, thus helping them to survive gruelling winter conditions, and giving children access to education and safe spaces.

I remain, however, especially concerned about the plight of civilians who are still trapped in west Mosul by Daesh. We understand that water, food, fuel and medical supplies are worryingly low. Access is all but impossible,

[Priti Patel]

but the UK, together with our partners, is looking at every option for humanitarian assistance. Later this month the UN will launch the 2017 humanitarian response plan for Iraq, which estimates that the humanitarian funding required for 2017 will be \$930 million. I continue to call on other donors to follow the lead that the UK is setting. However, the humanitarian efforts alone will not be enough; we will also need to ensure the political climate is right.

Central to efforts to secure stability and peace in the city of Mosul and the governorate of Nineveh post-liberation will be the political arrangements that lay the foundations for the long-term reconciliation that is so important. Securing a sustainable peace in Iraq will require the Iraqi Government, with assistance from the international community, to address Sunni fears and interests, bring communities back together, and ensure that Iraq is placed on the road to stability and—equally important—prosperity. To help to achieve that objective, the UK supports, and provides funds for, the UN's efforts to encourage reconciliation. We continue to urge Prime Minister Abadi and the Government of Iraq to take the steps that are necessary to ensure that they do not win just the war, but the peace. On 17 February my right hon. Friend the Foreign Secretary met Prime Minister Abadi in Munich, where they discussed the issue.

Let me now deal with Syria. Regrettably, we are marking the sixth anniversary of the terrible civil war in which civilians continue to suffer so badly. We were pleased that UN-mediated political talks between the Syrian parties resumed in Geneva last month, and that the participants were able to agree on the future agenda. The next round is due to take place later this month. We strongly support the work of the UN and of the special envoy, Staffan de Mistura.

It is clear that there is no military solution to the situation in Syria, and a sustainable political settlement is needed to end the fighting for good. This will require a genuine transition to a new Government that is representative of all Syrians and that will protect all Syrians' rights.

It is the UK's long-standing position that there can be no sustainable peace in Syria while Assad remains in power. The atrocities the regime has committed make it impossible for him to unite the country and bring peace. The UN commission of inquiry's recent report on the Aleppo offensive said that the regime had committed war crimes with its indiscriminate bombing and use of chemical weapons against civilians and its targeting of medical facilities and a humanitarian aid convoy.

The UK continues to call for accountability for these violations and abuses of human rights. In December, we co-sponsored a UN General Assembly resolution to establish an independent mechanism to assist in bringing those responsible for the most serious crimes to justice. Most recently, we worked with the French and the United States on a UN Security Council resolution to hold the regime and Daesh to account for their use of chemical weapons in Syria. We are deeply disappointed that Russia and China chose to veto this resolution.

The UK continues to use its position in the International Syria Support Group and the UN Security Council to support the work of the UN special envoy to bring

peace in Syria. We have called for the ceasefire, brokered by Russia, Iran and Turkey, which came into force on 30 of December, to be strengthened. The regime must abide by the ceasefire and stop taking new territory if the ceasefire is to be credible. Russia and Iran, as guarantors of the agreement, must deliver on their commitments.

The fall of east Aleppo in December was a tragedy that brought home to many the ongoing nightmare being experienced by so many in Syria. Some 13.5 million people are in need of humanitarian support, and 1.5 million of them are living under siege-like conditions. The Assad regime continues to prevent the delivery of life-saving aid.

Through the UK's humanitarian and diplomatic efforts, we are doing all we can to alleviate the suffering of civilians. We have mounted the UK's largest ever response to a humanitarian crisis and are using our position in the UN Security Council and the International Syria Support Group to press the regime and its backers to allow aid to reach those who need it, and call for civilians to be protected.

As part of our £2.3 billion pledge to support people affected by the Syrian crisis, we have committed more than £1.2 billion to support refugees in the region. I have seen how our support is making a real impact. In Lebanon, I met Syrian children who, thanks to UK support, now have an opportunity to learn and attend school alongside Lebanese children, after years of suffering. In Jordan, I visited the Azraq refugee camp and witnessed how we are supporting job creation for Syrian refugees. I also discussed with the President of Lebanon and the Prime Minister of Jordan how the UK will continue to lead the scale-up in international support for host countries.

I have met refugee families from Raqqa who told me about their experiences of the daily horror of living under Daesh rule. No child should have to witness kidnappings, public hangings on their streets, and the torture of their friends and families. I spoke to mothers who had lost children as they fled the terror of Daesh.

Despite its claims to be fighting terrorism, Assad's regime focuses its efforts on eradicating all political opposition in Syria by military means. The regime has left the job of tackling terrorism in Syria to the international community.

Daesh continues to lose territory in Syria. In north-west Syria, Turkish-backed Syrian opposition forces, with support from coalition aircraft, have succeeded in pushing back Daesh and taken al-Bab. Elsewhere, the Syrian Democratic Forces have commenced operations to isolate Daesh's stronghold in Raqqa, with coalition air support. This is a fight that will take time and patience to get right. The population will need an inclusive and legitimate local authority to represent them.

As well as action on the ground, we have made progress in countering Daesh's propaganda, which it has used as a recruiting tool. Daesh's propaganda output has fallen by about 75% over the last year. On social media, anti-Daesh posts now outnumber pro-Daesh propaganda by six to one. The UK is leading coalition efforts to do this.

A year has now passed since the UK co-hosted the "Supporting Syria and the Region" conference in London. Donors pledged over \$12 billion, the largest amount raised in a single day for a humanitarian crisis. One year

on, donors have exceeded their pledges for 2016, allocating \$8 billion, of which \$6.2 billion has been delivered to Syria and the refugee-hosting countries. The UK has set the pace in going above and beyond what was promised, exceeding our 2016 pledge of £510 million, with £550 million in life-saving aid delivered last year. Next month, we are co-hosting the Brussels conference, which will be an important opportunity to take stock of the situation in Syria, reaffirm and build on the London conference commitments, and ensure ongoing support to those in Syria who are in desperate need of help.

In conclusion, much progress has been made against Daesh. Since 2014, it has lost 62% of the territory it once held in Iraq and 30% in Syria, but much more remains to be done. Even when Daesh is militarily defeated, we must continue to be wary of its resurgence. In Iraq this means supporting the Government to restore order and be accountable to all their people to meet their needs. In Syria it means continuing our efforts to deliver a political settlement that enables a transition away from Assad to a Government who serve all the Syrian people.

The protracted crises in Syria and the region are the defining humanitarian challenges of our time. History will judge us if the international community does not deliver on support for affected and displaced Syrian and Iraqi people. Supporting the region is the right thing to do on behalf of those suffering, and it is the right thing to do for the UK, to make us safer. I commend the statement to the House.

3.35 pm

Kate Osamor (Edmonton) (Lab/Co-op): I welcome the Secretary of State's statement today, and I thank her for giving me prior sight of it. There has long been cross-party agreement on the work of the Department for International Development. Its core role is to tackle the global challenges of our time, including poverty and disease, mass migration, insecurity and conflict. We must now come together and give cross-party support for helping the most vulnerable civilian refugees affected by Daesh. Violent actors such as Daesh should be condemned, but we must proceed cautiously and avoid compromising the integrity of UK aid if we are to act in a way that is informed by the evidence of what works to promote sustainable peace and development.

United Nations experts reported in June last year that Daesh was committing genocide against Yazidis and other religious minorities in Syria and Iraq, and destroying minority religious communities through killings, sexual slavery and other awful crimes. I particularly welcome the Government's commitment to the Modern Slavery Act 2015 in helping the survivors of torture and violence and those who have suffered sexual violence.

I want to ask the Secretary of State a series of questions about her announcement, which I welcome. Will DFID have any input into the drafting of the United Nations Security Council resolution that seeks to establish a UN investigation into Daesh's crimes in Iraq and Syria? Does she support the UN's call for all the armed forces involved to avoid the use of heavy weapons in populated areas? The priority is to provide safe passage to get the civilians out. There are around 750,000 people trapped in western Mosul. They have no safe means of exit, and limited or no access to food, water or basic sanitation.

I agree that it is important for all Departments to work together to support sustainable peace and development, and yes, that means seeking to address the causes of conflict and fragility. However, I ask the Secretary of State always to think about the role of DFID and how the Department can best serve those it is intended to serve. Fundamentally, its role is to focus on poverty reduction, and part of that involves working to prevent conflict and violence. To be effective, however, that work must focus on the needs of local populations. Does she agree that in important security operations we must be careful not to securitise the aid that the UK provides, as that can sometimes undermine the effectiveness of aid delivery and put the lives of aid workers at risk?

DFID can and should invest in addressing the causes of conflict and insecurity, as part of a path to sustainable development, and I stress the need for the Department to engage with civil society groups and other local actors in mapping out the long-term future of Iraq and Syria. This will offer hope and certainty to people devastated by these atrocities. That requires the UK to understand the different causes of conflict and instability more broadly, and how DFID can seek to address them through its work. Does the right hon. Lady therefore agree that by focusing on only one actor we can be distracted from tackling issues that are of greatest concern to local people, or that generate conflict in the first place? I believe there is cross-party agreement on helping the most vulnerable, and Britain has a long history of helping those who are fleeing terror and persecution. We should stand together in the House today and support that tradition now. I welcome the Secretary of State's statement.

Priti Patel: I thank the hon. Lady for her comments. She will be the first to recognise the extent of not only DFID's work, but the British Government's combined effort, including our first-class diplomacy, how our military and defence teams come together, and our work on the ground in difficult and challenging parts of the world to deliver humanitarian support and, in particular, protect the lives of civilians. Everyone in the House today would pay tribute not only to those on the frontline and the civilians who see the horrors of Daesh day in, day out, but the aid workers and many others who deliver life-saving and life-changing humanitarian support in country.

Our work shows Britain at its best and exactly why we have UK aid. It shows not only how the British Government lead across the world, but how we influence security and stabilisation in many of the areas that the hon. Lady touched on, and how we can work together, including with the United Nations, to bring about peace and address the atrocities and the horror of the crimes of Daesh and the Assad regime. Much of that work is already under way. There is no doubt that it will take time—the evidence-gathering and investigations could take many years—but the entire House can commend not only the work of everyone on the ground in country, but the important international leadership work of the British Government.

Paul Scully (Sutton and Cheam) (Con): Last year, I met a Yazidi Christian in a refugee camp in Athens who had brought five children, including a 10-year-old boy, over on a dangerous boat trip. Does my right hon. Friend agree that it is right for the UK to provide

[Paul Scully]

general financial support for refugee centres throughout the middle east? That support must continue for humanitarian reasons, so that families such as the one I mentioned do not have to extend their suffering.

Priti Patel: My hon. Friend is right. As I mentioned, I have visited the region several times, meeting many refugees who have experienced nothing but trauma on their journeys. The whole House should commend the host countries that are doing tremendous work, and I pay particular tribute to the Governments of Jordan and Lebanon for their outstanding contributions. Through last year's London Syria conference and the forthcoming Brussels conference, we are giving those host countries every ounce of support, in terms of our pledges and our work to ensure that they can support refugee communities in a sustainable way and to help bring peace and stability to the region.

Patrick Grady (Glasgow North) (SNP): I thank the Secretary of State for advance sight of her statement; it is always welcome to see her at the Dispatch Box. As the Disasters Emergency Committee today launched an appeal on the famine in east Africa, it may be helpful to hear at some point what DFID is doing in response to that.

I recognise the role that DFID plays in responding to the humanitarian situation—something it can do because it meets the 0.7% aid target. Given that the official development assistance budget is being spread more thinly across Departments, is the Secretary of State confident that DFID has the necessary resources? Will she confirm the Government's commitment to the aid target, not least because that will encourage others to follow suit and fulfil the pledges that have been made?

Daesh's activities are causing massive displacement across the region, so what steps is the Secretary of State taking to ensure adequate provision for the humanitarian response in the countries that border Iraq and Syria? What support is she able to provide to local civil society, particularly the Churches and faith-based organisations that are often best placed to respond quickly to those in need? Aid for the formal refugee camps is welcome, but what support is being provided to those not in formal camps, particularly in Lebanon?

On the response in Syria, we have repeatedly asked, "If we can drop bombs, why can we not drop bread?" What lessons can be learned from the drone delivery trials in Nepal and Tanzania? What discussions are being had with the US about the joint precision airdrop system? Displacement does not just happen to border countries. The UK needs to commit to taking its fair share of refugees; 20,000 over five years is not a fair share, nor is 350 children under the Dubs scheme. If ODA money is to be used by other Departments, the Home Office can use it for the first year of resettlement.

The former Prime Minister said that UK military involvement in Syria would cut off the head of the snake. Where is the evidence that that has happened? A humanitarian response is the right thing to do, and not only to make us safer; as long as people in Syria and Iraq live with the consequences of UK military adventurism, we have a responsibility to help clean up the mess.

Priti Patel: The hon. Gentleman raises a number of points. He specifically mentioned the support that DFID is giving to those outside the camps; he will not be surprised to hear that we are working with partner organisations, non-governmental organisations and charities in Jordan and Lebanon, particularly outside the camps, to provide support directly to refugees.

On bringing about peace and stability, the Government's objective is long-term stabilisation and humanitarian support. Last year, with the UN, DFID—the British Government—committed substantial resources to pre-preparedness for the Mosul offensive to ensure both that we could protect civilians, and that aid could be provided to people who needed it in light of the offensive.

The hon. Gentleman also mentioned the important and valuable role of the Government's legislative and manifesto commitment to the 0.7% target. The Government have been unequivocal in continuing to support that target. On top of what we have been discussing as regards Iraq, Syria, Jordan, Lebanon and the wider region, a DEC appeal was launched today to address the four potential famines in Somalia, north-east Nigeria, South Sudan and Yemen. We should reflect on the fact that at times of humanitarian crisis, the 0.7% target demonstrates to those who are suffering persecution and displacement who we are as a country, our place in the world, the leadership we give and our response to those who are very much less fortunate than ourselves. That is what UK aid is about. It is about our place in the world, and it is in our national interest to continue doing what we do. Those of us in the House and UK taxpayers can all be proud of that work.

Finally, the hon. Gentleman mentioned resettlement schemes. Our resettlement schemes offer a safe and legal route to the UK for the most vulnerable refugees, and the British Government can be proud of what we have been doing to resettle refugees.

Sir Desmond Swayne (New Forest West) (Con): Well, I am certainly proud. What are the Government doing to support the programme of reform in Iraq that is so necessary for delivering peace by ensuring that liberated Sunni communities are embraced by the whole political economy of Iraq?

Priti Patel: My right hon. Friend, as a former DFID Minister, knows better than most the vital role that UK aid plays in the world, particularly in Iraq. In answer to his question, we have been pressing Iraqi leaders and stressing to them at every opportunity the importance of an inclusive political plan for stabilising and rebuilding the country. All groups have to be involved in that rebuilding and stabilisation. Of course, the UK Government and UK aid are providing all the support to reopen schools in east Mosul, and humanitarian assistance to displaced people across Iraq.

Hilary Benn (Leeds Central) (Lab): The whole House will welcome the progress on defeating Daesh in Mosul and elsewhere, and I join the Secretary of State in paying tribute to the bravery of all the forces, including our RAF pilots, who are engaged in that task.

The Secretary of State referred to the discovery of mass graves, and she will have seen the reports of the now infamous Khasfa sinkhole, which is said to contain thousands of bodies. What action is being taken to

collect forensic evidence? Are we giving assistance? Such evidence will be important in calling to account those who have committed crimes against humanity, war crimes and genocide, and one way to defeat Daesh ideologically is to tell the truth about what it has done.

Priti Patel: I thank the right hon. Gentleman for his remarks about the starkness of what has taken place. We have to speak the truth and bring the facts about exactly what has been going on to light. He specifically asks what the Government are doing in this area. We are working with the UN and others on the investigations. All colleagues in the House will know that this is difficult and will take time. We have seen in the past the amount of time it takes to get the evidence to secure convictions for war crimes, but that does not mean we should shy away from doing this. The mass graves exist, and we already know the extent of the horrors and atrocities that have taken place. It is in all our interests to stand by those who have suffered or been silenced, to act on their behalf to bring about justice for the victims of these atrocities, and to show the world the appalling nature and conduct of Daesh and those who have been associated with them.

Crispin Blunt (Reigate) (Con): The Secretary of State referred to the Syrian Democratic Forces, with coalition air support, commencing operations against Raqqa. Will the Secretary of State inform the House of her assessment, and that of the National Security Council, of Turkish intentions towards the SDF, not least around Manbij? Will she also give her assessment of what Turkish engagement there will be in the political arrangements for the reconciliation around Mosul, not least given Turkey's military presence in Bashiqa, and the recent discussions between President Erdogan and Masoud Barzani?

Priti Patel: I thank my hon. Friend for his question. He will recognise and appreciate that we are working to bring all parties to the table, although we face difficult challenges in getting parties to come together. We have seen greater developments through the Astana process, and our priority is to support Staffan de Mistura to make sure that we can drive the right outcomes and get parties talking to seek the peaceful resolutions we desperately need.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): I thank the Secretary of State for her statement, and particularly the strength of her point about our investment in Syria and Iraq being a fine example of UK aid at its very best. I wish to ask her about a specific issue: the mines around Mosul and de-mining. I understand that there is a real concern among internally displaced people in Iraq about going back to Mosul because of the mines. Co-ordination is essential, so will she say a bit more about international co-ordination and, in particular, about which Department is leading on this? Is it DFID, the Foreign and Commonwealth Office or the Ministry of Defence?

Priti Patel: I thank the hon. Gentleman for his comments. This is an important area, and I mentioned in my statement the importance and significance of de-mining. There is no doubt that we have to invest in it, so that we can return the land securely to the community and they

can get on with their lives. The MOD is leading on this activity, but he will know, from discussions we have had on the significance and importance of de-mining, that from a development perspective we must support, fund and back it. I see this as a cross-Government initiative.

Sir Paul Beresford (Mole Valley) (Con): I thank my right hon. Friend for her statement, and I wonder whether she could extend this update geographically. I have an interest in a potentially large humanitarian action project going into Libya, so it would be of considerable interest to me if she could, either verbally now or in writing later, give me an update on the action being taken to remove Daesh and its fellow travellers from Sirte and its surroundings. What forces are taking that action?

Priti Patel: I thank my hon. Friend for his important question about Libya. A joint FCO and DFID team is working on the wider issues relating to Libya, which cover a range of things. Obviously, there has been a lot of activity and action not only around Sirte, but on dealing with some of the migration challenges we are facing. I will write to him so that we can give him the specific details on that cross-Government work, covering fully not only the DFID aspect, but the FCO aspect.

Ruth Smeeth (Stoke-on-Trent North) (Lab): I join colleagues in sending our thoughts and prayers to everyone on deployment, as well as to the Secretary of State's staff and others who are on the ground delivering humanitarian aid. Will she update the House with the specifics of what we are doing to strengthen local democracy throughout Iraq, especially in the regions, to win the peace, as she says?

Priti Patel: I thank the hon. Lady for her remarks and for the support she and other Members have given to all the people delivering aid in difficult, challenging locations. A political process is obviously under way, on which the Foreign Office is leading. As I mentioned in the statement, the Foreign Secretary has been engaging with Prime Minister al-Abadi and the Iraqi Government on the political side. Linked to that is the wider work on stabilisation, which has to be integrated at every level, including all aspects of state building, nation building and the building of democracy and civil society, as well as some of the most basic things for the functioning of a society, such as infrastructure and the delivery of public goods and services. A great deal of work has taken place across Government, involving the MOD, the FCO and DFID, through the stabilisation team and the combined teams. We are advocating a combined and integrated approach, and we have to work with the Iraqi Government, because ultimately they are responsible for delivery.

Mr Stewart Jackson (Peterborough) (Con): The Secretary of State is quite right in what she has said, and I welcome her timely statement. I pay tribute not only to the compassion and humanitarian efforts of British citizens, but to the courage of our armed forces. On winning the peace, will my right hon. Friend undertake to work with the Home Office to ensure that British jihadists who return from Syria are properly de-radicalised, using a proper strategy, and that there will be the most

[*Mr Stewart Jackson*]

draconian efforts to deal with those who are not de-radicalised, so that we can protect our constituents and our country?

Priti Patel: My hon. Friend is absolutely right to make that point. Everyone who returns, having been involved in the conflict, must be subject to the right kind of sanctions and be reviewed by the police to determine whether they have committed offences. He also raises an important point about our collective work across Government. Everything that DFID, the FCO, the MOD and the Home Office do to fight the forces of terrorism is done in our national interest. That is why our focus is on protecting not only those in Iraq and Syria who are subject to Daesh's atrocities, but our citizens in this country, too.

Tom Brake (Carshalton and Wallington) (LD): In a meeting earlier, members of the Iraqi Democratic Movement stressed the need in Mosul to ensure: first, that refugees are screened safely, in a transparent and accountable way, to make sure there are no disappearances; secondly, that electricity and other services are restored as soon as possible, so that the internally displaced persons can return; and finally, that a high-profile UN presence is deployed to provide reassurance to civilians. What support can the British Government give on those issues?

Priti Patel: The right hon. Gentleman is absolutely right, and we agree with him completely about the approach to refugees and the right kind of screening. We need to get in resources, such as electricity and water, for IDPs, so that they have all the essential life-saving and humanitarian support they require. The United Nations Development Programme is on the ground and a great deal of work is taking place. I am happy to write to the right hon. Gentleman with more information about the collective work that is taking place, because the British Government have cross-Government resources in country. We spent time prior to the Mosul offensive pre-positioning supplies and support, and we are of course working with UN agencies and our partners on the ground. I would be happy to share with him some of the detail of that work.

Sir Julian Brazier (Canterbury) (Con): In welcoming my right hon. Friend's comments about supporting the Governments of Lebanon and Jordan, which are carrying so much of the burden, may I also remind her that while the military mission in Lebanon—or the ex-military mission—is achieving miracles on very small amounts of resources, it does need more help? There is a really serious military threat, which puts at risk 1.5 million refugees and 4 million Lebanese.

Priti Patel: We have a combined approach across Government. My hon. Friend is right to point out that Lebanon is under great pressure. It has more than 1 million refugees who effectively outnumber the Lebanese community. There are wide-ranging pressures on the economy and the military. I have been to some of the very difficult parts of Lebanon and seen at firsthand how hard it is to get the balance right. There is the Brussels conference coming up. We will look at the resources that need to be allocated, and the pledging

that will inevitably take place. As I said in my statement, the United Kingdom is absolutely committed to both Jordan and Lebanon, and that commitment will be demonstrated in our pledging and in our wider political support.

Mike Gapes (Ilford South) (Lab/Co-op): The Secretary of State has referred to support for the Iraqi Government, but is she also aware that there are hundreds of thousands of Syrian Kurdish refugees in the Kurdistan region of Iraq and, in addition, even greater numbers of internally displaced Iraqis, including many who have come from the area near Mosul? As we liberate Mosul, there will be even greater pressure on the Kurdistan Regional Government. What specific help are the Government giving today, and what help will they give in future to the KRG authorities, because they sometimes have difficulties with Baghdad?

Priti Patel: The hon. Gentleman is right to raise that point. We have Ministers who are working directly with the Kurdistan Government, and support is going in to help the refugees. Importantly, his point demonstrates the extent of the crisis in the region, the level of displacement that is taking place and the challenges that need to be overcome.

Bob Stewart (Beckenham) (Con): May I ask my right hon. Friend to give us an update on what is happening in Aleppo? For instance, is British aid getting through to the citizens of Aleppo at the moment?

Priti Patel: My hon. Friend will be well aware that the Aleppo situation is still very difficult—quite frankly it is traumatic and harrowing. There are grave difficulties in getting aid into Aleppo. As I said in my statement, we saw the atrocities and the extent of the pressures in the area in December. That said, we are looking at every single possible avenue that we can use to get aid not only into Aleppo but into other besieged areas. That is a continuing focus of DFID and of the wider humanitarian community.

Ms Tasmina Ahmed-Sheikh (Ochil and South Perthshire) (SNP): I am grateful to the Secretary of State for her interesting statement, particularly in relation to the work around children. What is being done to help support and empower women to rebuild the civil society of which she correctly speaks, and what support is being offered on the ground to women and young people so that they can resist the ongoing call to arms from Daesh, which uses their desperation and their need for cash?

Priti Patel: Many of our programmes, and a substantial amount of our resources, are focused on women, children and young people. We want to ensure that young people have opportunities—and education is at the heart of that—to prevent them from being subject to propaganda and to manipulation by these evil forces in the region. Our work is ongoing. We are working with civil society, NGOs and third-party organisations in the region to put the protections in place, because safeguarding and security are paramount for women, children and young people. As I have said, we also want to ensure that children and young people have the opportunity to access education and other schemes as well so that they are not subject to the extreme propaganda of Daesh.

Mr Philip Hollobone (Kettering) (Con): How many UK nationals have joined, or attempted to join, Daesh in Syria and Iraq, and how many have been apprehended and prosecuted?

Priti Patel: I do not have that information to hand. I will investigate and see whether I can share that information with my hon. Friend.

Mr George Howarth (Knowsley) (Lab): I welcome the Secretary of State's statement unreservedly. Does she agree that in a chronically unstable region, the presence of Daesh serves only to intensify the instability? Does she also agree that the only way to resolve the situation is not only to defeat Daesh militarily, but to defeat the perverted ideology it represents?

Priti Patel: The right hon. Gentleman is absolutely right. The objective has to be to defeat not only Daesh's military capability on the ground, but everything it stands for—its ideology and the spread of hate and evil it perpetrates.

John Howell (Henley) (Con): I congratulate my right hon. Friend on her statement and on our success against Daesh in Syria. Has she looked at the impact of that success on the activities of Daesh in other parts of the world—for example, its support of Boko Haram in Nigeria?

Priti Patel: We learn lessons all the time and assess all activities. My hon. Friend gives me the opportunity to praise our armed forces—the RAF and others—who have been at the forefront of much of the work we have been discussing.

John Woodcock (Barrow and Furness) (Lab/Co-op): Further to the question from my right hon. Friend the Member for Knowsley (Mr Howarth) about the need to counter the ideology of jihadist Salafism, can the Secretary of State give more detail about the investment being made here in the UK and abroad, military and civil, in directly countering and enabling others to counter the narrative that is drawing in so many people? Will she make that strand a routine element of the updates the Government give in future?

Priti Patel: The hon. Gentleman is right that that is a matter of enormous importance to this Government and all others internationally who are fighting the forces of Daesh. In my statement, I said that the UK is heavily involved in coalition efforts on propaganda. The Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for Bournemouth East (Mr Ellwood), will be in Washington next week at the counter-Daesh coalition conference, where the UK leads in this area, and he will be happy to report back and update hon. Members on progress. In addition, work is taking place here that is fundamental to countering Daesh's propaganda.

Maria Caulfield (Lewes) (Con): I welcome my right hon. Friend's statement, which highlights the sterling work being done by her Department and the UK Government as a whole, but may I ask specifically about the Yazidi women and children who have faced a campaign of genocide by Daesh? What help is being given to those who have managed to flee, as well as to the thousands who are still being held captive by Daesh?

Priti Patel: My hon. Friend highlights the atrocious conduct of Daesh. Of course we in this House squarely and fully condemn Daesh's brutality against ethnic minorities. UK aid is distributed to all those my hon. Friend refers to, including members of minorities and Yazidi women and girls. We have touched on the subject a number of times in this House and we have all seen and heard about the horrors of the persecution of minorities and Yazidis. UK aid is very much focused on giving them support, and I think that is something we can all be incredibly proud of.

Anna Turley (Redcar) (Lab/Co-op): I appreciate the Secretary of State's statement today. I want to ask about her statement that "We...are using our position in the UN Security Council and the International Syria Support Group to press the regime and its backers to allow aid to reach those who need it, and call for civilians to be protected." Will she say more about what success we are having and what barriers and obstacles we are facing? Also, what we are doing with the £2.3 billion that is going in to Syria outside the support for refugees? What is actually reaching people in the country?

Priti Patel: The hon. Lady hits the nail on the head. We are working in a challenging situation. Basically, we need peace and stability to achieve the outcomes I described in my statement. We are using everything—every single ounce of capital we have—to lobby and influence, exactly as she would expect us to do. Our commitment to Syria has been substantial. Much of the £2.3 billion she referred to has been concentrated in the wider region, but we are also funding agencies and working with partners such as the World Food Programme and UNICEF, and the wide matrix of agencies, with which we have a strong working relationship, to provide life-saving support—food, water, shelter and medical supplies.

The situation is incredibly challenging. There are still people we cannot reach in besieged areas. Our No. 1 objective and priority is ensure that aid from the UK and from the whole international community reaches the people who have not seen any aid for not just weeks but months.

Robert Jenrick (Newark) (Con): Have the Government given any further consideration, since the House last debated the matter, to recognising the crimes against the Yazidis as a genocide? Are the Government willing to support a rehabilitation and recovery programme, such as the one that Germany has just launched, for Daesh survivors, particularly the Yazidis who are now resident outside Iraq? Following on from the question of the right hon. Member for Leeds Central (Hilary Benn), will the UK deploy its own forensics experts to examine those mass graves as soon as possible? It is not just about bringing people to justice; it is for the loved ones, from the Yazidi community and elsewhere, to be able to identify the bodies of those who have been killed.

Priti Patel: My hon. Friend raises important and significant points about the mass graves. We are already providing support to the investigations that are taking place. As I said earlier, the evidence collation is challenging and difficult. On genocide and the crimes of the persecution of Yazidis, we are working throughout the system to look into the horrors that have taken place. Of course,

[Priti Patel]

the term “genocide” comes up against legal definitions but, as I have said, we will look at all aspects of this. The only way that we can defeat what has happened and address the horrors is by taking all the actions needed to call Daesh out and take the necessary steps forward.

Chris Evans (Islwyn) (Lab/Co-op): I thank the Secretary of State for her statement, and I associate myself with all the comments about our coalition forces and the aid workers working in very difficult circumstances in Iraq and Syria. It is good news that eastern Mosul has been liberated. No doubt, western Mosul will follow. Once it is liberated, along with Raqqa, there is no doubt that Daesh will not see this as the end of the caliphate. Many fighters will be returning to their home countries so, further to the question of the hon. Member for Peterborough (Mr Jackson), will the Secretary of State fill the House in on the conversations she is having with our international partners to ensure that those who return to their countries are not radicalised?

Priti Patel: The hon. Gentleman is right to raise this point. Of course, radicalisation is exactly why these individuals and organisations exist. This is a collective effort. As I mentioned, the counter-Daesh coalition is meeting next week. The issue is an ongoing part of discussions taking place not just across our Government, but within the international community. The objectives have to be to stamp Daesh out, and to end the radicalisation, propaganda, hate and evil that it is spreading.

Mims Davies (Eastleigh) (Con): I thank my right hon. Friend for the welcome update, her unstinting personal commitment to the cause, her Department’s work and all that the humanitarian co-workers and NGOs are doing on the ground. The news of the possible famine brings into focus our commitment to what we deliver in areas of need. Six years on, Syria remains heart-breaking to my constituents, who continue to write to me about the relief effort, but they would like us to push further on other countries’ commitments to doing the same in the area.

Priti Patel: My hon. Friend is absolutely right to mention the horrors of Syria on the sixth anniversary of the conflict, and the fact that others in the international

community need to step up. As I said in my statement, the pledging conference in London last year was a great success and brought in great resources for Syria and the region, but the international community does need to step up. We are seeing famines and humanitarian crises around the world. I have been one of the first to call out and call on others to step up. Britain is out there already, providing support in Somalia, South Sudan, north-east Nigeria and Yemen, but we need to ask others to do more. We cannot deal with these challenges on our own, so the international community absolutely needs to step up.

James Berry (Kingston and Surbiton) (Con): Further to the previous question, the UK is one of only six countries, and the only G7 country, to meet the 0.7% aid commitment, and as with the 2% NATO commitment, we do that by making tough choices about public spending elsewhere. Will my right hon. Friend therefore confirm to those in doubt that it is by meeting that aid commitment that we are able to lead the way in helping civilians who are displaced and terrorised by Daesh?

Priti Patel: My hon. Friend is absolutely right. Britain stands tall in the world through our support and aid, but also through our first-class diplomacy, our commitment to NATO and our defence teams. When we see humanitarian suffering in crises around the world, Britain is leading the way and, as a result, others are following in terms of the commitments that they, too, are now making.

Graham Evans (Weaver Vale) (Con): I very much welcome my right hon. Friend’s statement and the work her Department does on behalf of the British people, as the second-largest donor to the region—second only to the United States. However, the United Kingdom is under severe threat of Islamic terrorist attacks, so will she join me in paying tribute to those security services that help to keep us safe and that have foiled 12 terrorist plots since September 2013?

Priti Patel: I thank my hon. Friend for his question and his remarks. He is absolutely right: we are protected in this country by amazing individuals in our security services. I also pay tribute to others around the world and to our armed forces for doing so much to counter the evil forces we have been discussing this afternoon.

Point of Order

4.16 pm

Alison Thewliss: On a point of order, Madam Deputy Speaker. You may be aware that, in just a few weeks' time, this heartless Tory Government plan to enact a pernicious two-child policy and medieval rape clause. With just 23 days until the policy comes into force, the hundreds of thousands of health professionals and social workers in the UK have not been given adequate sexual violence training, and nor has the necessary statutory instrument been laid before this House. Can you advise me on whether the Government have given any indication about whether they will bring one before the House, and when? If not, what options are available to me to bring Ministers before the House to account for this utterly appalling plan and lack of detail, which are causing considerable concern to women and public service workers across the UK?

Madam Deputy Speaker (Natascha Engel): I thank the hon. Lady for giving notice of her point of order. I understand that the Government have laid the regulations this afternoon and that these will be subject to the usual procedures—they are quite complicated, so she might want to come to talk to a Clerk. They are subject to a negative procedure, but it is open to the hon. Lady to pray against them and seek a debate. I would point out to her that it is business questions tomorrow, so she may want to raise this with the Leader of the House then. There is also always the Backbench Business Committee or an Adjournment debate as a possible option for her. I thank her very much for her point of order.

Network Rail (Scotland)

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

4.18 pm

Drew Hendry (Inverness, Nairn, Badenoch and Strathspey) (SNP): I beg to move,

That leave be given to bring in a Bill to require the transfer of land and assets in Scotland currently in the ownership of Network Rail Limited to a body nominated by the Scottish Government; to transfer responsibilities for the management of the land and assets transferred and for the management and accountability for rail infrastructure in Scotland to the Scottish Government; and for connected purposes.

If we are to provide a meaningful future for people, improve their lives, and help them to remain connected and be better connected with their friends and neighbours, the best way to make sure there are opportunities for social progress, to boost trade and to ensure people's unique circumstances are represented is to bring power as close to home as possible.

Nowhere is the opportunity for rapid benefit more evident than in the current situation with Network Rail in Scotland. Network Rail employees around Scotland work hard, but the organisation simply is not accountable for the work it is asked to undertake on behalf of the Scottish Government. Devolving control over Network Rail to the Scottish Parliament would improve the efficiency and effectiveness of railway operations in Scotland, saving around £100 million a year, and that is before the hundreds of millions in cost overruns are calculated.

Fifty-four per cent. of delay minutes in Scotland are directly attributed to Network Rail. Critical functions such as capacity planning, major project delivery, timetabling and legal property management functions therefore need to be devolved.

As I said, the Scottish Government fund Network Rail and set out its objectives, yet they cannot hold Network Rail to account for those objectives. It is a ridiculous situation that would not be accepted anywhere else and should not be accepted for the people of Scotland. An independent review of major rail projects concluded that there are fundamental weaknesses in Network Rail's delivery of major projects in Scotland. It highlighted a £379 million increase in project costs and exposed weaknesses in Network Rail's project governance, controls and performance reporting. It also highlighted weak and inconsistent cost forecasting and, on top of that, significantly higher costs to comply with national standards.

The decision by the UK Government to sell off public assets in their relentless ideological drive toward further privatisation is the wrong track to take, and the Secretary of State for Transport will find no support for it from the Scottish National party. There is, however, one statement that he has made, underlining the challenges for railway development, that we can agree with. On 6 December last year, he said, when speaking about the Oxford to Cambridge line:

"Train companies take the blame for the problems of Network Rail—and Network Rail has little or no contact with passengers, and so has had little reason to focus on the best possible customer service. In my experience passengers don't understand the division between the two. They just want someone to be in charge. I agree with them. Report after report commissioned by the Government has pointed in the direction of a simpler railway, with less contracting complexity, and more localised decision making."

[Drew Hendry]

He added:

“Whether it’s planning essential repairs, putting in place improvements that can squeeze extra services in on a crowded route, or responding quickly to a problem on the network, our railway is much better run by one joined up team of people.”

The UK Government can sort this. The flashing warning light for us is this: if the controller feels this is the right approach to conduct for Cambridge and Oxford, why is it not right for Scotland?

That is not the only perhaps surprising view that we agree with. We also agree with the former Labour Transport Minister, Tom Harris, who called for Network Rail in Scotland to be fully accountable to the Scottish Government, saying:

“Instead, we need fundamental change to the governance of Network Rail. The Scottish Government is responsible for the strategic direction and funding of the Scottish rail network, but this responsibility cannot be properly exercised while Network Rail remains answerable to the UK Government. Reform Scotland believes that Network Rail in Scotland should be fully accountable to the Scottish Government, and that means it must be devolved.”

Devolution of Network Rail is the sensible and best approach. Transport is already devolved; it therefore surely follows that the management of rail infrastructure should also be devolved. No reasonable person, even in a domestic situation, would agree to commission works, agree to pay for those works, and then have no rights over the final cost or any comeback if it went beyond the agreed timescales—so why should Scotland? It is no surprise that the Secretary of State for Transport cannot sell the idea to the private sector. He is happy to indulge in the retrograde step and slippery slope of privatisation of Network Rail, in effect devolving it to the private sector, yet we are to be told that step is not available for the public sector in Scotland. Instead of making ill-judged and poorly thought out moves towards ever increasing privatisation for the UK’s railways, the UK Government should be giving power over Network Rail to the Scottish Parliament, which can then make decisions to improve the service in Scotland for the Scottish public.

There are challenges in Scotland with the rail network, but even being held back by the current arrangements, 92 out of 100 Scotrail trains arrive at their destination within the recognised punctuality measure—92%, compared with 87% on average across the rest of the UK. The SNP Scottish Government have ensured that fares are capped, and passengers travelling on both ScotRail’s peak and off-peak services have regulated fares. As a result, they are benefiting from the lowest level of increases since the selected powers were devolved in 2005. All of that proves that where powers reside in Scotland, a better deal for the Scottish public can be delivered. Customer satisfaction in Scotland is seven points higher than average in the rest of the UK, and that is a good foundation to build on.

We could take even greater steps to improve those figures if control was within the power of the Scottish Parliament. The former Labour Transport Minister agrees that devolving control over Network Rail to

Scotland is the right move, and the Secretary of State for Transport clearly agrees with the principle, even if he is unwilling to apply it to Scotland, so why wait? All powers to make decisions on Scotland should be taken in Scotland, where we can plan better long-term outcomes. There should never be even the remotest possibility that we might be forced to swallow the bitter pill prescribed by some future Dr Beeching. We are still recovering from the resulting harmful and unnecessary surgery, as is best demonstrated by the rebuilding of the fantastic new Borders rail link. Of course, we should never have had to undertake that reconstructive surgery in the first place.

Scotland is a country teeming with talented people who can—if given the freedom to do so, with powers reclaimed in order to look after the interests of all of her citizens—deliver on a vision for a fairer, better connected and inclusive society. The people of Scotland will have their voice heard on this issue and many others in due course. Scotland is at a junction: we can continue with the tired old Southern rail approach—in the rickety old carriage, with the glum passengers, without even a seat on the train and being ignored by those making the decisions—or we could choose to get off the one-way track into the buffers. With the powers to make choices in Scotland, starting now with those over Network Rail, we could plan a journey to a better, more open and more connected Scotland, a journey of discovery and potential realised for all who call Scotland their home.

Question put and agreed to.

Ordered,

That Drew Hendry, Alex Salmond, Jonathan Edwards, Mark Durkan, Michelle Thomson, Roger Mullin, Caroline Lucas, Stewart Malcolm McDonald, Alan Brown and Kirsty Blackman present the Bill.

Drew Hendry accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 24 March, and to be printed (Bill 155).

HEALTH SERVICE MEDICAL SUPPLIES (COSTS) BILL (PROGRAMME) (NO. 2)

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

That the following provisions shall apply to the Health Service Medical Supplies (Costs) Bill for the purpose of supplementing the Order of 24 October 2016 (Health Service Medical Supplies (Costs) Bill (Programme)):

Consideration of Lords Amendments

(1) Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement at today’s sitting.

(2) The proceedings shall be taken in the following order: Lords Amendments Nos. 3, 1, 2 and 4 to 24.

Subsequent stages

(3) Any further Message from the Lords may be considered forthwith without any Question being put.

(4) The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—(Mr Dunne.)

Question agreed to.

Health Service Medical Supplies (Costs) Bill

Consideration of Lords amendments

Madam Deputy Speaker (Natascha Engel): I must draw the House's attention to the fact that financial privilege is engaged by Lords amendments 1, 2, 18, 19 and 21. If the House agrees them, I will cause an appropriate entry to be made in the *Journal*.

Before Clause 1

DUTY TO HAVE REGARD TO THE LIFE SCIENCES SECTOR AND ACCESS TO NEW MEDICINES AND TREATMENTS

4.29 pm

The Minister of State, Department of Health (Mr Philip Dunne): I beg to move, That this House disagrees with Lords amendment 3.

Madam Deputy Speaker: With this it will be convenient to discuss Lords amendments 1, 2 and 4 to 24.

Mr Dunne: I remind the House of the importance of this Bill. NHS spending on medicines is second only to staffing costs. The NHS in England spent more than £15 billion on medicines during 2015-16, a rise of nearly 20% since 2010-11. With advances in science and our ageing population, the costs will only continue to grow.

The UK has a lot to be proud of: we have a world-class science base and an excellent reputation for the quality and rigour of our clinical trials and the data they produce. The UK has one of the strongest life sciences industries in the world, generating turnover of more than £60 billion each year. Indeed, it is our most productive industry. The Government are deeply committed to supporting it to flourish and, in doing so, to provide jobs and transform the health of the nation.

In the 2016 autumn statement, an additional £4 billion of investment in research and development was announced, specifically targeted at industry-academia collaboration. We expect the life sciences industry to be a substantial beneficiary. That comes on top of measures such as the patent box and the R and D tax credits that the Government have introduced to encourage investment from innovative businesses.

That determined action is reaping rewards. The UK ranks top among the major European economies for foreign direct investment projects in life sciences. Last month, the Danish drugs company Novo Nordisk announced a new £115 million investment in a science research centre in Oxford. That comes on top of an additional investment of £275 million announced by GSK last June and AstraZeneca reaffirming its commitment to a £390 million investment to establish headquarters and a research centre in Cambridge—it is good to see the hon. Member for Cambridge (Daniel Zeichner) in his place. Looking ahead, Professor Sir John Bell, the regius professor of medicine at Oxford, has agreed to lead the development of a new life sciences strategy for the long-term success of UK.

At the same time, it is important that we secure better value for money for the NHS from its growing spend on medicines and other medical supplies. I remind the House that, overall, the Bill will do three things. First, it

will enable us broadly to align our statutory scheme for the control of prices of branded medicines with our voluntary scheme, by introducing the possibility of a payment percentage for the statutory scheme. That could deliver £90 million of savings annually for the NHS. Secondly, the Bill will give us stronger powers to set the prices of unbranded generic medicines if companies charge unwarranted prices in the absence of competition.

Thirdly, the Bill will give us stronger powers to require companies in the supply chain for medicines, medical supplies and other related products to provide us with information. We will use that information to operate our pricing schemes, to reimburse community pharmacies for the products they dispense and to assure ourselves that the supply chain of specific products provides value for money for the NHS and the taxpayer.

During the Bill's passage through the other place, the Government tabled 23 amendments, following debate and discussion in this House and with peers. I firmly believe that those amendments make it a better Bill. However, I will start with Lords amendment 3 and set out the reasons why it does not improve the Bill.

Lords amendment 3 would introduce a duty on the Government, in exercising their functions to control costs, to have "full regard" to the need to

"promote and support a growing life sciences sector"

and the need to ensure that patients have access to new medicines. The amendment would undermine one of the core purposes of the Bill by hindering the ability of the Government to put effective cost controls in place. Controlling the prices of medicines cannot, in itself, promote the interests of the life sciences sector and deliver growth. Having such a requirement in legislation could encourage companies to bring legal challenges where the cost controls have not, in themselves, promoted growth in the life sciences industry. That could significantly hinder the Government's ability to exercise their powers to control costs effectively.

For example, if the Government were to take action to control the price of an unbranded generic medicine, because it was clear that the company was exploiting the NHS—several examples of that have been raised throughout the Bill's passage through this House—it could be argued that that action did not promote the life sciences sector, because every generic drugs manufacturer could argue that it is a life sciences company. Nevertheless, that would, of course, be the right thing to do for the NHS, for patients and for taxpayers. Lords amendment 3 would enable companies to challenge any action by the Government to control costs by arguing that proper regard had not been paid to supporting a growing life sciences industry. The amendment would therefore make it more difficult to control costs, including where companies seek to exploit the NHS over and above the interests of patients, clinicians and taxpayers.

I say gently to those on the Labour Benches that it is ironic that they talk tough on the pharma companies, which they claim in other forums routinely seek to exploit the NHS, when today they are arguing the cause of the industry by supporting an amendment that would provide it with a legal stick with which to challenge the NHS when it seeks to control the costs of drugs, some of which, as they acknowledge, are exorbitantly priced. I therefore have to ask the hon. Member for Ellesmere Port and Neston (Justin Madders): whose side is Labour on?

[Mr Dunne]

The Government are seriously concerned that Lords amendment 3 has the potential to impact negatively on our ability to control costs. I do not expect that that was the aim of well-intentioned Members in the other place. I hope both Houses agree that it would be damaging to the NHS if, on every occasion that the Government deem it necessary to use their powers to control costs, the Government could be challenged for failing to give full regard to promoting the interests of life sciences companies.

The second part of Lords amendment 3 requires the Secretary of State to have full regard to the need for NHS patients to benefit from swift access to innovative medicines that have been recommended by the National Institute for Health and Care Excellence through its technology appraisals. However, NHS commissioners are already legally required to fund drugs and other treatments recommended in NICE technology appraisal guidance, normally within three months of final guidance. The Secretary of State's power to control costs is a completely separate process. Therefore, this part of the amendment would not achieve anything.

Dr Andrew Murrison (South West Wiltshire) (Con): The Minister is of course absolutely right on the primacy of NICE in this matter, but today the NICE board will be imposing a budget threshold of £20 million a year, which would have the effect of at least delaying or possibly preventing the roll-out of new medicines. Does he share my concerns, particularly in relation to cancer drugs?

Mr Dunne: My hon. Friend is right to point out that NICE is considering today in its board meeting thresholds for the introduction of new medicines. What I would not do, however, is share his concern that it will necessarily lead to delay in their take-up. In essence, it will provide NHS England with greater commercial flexibility to negotiate with drugs companies that propose to introduce a drug that may cost more than £20 million in a full year. It will give NHS England more time to negotiate a lower price with the pharma company. That should not, in and of itself, lead to either delay or less take-up.

I am aware of the concerns, expressed by my hon. Friend, other Members and some charities in a national newspaper today, about the joint NICE and NHS England consultation on the proposed changes to the appraisal and adoption of new technologies. There have been suggestions by Opposition Members that this is rationing of NICE-approved medicines. I assure the House that that is not the case. Patients will continue to have the right to NICE-recommended drugs, as enshrined in the NHS constitution. The proposals are intended to ensure that patients benefit from even faster access to the most cost-effective treatments, while addressing issues of affordability as well as effectiveness.

Let me be very clear: Lords amendment 3 would not impact on the proposals; the NHS will continue to fund a product approved by NICE, in line with NICE recommendations. I also remind Members that NICE and NHS England are making the changes to address concerns about the affordability of high-cost new drugs and other technologies that were raised by the Public Accounts Committee, which is chaired by the hon. Member for Hackney South and Shoreditch (Meg Hillier).

I have read the suggestion by the Opposition that the NICE and NHS England proposals would be contrary to our intent to increase the uptake of new medicines. As I said to my hon. Friend the Member for South West Wiltshire (Dr Murrison), that is false. In reality, last year saw spend on medicines grow more quickly than in any of the past 10 years, as we seek to secure rapid access to new medicines for patients.

Access to medicines is primarily dependent on clinicians' choices about what is best for their patients. Clinicians need to be aware of new medicines and persuaded that they may be a better option for their individual patients, taking into account other conditions each patient may have and other medicines they are taking. We need to change the culture and behaviour of those clinicians who may be reluctant to use innovative medicines, and legislation is not the right way to effect behaviour change in the NHS.

Bob Stewart (Beckenham) (Con): I want to ask a layman's question: if NICE approves a drug, is the NHS necessarily required to buy it?

Mr Dunne: The short answer is yes, it is. That is set out in the NHS constitution. The measures considered by the NICE board today provide some additional flexibility for NHS England in its handling of negotiations with the drugs companies over the introduction of new technology.

Let me conclude on amendment 3 by saying that the Government strongly believe that it would have a negative impact on the Government's ability to operate price controls, so I ask Members to disagree with it.

I will deal briefly with the other amendments. Lords amendments 1 and 2 and amendments 4 to 24 were made in the other place. They are all amendments that the Government brought forward, having worked constructively with parliamentarians on improving the Bill.

Amendments 1 and 2 relate to the remuneration for persons providing pharmaceutical services in England and Wales respectively. The amendments provide for new regulation-making powers in respect of special medicinal products. These are unlicensed medicines that can be manufactured or imported to meet a patient's individual needs when no licensed product is available.

The unique nature of specials—the hon. Member for Central Ayrshire (Dr Whitford) mentioned them during our consideration in this place—and their manufacturing arrangements mean that we need to do more to ensure that the prices paid by the NHS represent value for money for all these products. These amendments would enable England and Wales to develop options that will secure improved value for money—for example, by using a quotes system that has been trialled in Scotland, but there are also other options. We will consult the community pharmacy representative body on how best to take this forward.

Amendments 4 to 7 introduce a consultation requirement on the Government with regards to medical supplies. Again, the hon. Member for Central Ayrshire helpfully pointed out that such a requirement was in place for medicines, but not for medical supplies. I thank her for engaging with me and my officials, which has helped to improve the Bill.

The Government have listened to concerns in the House of Lords and in this House about the Government's power to control the prices of medical supplies. These amendments would ensure that the first order to control the price of any medical supply would be subject to the affirmative procedure, giving both Houses an opportunity to discuss that order.

Amendments 8 and 9 and 15 to 17 are amendments to the information powers in the Bill. Responding to concerns from industry about the potential burdens of the proposed information power, they introduce an additional hurdle for the Government to obtain information by requiring them to issue an information notice whenever they require companies to provide cost information related to individual products, which can be appealed by the company concerned.

John Redwood (Wokingham) (Con): One problem in coming to a fair price for a new drug—we want to reward the company for its innovation, but without being ripped off—is knowing what kind of production run or demand there might be for it. Is there any way that the NHS could get better at forecasting what its volume might be, as that might drive the price down?

Mr Dunne: As ever, my right hon. Friend, who is a champion of market solutions to some of these tricky problems, lights on an important point. We need to be better at trying to predict the take-up of medicines. Of course, until a new medicine has been introduced, it is very difficult to assess that, because it requires clinicians to get behind the product and to choose to prescribe it. He is absolutely right that we need to look at the way in which we model in order to have a negotiation with the pharmaceutical company that ensures that we build in as good a volume as we are expecting to maximise our prospects of getting the best price.

Let me return to Lords amendments 8, 9 and 15 to 17. When the Government ask a company to provide straightforward information about prices and other transaction costs or overall costs, there is no need for an information notice. The rationale is that there could be a significant burden on companies to provide product-level cost information. Any such request should be made only in exceptional circumstances—for example, in order to set the price of an unbranded generic medicine, when the Government would need insight into the costs and profits associated with the specific product.

4.45 pm

Lords amendments 10 to 14 were intended to reflect the report from the Delegated Powers and Regulatory Reform Committee in the other place, which considered that the power to prescribe in regulations that any person other than the Secretary of State or Welsh Ministers could disclose information was too wide. Lords amendments 10, 13 and 14 specify health service bodies and NHS foundation trusts. In respect of other amendments made to the NHS (Wales) Act 2006, the Committee thought that the penalties that Welsh Ministers could impose for non-compliance should be included in the Bill and not left to regulations, and that is what amendments 11 and 12 would achieve.

Lords amendments 18, 19 and 20 are consequential amendments relating to the extent of the Bill. Lords amendments 21 to 24 are partly consequential, and

partly provide for flexibility to allow the provisions to come into force in Northern Ireland at a later stage if necessary. Unfortunately, as Members will know, the Northern Ireland Assembly was unable to pass a legislative consent motion on the Bill before it was dissolved.

I believe that those Government amendments, built on engagement with Members of both Houses and with industry, will help to improve the Bill further.

Justin Madders (Ellesmere Port and Neston) (Lab): I support the Lords amendments. I believe that they will improve the Bill significantly, and that they draw on many of the points that Opposition Members made during its earlier stages.

When I was asked to lead the debate for the Opposition—it was the first time that I had done so on a Government Bill—I was assured by my colleagues that this Bill was relatively short, but by comparison with the legislation that we passed on Monday, it strikes me as something of an epic. I only hope that we have more success today than we did on Monday with the amendments that were passed in the other place. As with that other Bill, however, the length of this Bill should not in any way detract from its importance. The exploitation of loopholes by a small number of unscrupulous companies left the Government with no option but to act, and we agree with the thrust of the Bill. We welcome the Lords amendments, both those that the Government are supporting today and the amendment relating to a duty to have regard to the life sciences sector and access to new medical treatments.

Let me first deal with the matters on which there is agreement. Lords amendments 1 and 2 relate to special medicinal products. They will do much to improve the reimbursement for specials, given that the current arrangements are in many cases failing to secure value for money for the taxpayer. As the Minister will know, there is a significant price variation between hospital and community care, with the result that many patients are currently denied access to some specials. The amendments could lead to significant savings throughout the NHS by introducing a more cost-effective whole-market procurement system, as well as having the potential to improve access to treatments. I am pleased that there now appears to be cross-party consensus that action is needed. However, I would welcome confirmation from the Minister that any savings made as a result of the amendment will be used to improve access to specials and other new treatments, rather than simply being returned to general budgets.

We also support Lords amendments 4 to 7, which relate to medical supplies. They add a much needed duty to consult before introducing secondary legislation to control the prices of medical supplies. That goes some way to addressing widespread concerns throughout the sector about the failure to engage before measures relating to medical supplies were introduced in the Bill. Lords amendment 7 would subject the first order to control the prices of medical supplies to the affirmative procedure. That means that if the Government wanted to introduce a new pricing scheme, they would have to convince Parliament that there was a case for doing so.

When we last debated these issues, concerns were expressed that the Government were asking us to give them powers in respect of medical supplies, but were not in a position to tell us how they might be used. The

[Justin Madders]

amendment does much to allay those concerns by giving a further opportunity for challenge should Ministers wish to exercise those powers. We are pleased that the Government have given some ground in that regard.

We also welcome Lords amendments 8 to 10, which introduce a trigger mechanism for information-gathering powers. These amendments make it clear that the Government would be required to issue an information notice before they could collect certain types of information. Amendment 9 sets out in detail what information would need to be provided, as well as the related form, manner and timings. Importantly, it would also introduce a right of appeal for those served with an information notice. This again goes some way towards resolving the concerns that we set out in this place about the potentially onerous effect of the new information-gathering powers.

Lords amendments 11 to 14 relate to the provision of information to Welsh Ministers and stem from the recommendations of the Delegated Powers and Regulatory Reform Committee in the other place. We welcome these measures, which I understand also have the support of the Welsh Assembly. We also support the remaining amendments, which are consequential.

That leaves us with amendment 3, which would introduce a duty on the Government when implementing the legislation to have regard to the life sciences sector and access to new medicines and treatments. This measure received cross-party support in the other place and I am disappointed that the Government intend to oppose it today.

We strongly support the core of the Bill, which seeks to close loopholes and to secure better value for money for the NHS from its negotiations with the pharmaceutical sector. However, if amendment 3 does not form part of the final legislation, the Bill will be looked upon as a missed opportunity.

The likely departure of the European Medicines Agency raises extremely worrying questions about the future of the life sciences and the pharmaceutical industry in this country. It is reported that up to 20 other countries are now queuing up to host it after it leaves these shores. That shows just what an attractive proposition it is for those looking to say to the sector, "This is a place to invest in."

We have the strategic disaster of the EMA going against a backdrop of the sector's investment in R and D already falling in recent years. Between 2003 and 2011 there was significant growth in spending in this area, eventually reaching a peak of £5 billion. However, by 2014 that had fallen to £4 billion, a reduction of 20% in just three years. We are extremely concerned that the potential loss of the EMA could see this figure fall back even further.

Over the last six years, we have ended up with the worst of all worlds: falling investment in R and D by the pharmaceutical industry and appalling rationing of treatments, leaving patients unable to access a range of medicines and treatments unless they have the means to pay for them privately. Members on both sides are beginning to find it ever more frustrating that when increasingly crude and arbitrary rationing is raised, the response from the Minister is often to agree with the concern, but simply to say that it is a matter for the

individual clinical commissioning group in question. How many more times will Ministers sit and listen to huge concerns from every area of the country about treatment being denied to people in desperate situations before they finally accept that the unprecedented levels of rationing are not the consequence of a series of decisions that are unconnected and remote from Government, but a direct result of the systematic underfunding of the health service for the past seven years?

Daniel Zeichner (Cambridge) (Lab): Does my hon. Friend agree that some of the debates in Westminster Hall and the concerns expressed by Members across the House have been prompted by the fact that the resources for new treatments have not become available in the way that was expected because, as the Secretary of State admitted, although the large amount of rebate from the pharmaceutical sector goes to the NHS, it is not being used specifically for new treatments?

Justin Madders: My hon. Friend is right to express that concern. We do not really know where this rebate has ended up, but all Members know from their personal experiences and our debates that across the board rationing is reaching unprecedented levels, particularly for new and innovative treatments. This is not just a manifestation of the financial straitjacket the health service currently operates in, nor is it just a disaster for individual patients, nor is it just an abrogation of the Minister's responsibility to uphold the fundamental principles of the NHS; it is also a direct threat to the future prosperity of our life sciences industry. In answer to the Minister's question about whether we are on the side of patients, I say we absolutely are. Proposed new clause 3(b) makes it very clear that we are on the side of patients, and in particular their ability to access new and innovative treatments.

It is impossible to look at the health of the pharmaceutical sector in this country without considering the central issue of access to treatments. The UK is home to about 4,800 life sciences companies and it continues to have the largest pipeline of new discoveries anywhere in Europe. We are all rightly proud of that. However, the fruits of this innovation are increasingly being enjoyed by patients in other parts of the world before NHS patients can benefit. For every 100 European patients who can access new medicines in the first year they are available, just 15 UK patients have the same access. How can anyone look at that and not say that something is going badly wrong?

As I set out in previous debates on the Bill, a recent report by Breast Cancer Now and Prostate Cancer UK showed that NHS cancer patients are missing out on innovative treatments that are available in any other comparable country to the UK. That should surely shame us all, and it looks as though the situation will get worse. A number of cancer charities estimate that the proposals by NICE to introduce a budget impact threshold could affect one in five new treatments. With one of the options available being a longer period for a phased introduction, the worry is that more patients will be denied access to those critical treatments. I thought that this Bill was meant to be the mechanism by which the cost of drugs would be controlled. Can the Minister explain the flaws in the proposed new pharmaceutical price regulation scheme that make this extra method of cost control necessary?

A debate in this place a few weeks ago drew attention to a number of breast cancer drugs, including Kadcyła, Palbociclib and Perjeta, that might no longer be funded due to changes to the cancer drugs fund. Those are but three examples. Media analysis by the King's Fund found that there were 225 stories relating to rationing of services in 2016, compared with 144 in 2015 and 86 in 2011. There is clearly a trend developing and we need to reverse it.

We do not have much time today, so I shall draw my remarks to a close by reminding the House that this debate touches on many important issues that are all interlinked—three of them in particular. The first involves securing better value for the NHS; the second involves ensuring full and rapid access to treatments for NHS patients; and the third involves the need to support and promote our life sciences sector. The Government will not achieve any of those aims unless they adopt the right approach to all three. The Bill aims to put in place a system that will deal with the first of those aims, which we support. The amendment that we support today seeks to send a clear message to patients and to industry that the Government consider the other two elements equally important. That is why we are so disappointed that they are not prepared to listen to the overwhelming view expressed in the other place and support that amendment. I urge the Minister to reconsider.

Dr Murrison: I shall speak briefly to Lords amendment 3, but first I chastise the hon. Member for Ellesmere Port and Neston (Justin Madders), if I may, for his remarks about money. He is right to say that this is all about money, but I seem to remember that less than two years ago, he stood for election on a manifesto that would have had the effect of opposing the money that is currently going into the national health service, so we should not take any lessons from the Labour party on financing the NHS.

The Government are absolutely right to oppose this amendment. It looks a bit like a probing amendment, to be honest, and I am a bit surprised that it has got this far. It would subject this very good Bill to a whole shedload of judicial review. It would be a lawyers' beanfeast. It bewilders me that people in this House who argue that the NHS needs more money, which it most certainly does, should support such a proposal when all the money would be going into the pockets of lawyers.

NHS England must fund any new drug found to be cost-effective by NICE within 90 days of that approval. This afternoon, the NICE board will approve this new measure, which will establish a budget impact threshold of £20 million. The hon. Member for Ellesmere Port and Neston is right to say that about one in five drugs will probably be within scope of the measure, and that is a cause for concern. Patients in the UK do not enjoy the full range of advanced medicines that are reckoned to be more or less routinely available in countries with which we can reasonably be compared—or if they do, they usually find that they are subject to unwarranted delays before they are treated. That is of course critical in the case of conditions such as cancer, and could well mean the difference between life and death; it will certainly mean a whole load of difference in quality of life. It is vital that we do nothing that would extend that process.

In response to my earlier intervention, the Minister gave me sufficient reassurance that the delay that the measure would introduce would be small, and that this would be an opportunity for NHS England to negotiate a lower price for these very expensive medicines. Indeed, that is the intention. Given that, I am more than happy to support the Government on this. However, any delay at all will send a signal to those in the life sciences sector; it is important that we make it clear that this will not introduce unwarranted delays in the introduction of new medicines, because frankly that would put them off. A lot of worthy work has been done recently, which has involved spending a lot of money, to support a vital part of our economy, and it would be a great pity if anything in the Bill reduced our life sciences sector's ability to prosper in the years ahead.

5 pm

It is vital to ensure that we roll out novel medicines much faster. It is wholly unacceptable that many products that are routinely available in western Europe are not available in the UK within a reasonable timeframe. It is hardly surprising that healthcare outcomes for common forms of disease in this country lag behind those in countries such as France, Germany and the Netherlands. I hope that the Bill will go some way to ensuring that we spend our moneys as effectively as possible and will start to narrow that gap, but we must ensure that medicines are rolled out rapidly once they are approved by NICE on a cost-effectiveness basis.

Dr Philippa Whitford (Central Ayrshire) (SNP): I, too, welcome the principle of the Bill. We have discussed it in a lot of detail as it has gone through Parliament, and the legislative consent motion was passed by the Scottish Parliament last month. I welcome the fact that the Minister listened to our previous discussions, and I therefore welcome Lords amendment 1, which deals with specials—individually produced medicines, usually within dermatology. While the numbers involved may be small, the costs are often eye-watering. In Scotland, that process is controlled through a procurement method, but it was certainly clear that NHS England was simply being ripped off, and I am glad to see that that is being addressed.

I also welcome Lords amendment 6, which will bring in, as I suggested, a consultation on how to maintain the quality of products. We discussed surgical gloves as a perfect example. People talk about quality marks, but they are often simply manufacturing quality marks, not necessarily a mark of suitability for the task. The Medicines and Healthcare Products Regulatory Agency could be involved, or there could be some other process, but it is important that we do not drive down quality by trying to drive down price.

The main thing that we are discussing is the Government's plan to disagree with Lords amendment 3, which would insert a new clause. The NICE board is today discussing this extra layer behind NICE. We are talking about drugs that NICE has already decided are cost-effective, and giving NHS England the ability to delay them further without negotiation. The amount of antivirals such as sofosbuvir for hepatitis C that hepatologists can prescribe is rationed, even though we know that the most important group to treat are those who are well—not

[Dr Philippa Whitford]

those who are almost bed-bound or near the end of life with cirrhosis—because they are the ones out in society spreading hepatitis C to other people.

It is important to consider the delay, which has two aspects. The first relates to very expensive drugs, which are usually for rare diseases. Looking back, almost none of the drugs that have got through in recent years would pass the new limit. Secondly, the total of £20 million means that regardless of how effective a drug is, perhaps for a common disease, it would not get through. If someone comes up with a wonder drug for type 2 diabetes, it would hit the slowing mechanism if it cost more than £20 million because of the sheer number of people that we would be dealing with.

The hon. Member for Ellesmere Port and Neston (Justin Madders) mentioned the impact of our withdrawal from the European Medicines Agency, but while he focused on the impact on the pharmaceutical industry, the impact on the patient is much bigger. Drugs are launched in America and Europe due to the sheer scale of the market, and countries such as Canada and Australia wait longer. The UK will also wait a little longer because we will no longer be part of a market of 500 million people.

The UK may also be seen as a hostile market, because it takes three to five years for cancer drugs to get into the NHS. As other doctors in this place will know, our patients face a delay in accessing new drugs, and anyone who thinks otherwise is fooling themselves. Pharmaceutical companies will simply think, “Well, we’re not going to get into the NHS for five years, so let’s go and do Australia and Canada. We’ll come back and deal with the UK later.” That delay to licensing in the UK would be a real problem, and it would extend to Scotland, too, because at the moment licensing is a UK-wide process. The drugs would therefore not be available to us outside the European Medicines Agency.

This issue is also important to UK research. If we fall so far behind that we do not use what is considered standard treatment, we will not be able to take part in trials of standard plus new. There is an absolute need to control the cost of drugs, but perhaps we need different discussions with pharmaceutical companies about how drugs come on. We need something more radical than this to find the sweet spot between the companies getting a return on their money, the NHS controlling the cost and patients getting access.

We also need to think about realistic medicine. Not every patient even wants access to the newest chemotherapy, and perhaps we need some hard discussions, and to be much more open with patients about what a drug will and will not do.

Question put. That this House disagrees with Lords amendment 3.

The House divided: Ayes 288, Noes 241.

Division No. 185]

[5.6 pm

AYES

Adams, Nigel	Amess, Sir David
Afriyie, Adam	Andrew, Stuart
Aldous, Peter	Ansell, Caroline
Allan, Lucy	Argar, Edward
Allen, Heidi	Atkins, Victoria

Bacon, Mr Richard	Evennett, rh David
Baker, Mr Steve	Fabricant, Michael
Baldwin, Harriett	Fallon, rh Sir Michael
Barclay, Stephen	Fernandes, Suella
Bellingham, Sir Henry	Field, rh Mark
Benyon, rh Richard	Foster, Kevin
Beresford, Sir Paul	Fox, rh Dr Liam
Berry, Jake	Francois, rh Mr Mark
Berry, James	Frazer, Lucy
Bingham, Andrew	Freer, Mike
Blackman, Bob	Fuller, Richard
Blackwood, Nicola	Fysh, Marcus
Bone, Mr Peter	Gale, Sir Roger
Borwick, Victoria	Gauke, rh Mr David
Bottomley, Sir Peter	Ghani, Nusrat
Bradley, rh Karen	Gibb, rh Mr Nick
Brady, Mr Graham	Gillan, rh Mrs Cheryl
Brazier, Sir Julian	Glen, John
Bridgen, Andrew	Goodwill, Mr Robert
Brine, Steve	Gove, rh Michael
Buckland, Robert	Graham, Richard
Burns, Conor	Grant, Mrs Helen
Burns, rh Sir Simon	Gray, James
Burrowes, Mr David	Grayling, rh Chris
Burt, rh Alistair	Green, Chris
Cairns, rh Alun	Green, rh Damian
Carmichael, Neil	Greening, rh Justine
Cartlidge, James	Grieve, rh Mr Dominic
Cash, Sir William	Griffiths, Andrew
Caulfield, Maria	Gummer, rh Ben
Chalk, Alex	Gyimah, Mr Sam
Chishti, Rehman	Halfon, rh Robert
Chope, Mr Christopher	Hall, Luke
Churchill, Jo	Hammond, Stephen
Clark, rh Greg	Hancock, rh Matt
Cleverly, James	Hands, rh Greg
Clifton-Brown, Geoffrey	Harper, rh Mr Mark
Coffey, Dr Thérèse	Harrington, Richard
Collins, Damian	Harris, Rebecca
Colvile, Oliver	Harrison, Trudy
Costa, Alberto	Hart, Simon
Courts, Robert	Hayes, rh Mr John
Cox, Mr Geoffrey	Heald, rh Sir Oliver
Crabb, rh Stephen	Heapey, James
Crouch, Tracey	Heaton-Jones, Peter
Davies, Byron	Henderson, Gordon
Davies, Chris	Herbert, rh Nick
Davies, David T. C.	Hinds, Damian
Davies, Glyn	Hoare, Simon
Davies, Dr James	Hollingbery, George
Davies, Mims	Hollinrake, Kevin
Davis, rh Mr David	Hollobone, Mr Philip
Dinenage, Caroline	Holloway, Mr Adam
Djanogly, Mr Jonathan	Hopkins, Kris
Donelan, Michelle	Howarth, Sir Gerald
Double, Steve	Howell, John
Dowden, Oliver	Howlett, Ben
Doyle-Price, Jackie	Huddleston, Nigel
Drax, Richard	Hunt, rh Mr Jeremy
Drummond, Mrs Flick	Jackson, Mr Stewart
Duddridge, James	James, Margot
Duncan, rh Sir Alan	Javid, rh Sajid
Duncan Smith, rh Mr Iain	Jayawardena, Mr Ranil
Dunne, Mr Philip	Jenkin, Mr Bernard
Ellis, Michael	Jenkyns, Andrea
Ellison, Jane	Jenrick, Robert
Ellwood, Mr Tobias	Johnson, Dr Caroline
Elphicke, Charlie	Johnson, Gareth
Eustice, George	Johnson, Joseph
Evans, Graham	Jones, Andrew
Evans, Mr Nigel	Jones, rh Mr David
	Jones, Mr Marcus

Kawczynski, Daniel
Kennedy, Seema
Kirby, Simon
Knight, rh Sir Greg
Knight, Julian
Kwarteng, Kwasi
Lancaster, Mark
Latham, Pauline
Leadsom, rh Andrea
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Sir Edward
Leslie, Charlotte
Letwin, rh Sir Oliver
Lewis, rh Brandon
Lewis, rh Dr Julian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Mackinlay, Craig
Mackintosh, David
Main, Mrs Anne
Mak, Mr Alan
Malthouse, Kit
Mann, Scott
Mathias, Dr Tania
Maynard, Paul
McCartney, Karl
Menzies, Mark
Mercer, Johnny
Merriman, Huw
Metcalfe, Stephen
Miller, rh Mrs Maria
Milling, Amanda
Mills, Nigel
Milton, rh Anne
Mordaunt, Penny
Morgan, rh Nicky
Morris, Anne Marie
Morris, David
Morris, James
Morton, Wendy
Mowat, David
Murray, Mrs Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Dr Matthew
Opperman, Guy
Osborne, rh Mr
George
Parish, Neil
Patel, rh Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, rh Mike
Percy, Andrew
Philp, Chris
Pickles, rh Sir Eric
Poulter, Dr Daniel
Pow, Rebecca
Prentis, Victoria
Prisk, Mr Mark
Pursglove, Tom
Quin, Jeremy
Quince, Will

Raab, Mr Dominic
Redwood, rh John
Rees-Mogg, Mr Jacob
Robinson, Gavin
Robinson, Mary
Rosindell, Andrew
Rudd, rh Amber
Rutley, David
Sandbach, Antoinette
Scully, Paul
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, rh Mr Keith
Skidmore, Chris
Smith, Henry
Smith, Royston
Solloway, Amanda
Soubry, rh Anna
Spelman, rh Dame
qCaroline
Spencer, Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Graham
Sturdy, Julian
Sunak, Rishi
Swayne, rh Sir Desmond
Swire, rh Sir Hugo
Syms, Mr Robert
Thomas, Derek
Throup, Maggie
Timpson, Edward
Tolhurst, Kelly
Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Trevelyan, Mrs Anne-Marie
Tugendhat, Tom
Turner, Mr Andrew
Tyrrie, rh Mr Andrew
Vara, Mr Shailesh
Vickers, Martin
Walker, Mr Charles
Wallace, Mr Ben
Warburton, David
Warman, Matt
Wharton, James
Whately, Helen
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, rh Mr
qJohn
Wiggin, Bill
Williams, Craig
Williamson, rh Gavin
Wilson, Mr Rob
Wilson, Sammy
Wragg, William
Wright, rh Jeremy

Tellers for the Ayes:
Christopher Pincher and
Chris Heaton-Harris

NOES

Ahmed-Sheikh, Ms Tasmina
Alexander, Heidi
Ali, Rushanara
Allin-Khan, Dr Rosena
Arkless, Richard
Ashworth, Jonathan
Bailey, Mr Adrian
Bardell, Hannah
Barron, rh Sir Kevin
Beckett, rh Margaret
Betts, Mr Clive
Blackford, Ian
Blackman, Kirsty
Blenkinsop, Tom
Blomfield, Paul
Boswell, Philip
Brabin, Tracy
Bradshaw, rh Mr Ben
Brake, rh Tom
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Butler, Dawn
Byrne, rh Liam
Cadbury, Ruth
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Ronnie
Carmichael, rh Mr Alistair
Champion, Sarah
Chapman, Douglas
Chapman, Jenny
Cherry, Joanna
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Cooper, Julie
Cooper, Rosie
Corbyn, rh Jeremy
Cowan, Ronnie
Crausby, Sir David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Alex
Cunningham, Mr Jim
Dakin, Nic
Danczuk, Simon
David, Wayne
Davies, Geraint
Day, Martyn
De Piero, Gloria
Debbonaire, Thangam
Docherty-Hughes, Martin
Donaldson, Stuart Blair
Doughty, Stephen
Dowd, Jim
Dowd, Peter
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Elmore, Chris
Esterson, Bill
Evans, Chris
Farron, Tim
Fellows, Marion
Ferrier, Margaret
Field, rh Frank
Fitzpatrick, Jim
Flelo, Robert
Fletcher, Colleen
Flint, rh Caroline
Flynn, Paul
Foxcroft, Vicky
Furniss, Gill
Gardiner, Barry
Gethins, Stephen
Gibson, Patricia
Glass, Pat
Glindon, Mary
Godsiff, Mr Roger
Goodman, Helen
Grady, Patrick
Grant, Peter
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Haigh, Louise
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendrick, Mr Mark
Hendry, Drew
Hodgson, Mrs Sharon
Hollern, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Huq, Dr Rupa
Hussain, Imran
Jarvis, Dan
Jones, Gerald
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Kane, Mike
Keeley, Barbara
Kendall, Liz
Kerevan, George
Kerr, Calum
Kinnock, Stephen
Kyle, Peter
Lamb, rh Norman
Lammy, rh Mr David
Law, Chris
Leslie, Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
MacNeil, Mr Angus Brendan
Madders, Justin

Mahmood, Shabana
 Malhotra, Seema
 Mann, John
 Marris, Rob
 Marsden, Gordon
 Maskell, Rachael
 Matheson, Christian
 Mc Nally, John
 McCabe, Steve
 McCaig, Callum
 McCarthy, Kerry
 McDonagh, Siobhain
 McDonald, Andy
 McDonald, Stewart
 Malcolm
 McFadden, rh Mr Pat
 McGarry, Natalie
 McGinn, Conor
 McGovern, Alison
 McInnes, Liz
 McKinnell, Catherine
 McLaughlin, Anne
 McMahan, Jim
 Meale, Sir Alan
 Mearns, Ian
 Miliband, rh Edward
 Monaghan, Carol
 Monaghan, Dr Paul
 Moon, Mrs Madeleine
 Mulholland, Greg
 Mullin, Roger
 Murray, Ian
 Newlands, Gavin
 Nicolson, John
 O'Hara, Brendan
 Onn, Melanie
 Onwurah, Chi
 Osamor, Kate
 Owen, Albert
 Paterson, Steven
 Pearce, Teresa
 Pennycook, Matthew
 Phillipson, Bridget
 Pound, Stephen
 Powell, Lucy
 Rayner, Angela
 Reed, Mr Steve

Reeves, Rachel
 Reynolds, Jonathan
 Rimmer, Marie
 Ritchie, Ms Margaret
 Robertson, rh Angus
 Robinson, Mr Geoffrey
 Rotheram, Steve
 Ryan, rh Joan
 Saville Roberts, Liz
 Sheerman, Mr Barry
 Sheppard, Tommy
 Sherriff, Paula
 Siddiq, Tulip
 Skinner, Mr Dennis
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Angela
 Smith, Cat
 Smith, Nick
 Smith, Owen
 Smyth, Karin
 Snell, Gareth
 Spellar, rh Mr John
 Starmer, Keir
 Stephens, Chris
 Stevens, Jo
 Streeting, Wes
 Stringer, Graham
 Stuart, rh Ms Gisela
 Tami, Mark
 Thewliss, Alison
 Thomas-Symonds,
 Nick
 Thomson, Michelle
 Thornberry, rh Emily
 Timms, rh Stephen
 Trickett, Jon
 Turley, Anna
 Turner, Karl
 Twigg, Derek
 Twigg, Stephen
 Umunna, Mr Chuka
 Vaz, rh Keith
 Vaz, Valerie
 Weir, Mike
 West, Catherine
 Whiteford, Dr Eilidh

Whitehead, Dr Alan
 Whitford, Dr Philippa
 Williams, Hywel
 Wilson, Phil
 Winnick, Mr David

Wright, Mr Iain
 Zeichner, Daniel

Tellers for the Noes:
Jessica Morden and
Jeff Smith

Question accordingly agreed to.

Lords amendment 3 disagreed to.

Lords amendments 1, 2, and 4 to 24 agreed to, with Commons financial privileges waived in respect of Lords amendments 1, 2, 18, 19 and 21.

Ordered, That a Committee be appointed to draw up Reasons to be assigned to the Lords for disagreeing to their amendment 3;

That James Berry, Judith Cummins, Mr Philip Dunne, Justine Madders, Mark Spencer, Maggie Throup and Dr Philippa Whitford be members of the Committee;

That Mr Philip Dunne be the Chair of the Committee;

That three be the quorum of the Committee;

That the Committee do withdraw immediately.—(Guy Opperman.)

Committee to withdraw immediately; reasons to be reported and communicated to the Lords.

NATIONAL CITIZEN SERVICE BILL [LORDS] (PROGRAMME) (NO.2)

Ordered,

That the Order of 16 January 2017 (National Citizen Service Bill [Lords] (Programme)) be varied as follows:

(1) Paragraphs 4 and 5 of the Order shall be omitted.

(2) Proceedings on Consideration and proceedings in Legislative Grand Committee shall (so far as not previously concluded) be brought to a conclusion two hours after the commencement of proceedings on the Motion for this Order.

(3) Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion three hours after the commencement of proceedings on the Motion for this Order.—(Guy Opperman.)

National Citizen Service Bill [*Lords*]

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

Clause 1

NATIONAL CITIZEN SERVICE TRUST

5.21 pm

Nicky Morgan (Loughborough) (Con): I beg to move amendment 1, page 2, line 2, insert—

“(c) In carrying out its functions under this Act, the NCS Trust may not act in a manner which has the effect of preventing a young person from working as a volunteer on a heritage railway or tramway as part of a programme which is provided or arranged by the NCS Trust.”

Amendment 1 is the sole amendment to the Bill. Let me say for the benefit of the House, the Clerks and the Whips that I do not intend to push this amendment to a vote. I also want to put on record my full support for the National Citizen Service and for this Bill. It is something that benefits young people enormously. I hope that more and more young people in this country will take part in the NCS. It is about not just how much money we spend on it, but the skills, the experiences, the friendships and the breaking down of barriers. It has been a pleasure to meet NCS groups in my own constituency and to see them in action.

I also want to declare my interest as chair of the all-party group on heritage rail and as a representative—as Member of Parliament for Loughborough—for the Great Central Railway based in my constituency.

I thank both the Under-Secretary of State for Culture, Media and Sport, my hon. Friend the Member for Reading East (Mr Wilson), for the conversations that I have had with him about this amendment, and the Minister for Disabled People, Health and Work for offering to meet me and Lord Faulkner next week on the substance of this amendment, which is why I will not detain the House for too long this afternoon. I also thank the Health and Safety Executive, who have offered a meeting as well.

There are more than 200 heritage railways in this country, offering volunteering and work experience as well as contributing hugely to our local economies and to the tourism infrastructure in this country. The leading counsel advised the Heritage Railway Association last year that activities involving children are unlawful by virtue of a statute passed as long ago as 1920. The Employment of Women, Young Persons and Children Act 1920 expressly excludes the employment of children in an industrial undertaking. The definition of “industrial undertaking” includes railways and “child” is now defined by section 558 of the Education Act 1996 in effect to mean a person who has not yet reached 16. It had long been assumed that “employment” had its usual meaning of work under a contract of employment, but counsel advised that it extends to include work carried out in a voluntary capacity. The basis for his interpretation is the Education (Work experience) Act 1973. That Act, which is re-enacted as section 560 of the Education Act 1996, provided for children aged 14 to 16 to undertake hands-on work experience as part of their education. Although children undergoing such experience do so voluntarily, without payment, Parliament thought it necessary expressly to disapply the provisions of the

1920 Act to enable work experience to take place. By implication, therefore, it was considered that the 1920 Act otherwise extended to voluntary work performed by children in an industrial undertaking.

In this scenario, an entirely laudable motive in 1920, to stop women, young people and children being exploited, now stops an activity that we as a society and a country deem to be worthy. In my example, that is volunteering by young people on a heritage railway, from which they gain experience of work and working as part of a team, and often they are inspired to take up engineering or other customer service and retail opportunities. It seems that the only way around this anomaly is to change the law, hence the amendment tabled in the other place by Lord Faulkner. I have now picked up the baton in this House.

Although not changing the 1920 Act stops National Citizen Service participants falling foul of that law, this demonstrates why the law should be changed. The amendment in no way cuts across the need to safeguard young people who will be working or volunteering in heritage railways, or perhaps in other industrial heritage settings.

Mrs Flick Drummond (Portsmouth South) (Con): We have a huge heritage site in Portsmouth dockyard. Does my right hon. Friend agree that that may be a problem if the Bill is not amended?

Nicky Morgan: A number of heritage sites could fall within the definition of industrial undertaking, such as shipyards and railways. I believe that canals and waterways were mentioned in the debate in the other place. When we see anomalies that are clearly a nonsense in the 21st century and we have the opportunity to correct them, this House has a duty to try to do so.

I do not expect the Minister to accept the amendment today or to commit to changing the law, but I will listen with care to his response to this debate and during my meeting with my hon. Friend the Minister for Disabled People, Health and Work next week. I hope that in due course the House can resolve the legal logjam. Those of us who want young people to be able to volunteer in industrial undertakings and gain vital skills will continue to press the case.

Mr Speaker: The question is that the amendment be made—[*Interruption.*] I do not know whether the flickering lights are an effect of the right hon. Lady’s oration—it would be uncharitable of me to think so—or of my standing up. Who knows?

Mr David Nuttall (Bury North) (Con): I rise briefly to support the amendment tabled by my right hon. Friend the Member for Loughborough (Nicky Morgan), and I thank her very much for the work she does for the all-party parliamentary group on heritage rail.

Bury is home to the East Lancashire railway. We are not connected to the railway in any other way, but we do have what I think is the best heritage railway in the country—[*Interruption.*] I may have started a separate debate on that. Suffice it to say that the railway is an enormous attraction to the town. People come from all over to take part in the special activities that are run, particularly at weekends. The railway is well known in the town as a magnet for tourists and rail enthusiasts.

5.30 pm

I was particularly concerned when I saw the amendment because, to be honest, I was not aware that there would be any problem. I have visited—on two occasions last year, if I recall correctly—young people taking part in the National Citizen Service. They were taking part in a “Dragons’ Den”-type exercise, bidding for funds to carry out good work in the community. I was on the panel with others, listening to the bids, which the young people put forward very professionally. It never occurred to me that young people would not be able to be placed with the East Lancs railway, which is a charity and one of the largest volunteer groups in Bury.

I can understand why the legislation to protect women and young people from dangerous activities was passed back in 1920. I think we can forget the part about women nowadays, because we send women into active service and there is no reason why they should be protected in this respect; they can look after themselves. However, I do accept that young people need protection. I am not trying to suggest that they do not. I also accept that there are aspects of the railway that young people would need special supervision for, but I am sure that that could be provided for in the National Citizen Service scheme and in the risk assessment that the service undertakes for all placements.

I particularly want to put on the record the fact that a wide variety of tasks can be undertaken on heritage railways, and in no way can they all be described as dangerous. There are all sorts of administrative and clerical roles. One only has to look at the long list of tasks undertaken by a heritage railway to see that there is plenty of scope for a young person or a group of young people who are interested in serving the community to get involved. That is particularly important in Bury. The East Lancs railway has a retail outlet, so there are sales and retail opportunities. There is also work in customer care and looking after the facilities at the various stations along the line.

We may be unnecessarily limiting the opportunities for young people. I am sure that is not the intention behind the Bill, which is laudable in all other respects. The fact that it has gone through all its stages with so little controversy demonstrates that, but I would not want the East Lancs Railway to be disadvantaged in any way as a result of a hangover from the 1920s. I hope that the Minister will look closely at the amendment tabled by my right hon. Friend and give some thought to how we can make it crystal clear that charities and organisations that run heritage railways are not disadvantaged.

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr Rob Wilson): I do hope the lights stay on, because I am not expecting a highly charged debate this afternoon—boom, boom!

Anyway, I am grateful to my right hon. Friend the Member for Loughborough (Nicky Morgan) for her contribution, for her fantastic support for the NCS, and for raising this issue. Like Lord Ashton in the other place, I do not want there to be any barriers to young people volunteering their time on heritage railways or, indeed, in other appropriate environments.

NCS participants often choose to dedicate their social action project to a cause that is important to them in the community. If they wanted to work, for example,

on the Great Central railway—an excellent heritage railway, as Members know, in my right hon. Friend’s constituency—nothing should unreasonably prevent them from doing exactly that. Health and safety law must, of course, be adhered to so that young people are properly looked after and risks are managed. That, of course, is sensible.

My Department has spoken with the Office of Rail and Road, which is responsible for the regulation of heritage railways. It confirms that there is a long-standing role for those under school leaving age to work on such systems in the heritage sector, and I know my right hon. Friend has a series of meetings to confirm with the ORR and others whether that is the right way to go.

There is a clear benefit to young people in being able to take part in such volunteering activities: it gives them practical and social skills, develops a sense of community and social engagement, and equips them with a formative degree of knowledge of safety and risk management.

General health and safety policy makes specific provision for the assessment and management of risks for young workers. We would, of course, expect the 1920 Act to be applied and enforced practically, sensibly and in the public interest. For railways that are appropriately managing volunteer work done by young people, and otherwise complying with health and safety law, there is a relatively low risk of action against them in practice. If there were evidence of poor supervision or exposure to risk, the ORR would have the usual range of enforcement powers to deploy. Those range from verbal and written advice to improvement notices, prohibition notices and prosecution for the most serious breaches of the law.

Modifying the law in this area would carry a risk that would need to be investigated thoroughly. The NCS Bill is a focused piece of legislation, as my right hon. Friend realises, and is drafted to put the NCS Trust on a more accountable footing. It is a governance Bill working alongside the draft royal charter, so it is not the place to change the law on the health and safety of young volunteers. Moreover, the 1920 Act concerns those under 16, and the vast majority of NCS participants are 16 or over, so they are not the concern of the Bill.

With that reassurance from the ORR, I know that my right hon. Friend will withdraw her amendment.

Nicky Morgan: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr Speaker: I will now suspend the House for no more than five minutes in order to make a decision about certification. The Division bells will be rung two minutes before the House resumes. Following my certification, the Government will table the appropriate consent motion, copies of which will be available shortly in the Vote Office and will be distributed by Doorkeepers.

5.38 pm

Sitting suspended.

5.42 pm

On resuming—

Mr Speaker: I can now inform the House of my decision about certification. For the purposes of Standing Order No. 83L(2), I have certified the following provisions of the National Citizen Service Bill [Lords] as relating

exclusively to England and within devolved legislative competence: clauses 1 to 8 of and schedule 1 to the Bill as amended in the Public Bill Committee.

For the purposes of Standing Order No. 83L(4), I have certified the following amendment made to the Bill since Second Reading as relating exclusively to England and Wales: amendment 1 to clause 13 made in the Public Bill Committee.

Copies of my certificate are available in the Vote Office. Under Standing Order No. 83M, a consent motion is therefore required for the Bill to proceed. The hon. Member for Aldershot (Sir Gerald Howarth) is nodding sagaciously along with me as I go—he is obviously very conversant with the details of this procedure, and I would expect nothing less. Does the Minister intend to move a consent motion?

Mr Rob Wilson indicated assent.

The House forthwith resolved itself into the Legislative Grand Committee (England) (Standing Order No. 83M(4)).

[NATASCHA ENGEL in the Chair]

The Second Deputy Chairman of Ways and Means (Natascha Engel): I remind hon. Members that if there is a Division, only Members representing constituencies in England may vote on the consent motion.

Resolved,

That the Committee consents to the following certified clauses and schedule to the National Citizen Service Bill [Lords] and the certified amendment made to the Bill:

Clauses and schedules certified under SO No. 83L(2) as relating exclusively to England and being within devolved legislative competence

Clauses 1 to 8 of, and Schedule 1 to, the Bill as amended in the Public Bill Committee (Bill 130).

Amendment certified under SO No. 83L(4) as relating exclusively to England

Amendment 1 made in the Public Bill Committee.—(Mr Rob Wilson.)

Question agreed to.

The occupant of the Chair left the Chair to report the decision of the Committee (Standing Order No. 83M(6)).

The Deputy Speaker resumed the Chair; decision reported.

Third Reading

5.46 pm

Mr Rob Wilson: I beg to move, That the Bill be now read the Third time.

I am absolutely delighted to speak at this historic moment for the National Citizen Service. Passing the National Citizen Service Bill is our opportunity to embed years of hard work by delivering a programme that is cherished by so many young people. Today is the culmination of the work and ideas that have gone into the Bill from both Houses and from outside Parliament.

I thank the hon. Member for Croydon North (Mr Reed) and the Opposition for their approach to the Bill. They have been consistently supportive, and in our debates they have demonstrated a desire to make the NCS the best it can be. The unity of the House has made a powerful statement that the NCS is here to stay. I have welcomed ideas and questions, and I think we have a stronger Bill because of that.

In particular, our discussions have focused on social integration. The importance that Members from across the House have placed on social integration is absolutely justified. People from different backgrounds mixing, working together and learning about each other is an essential part of the NCS. It is part of what makes it distinct as a programme, and why it has been such a valuable addition to national life.

I have always shared the view that social integration is central to the aims of the NCS, so I am pleased that we were able to agree about how to strengthen the language in the draft royal charter. We intend to add social integration to article 3.4 of the charter, which already mentions social cohesion. By adding social integration to the objectives, we will embed it firmly in the NCS Trust's constitution.

We have also covered the issue of the role of young people in the leadership of the NCS. The NCS Trust needs the perspective of young people if it is to provide an appealing, quality experience. As I said in Committee, 19 regional youth boards and one national youth board bring young people's perspective to the leadership of the NCS. The network of 120 young leaders provides another sounding board. I thank the hon. Member for Croydon North for meeting me to discuss those and other points. In the light of those constructive discussions, we have agreed with the NCS Trust that it will have a representative from its youth board at all normal main board meetings with a standing agenda item. The Government will also ensure that the recruitment process for board members will encourage young people to apply. With those commitments, I hope we now have a Bill that we can all firmly support.

It is not too ambitious to say that we want the NCS to become a national institution—a recognised and valid scheme, delivered by a respected and trusted organisation. With royal charter status and the passage of the Bill, the NCS Trust can be that organisation, and we have set our goals for the programme so that hundreds of thousands more young people can be sure of the opportunities on offer.

However, we know that there is still much more to do. For example, I agree with the recent recommendations of the National Audit Office and the Public Accounts Committee on strengthening the governance, transparency and efficiency of the NCS. That is not new to us. Improving those aspects of the programme was one of the reasons we started to develop the Bill more than a year ago. It is precisely because the NCS is so valuable, both to young people and the nation as a whole, that we must ensure that the taxpayer has complete confidence in the way it is managed, what the NCS Trust does and how it spends public money. It is because of our ambition for the programme that I want to ensure it is delivered to the highest possible standards.

The royal charter gives the NCS Trust a strong remit and sets governance arrangements that provide the right balance between necessary Government involvement and the freedom to get on with the job. The Bill can give Parliament confidence in the work of the trust. The business plan and the reporting requirements will provide transparency on key areas of performance. We therefore have an arrangement that works for Government, for Parliament and for the NCS Trust.

Justin Tomlinson (North Swindon) (Con): It was a great honour to be part of the Bill Committee that saw

[Justin Tomlinson]

the Bill through. I think that it strikes the right balance between accountability and trusting the NCS, with its young leaders, to deliver a programme that is relevant. Having made numerous visits to see the transformational opportunities it offers to young people, I believe it is absolutely right that we strike that balance.

Mr Wilson: I thank my hon. Friend for the part he has played in making the Bill the great success it is going to be and for his keen interest in the NCS in his Swindon constituency. He is right to seek assurances about the quality, not just the quantity, of what the NCS is providing and confirmation that young leaders will have the chance to be involved in the future.

The governance arrangements, together with the new projections for demand and the associated funding that I announced in January, are part of an ambitious yet realistic plan for the NCS. We want the NCS to grow, driven by demand from young people; we want it to provide the same quality experience to every young person as it grows; and we want it to provide value for money and transparency for the taxpayer.

I thank everybody who has helped to develop and shape the Bill and the charter, all Members of the House who have spoken in the debates, members of the Public Bill Committee, and the staff and board of the NCS Trust. In particular, I thank the chairman, Stephen Greene, who has taken the NCS Trust from its beginnings to the brink of being a national institution. That is quite a journey and an impressive achievement by anyone's measure.

As we speak, the chairman, the board and the staff of the NCS Trust are working hard to recruit this summer's participants. We in this House can support them and play our part in that. I ask all Members to keep supporting the NCS in their constituencies—visit it, take part in it and talk about the impact it is having on young people. By raising its profile, we can help to make the NCS the household name it deserves to be, so that hundreds of thousands more young people know about it and benefit from it.

I pay tribute to the many organisations that deliver the NCS and those in the wider youth sector who work alongside it. The scouts, the guides, the Duke of Edinburgh's award, cadet forces and too many others to name are all part of our vision for a rich and rewarding journey of experiences that enables young people to develop to their full potential. The NCS can be one common thread in that journey—a shared opportunity in a shared society.

It is not often that we have the opportunity to establish a new part of national life, a new element of being a citizen in our country. This is one of those opportunities. It is the opportunity to secure something that is already changing lives and that has the potential to change many more.

Of course there is much more work to do to grow the NCS and to make it a rite of passage, but today we can take a vital step in the right direction, for today we have a clear statement that working together with people from different backgrounds, in the service of a shared society, should be a normal part of growing up. Today we have before us a Bill that will help to secure the investment of millions more hours of volunteering by

young people in local communities, helping those who most need it. Today, we look to the future and say to young people, "We want to invest in you. We want to give you the opportunity to reach your potential." This Government invest in our young people. More importantly, we believe in our young people.

5.55 pm

Mr Steve Reed (Croydon North) (Lab): I will start by returning the compliments paid to me by the Minister. I and my colleagues on the Opposition Front Bench are grateful to him for the consensual way in which he has dealt with the Bill. That is important to the future of the National Citizen Service, and to the people from all parties and none who have devoted a considerable amount of time to getting the organisation off the ground. That does not mean to say I do not have comments to make about how it is being run, particularly in the light of the Public Accounts Committee report published this week, but those comments should not be misinterpreted as a lack of support for the organisation or for the consensual way in which the Minister has dealt with this matter. It has been an enormous pleasure to visit NCS groups in my constituency. I have seen the positive difference that they are making to young people in Croydon North, as well as to young people across the rest of the country.

The Bill sets up a royal charter that provides a statutory underpinning to the NCS. It does not set up the NCS, because it already exists. It does not agree funding levels, as they are decided by the Government in their spending review. Labour supports the Bill because it believes the NSC has a great deal to offer young people across our country. We want the stronger governance the royal charter will provide, particularly following the concerns about governance, oversight, financial performance and value for money—all issues that we raised in previous stages, but which the Public Accounts Committee report highlighted in flashing lights.

The organisation is due to receive over £1.5 billion of public funding at a time when other youth services up and down the country have lost significant levels of funding. It is important, when so much money goes to any service, that the Government can demonstrate beyond any shadow of a doubt that every penny of public money handed to the NCS is better spent there than every penny cut from thousands of other youth organisations that were also doing good work, many with some of the most vulnerable and disadvantaged young people in the country. I will not ask the Minister to respond in detail to every point raised by the PAC, but I would be grateful if he wrote to me and responded to some of the issues I will raise this afternoon.

I agree with the Minister that it is vital that this organisation, like every other publicly funded body, delivers and demonstrates the highest possible level of value for money. The PAC found that the

"Department cannot justify the seemingly high cost per participant of the NCS".

Given the significant amount of further money pledged to the NCS, that will require a full response in due course from the Minister. The report highlights what appear to be alarmingly high costs per participant: £1,863 per participant is very high, particularly since other funding targeted at the most vulnerable young people has been reduced.

Mr Rob Wilson: I would just like to place on record my absolute determination to see a concerted effort to reduce the cost per unit of the NCS bill. We have been looking at that for some time. One reason for the Bill is to make the NCS much more transparent and accountable in line with other organisations that receive public money.

Mr Reed: I thank the Minister for those assurances. It is important to put our concerns on the record following the PAC report. I fully understand that he will need some time to look at the report in detail to provide the reassurances that the House and the public will be looking for following its publication. The organisation has declared its intention to reduce spending per participant by about £200, which is significant. It is important to know how savings on this scale can be achieved while maintaining the quality of the service and support it provides.

Concerns, which the PAC report repeated, were raised that the full value of participation targets is not yet being realised. The Government reduced their original targets for the number of young people on the scheme by a third—from 360,000 by 2020, to 247,000. With such a dramatic downward shift, and given the funding going into the organisation, assurances will need to be given that the target can be achieved and that there will be no further downward shift.

Given that local authorities and schools are already active on the ground and know their communities, would Ministers be prepared to reconsider their involvement in delivering the service? At an earlier stage, the relationship was different, and although they still have a role with the NCS perhaps it needs to be reviewed to ensure their full integration into the organisation's delivery of its services to young people.

The PAC report was critical of the Cabinet Office's setting up of the trust without appropriate governance arrangements, but I understand that the royal charter to be established will put a governance framework in place. We argued at previous stages that there should be a role for young people in running the trust. I am grateful to the Minister and welcome the comments he made in opening about giving young people a clearer and more direct role on the trust board.

User involvement ensures that organisations remain focused on the needs of their users and do not slip into focusing too much on the needs of the provider. I am pleased to see another good way of making sure that this Government body remains appealing to young people, who will feel they have considerable say in the organisation. I look forward to seeing how the amendment will appear in the royal charter.

I welcome the Minister's comments on social integration, about which points have been made not just by me but by many of the organisations involved in delivering the NCS. There is broad support among Members and across the sector for the NCS's important work in encouraging social integration. Bringing together young people from different backgrounds broadens their understanding of their own country and the community of which they form a part, and it helps to build a sense of shared nationhood, which is very important for the future of our country.

It is particularly important that young people from more socially excluded and deprived backgrounds, who

might be harder to engage, are fully represented in all the work the NCS does. With the focus on driving up participation, the NCS must not go only for those young people who are easier to engage but who might be in less need of its NCS support than young people from more excluded backgrounds. I know that the Minister shares my view, and I look forward to seeing what further focus is placed on the NCS to ensure that targets are met throughout the project's delivery.

The internal evaluation of the NCS published last week showed the benefits of the scheme, but the finding that three months after completion of the spring NCS programme there had been no impact on volunteering was of concern. I hope that the Minister will look into that. Getting young people involved in volunteering is one of the key benefits of the NCS, so we need to do more to encourage those who want to give something back to their community and to ensure that they have that chance.

It is very welcome that the Government are going ahead with the youth social action review, whose chairman was named just this week. We welcome the appointment of Steve Holliday and look forward to hearing his recommendations by October.

Susan Elan Jones (Clwyd South) (Lab): My hon. Friend mentions the full time social action review. Does he share the hope of many of us that the Government will look at full-time volunteering and come up with as many creative ideas as possible?

Mr Reed: Absolutely. It is important that the Government identify and try to remove possible barriers to involvement in full-time volunteering. We hope that the review led by Steve Holliday will produce some proposals.

Let me reassure the House that the points that my colleagues and I have raised are intended to help the NCS to develop and improve. We want it to succeed. We believe in the young people of this country, and we believe that the NCS can have, and is having, a real impact on those who take part in its programmes. It builds their confidence, exposes them to other young people from different backgrounds, builds valuable life skills, and strengthens their understanding of the community and what it means to be part of it. However, we also believe in value for money. There clearly needs to be a tighter grip. Given that so many cuts are now affecting young people, the NCS needs to succeed for every young person in the country.

I hope that the Bill, and the royal charter it establishes, will enable the NCS to move forward, and will help young people throughout the country to achieve their potential and become the very best they can be.

6.6 pm

Mrs Flick Drummond (Portsmouth South) (Con): It is a pleasure to speak in support of the Bill. I should declare an interest, having taken part in a project organised by an NCS partner in Portsmouth: the Pompey in the Community team, led by Clare Martin and James Shannon at Portsmouth football club. Like my hon. Friend the Member for Bury North (Mr Nuttall), who is no longer in the Chamber, and like, I suspect, many other Members of Parliament, I was a "dragon" in the "Dragons' Den" event organised for young people to pitch their ideas for social action projects to be run as part of the scheme.

[Mrs Flick Drummond]

There were some brilliant ideas, and the service has led to the delivery by young people of some great projects in Portsmouth.

I have no doubt that the establishment of a royal charter body is the right way to develop the NCS. It will give the organisation a strong stature in the eyes of the public, and will help to define its independence. The intention is not to allow it to bully or dominate other organisations in the voluntary sector; it is to ensure that a public body, spending large amounts of public money, is properly incorporated. This is not a slight on community interest companies—I have the pleasure of working with several CICs, and I am a firm supporter of that business model—but a move to put the NCS on a firmer footing in view of its considerable public responsibilities. The change will improve our oversight of the organisation, and will allow us to measure it against some of the concerns expressed in the Public Accounts Committee report.

Portsmouth is a compact and diverse city, so we can draw on a real mix of people from a wide variety of backgrounds. It will be vital nationally for the NCS to be able to draw people together from across the spectrum. Getting hold of young people, especially those from disadvantaged backgrounds, is a challenge, but we are achieving it in Portsmouth. That is one of the reasons I think the service is so successful. Our target is 350 this year, and we already have 171 signed up. Ours is a compact city, and people have to work together wherever they come from.

While I recognise that some concerns have been expressed about clause 9 and the involvement of HMRC, I see no great difficulty with it. Being given their national insurance details by HMRC at the age of 16 feels like a rite of passage for many young people, and it makes sense to include information about the NCS at the same time. They should also be getting the message via their schools, and I am sure that every MP can help in that regard. No one would expect the main means of learning about the NCS to come in a buff envelope with the national insurance card, but that is an additional means of engaging young people with projects that can change their lives and open the door to the world of responsibility and adulthood.

I hope that the annual report from the trust will contain some commentary on how it ensures the integrity of its data processing. That should relate not just to its relationship with HMRC, but to all sources of personal data collected and held by the NCS and its partners.

The key issues in the Bill that still give rise to concern involve the measuring of performance and value for money. As we heard from the hon. Member for Croydon North (Mr Reed), that concern arose from the PAC report. We look forward to scrutinising the business plan annually, and to seeing how the performance measures up. There must be no repeat of the unfilled places problem identified in the PAC report. We already know that 90% of the young people who are engaging with the service currently see the value of it, but I would particularly like to see how many continue to volunteer, perhaps even until the age of 21.

The challenge of the NCS will be to demonstrate the follow-on benefits of it as people get further into adulthood. We will therefore want to see in the annual reporting

what the sustained impact is at age 21. This Bill reflects a desire shared in all parts of the House to help young people develop the skills they will need in adulthood, connecting them with parts of society with which they might not otherwise engage.

I have followed the debates about this Bill and its measures with interest, and I feel we have before us a Bill that should command the confidence of Members and the wider public, and I look forward to it becoming law in due course.

6.10 pm

Mr Rob Wilson: With the leave of the House, I will take a couple of minutes to try to answer some of the questions asked, to save me sending a letter or two further down the line. I thank the hon. Member for Croydon North (Mr Reed) for his comments and concerns, and for his support for the NCS.

On the Public Accounts Committee report that came out earlier this week, it is important to realise that the NCS delivers very positive outcomes and, by and large, very good value for money, as independent evaluations have shown. Detailed evaluations are conducted annually about the previous programme, and they are showing good value for money.

The programme has expanded extremely rapidly. As part of that rapid change it is important to acknowledge the need for change, which is precisely why we have brought forward this Bill, and indeed the royal charter. As the hon. Gentleman said, we are creating a much more robust framework for the NCS and the NCS Trust, as well as a new set of targets, which the hon. Gentleman mentioned.

The trust is going to be accountable to Parliament, which is very important, and the programme will be delivered efficiently, effectively and transparently, and these changes will help the trust to continue delivering the outcomes that make the NCS not just a justifiable programme but an important, often life-changing experience for young people.

We are working closely with the trust to ensure that new contracts due in 2018 deliver fully on value for money. The trust has undertaken a number of pathfinder exercises to look at how the NCS is delivered, and the Department for Culture, Media and Sport will continue to scrutinise the NCS Trust's budgets. As I have said, I am determined to take concerted action to make sure we drive down costs and ensure value for money.

Schools and local authorities play a central role in promoting the NCS, and we will publish new guidance for both groups on royal assent.

The hon. Gentleman mentioned the new review under Steve Holliday. He brings a wealth of knowledge and experience of young people and skills—and the right experience—to this role, and I will work with him to secure a panel of experts from the public, private and voluntary sectors to make sure we have the right experience and knowledge to deliver what I hope will be a great report.

Finally, on public sector standards, as an independent community interest company the NCS Trust was not required to comply with public sector expectations on standards and financial reporting, but once the trust has transitioned to a royal charter body it will be required to produce a business plan at the start of each year, and produce annual accounts and annual reports

for Parliament. That will create much more transparency and better accountability, which is why we have the NCS Bill.

I hope that answers the majority of the hon. Gentleman's questions. If there are any left unanswered, I will write to him.

Question put and agreed to.

Bill accordingly read the Third time and passed, without amendment.

Committee on Standards

[Relevant Documents: Report of the House of Commons Commission, Lay Members of the Committee on Standards: Nomination of Candidates, HC 1073.]

6.14 pm

Tom Brake (Carshalton and Wallington) (LD): I beg to move,

That, in accordance with Standing Order No. 149A, Tammy Banks, Rita Dexter and Paul Thorogood be appointed as lay members of the Committee on Standards for a period of six years from 31 March 2017.

I am very happy to be standing in for the Leader of the House of Commons, the right hon. Member for Aylesbury (Mr Lidington) today. The motion proposes the appointment of three lay members to the Committee on Standards to replace the three appointed at the end of 2012 when we first changed the membership of the Committee to include people from outside Parliament. This was a radical reform at the time, and it is greatly to the credit of the three members appointed then—Sharon Darcy, Peter Jinman and Walter Rader—that the motion today is seen as business as usual. I would like to express the thanks of the House of Commons Commission—and, I am sure, of the whole House—to Sharon, Peter and Walter for their dedication to their role and for the contribution they have made to increasing the rigour and public profile of the standards system in the House.

The terms of office of those three original lay members come to an end on 30 March this year, so last summer the Commission started the recruitment process to identify their replacements. We were keen that there should not be a gap in membership and I am glad that by holding this debate today we will achieve that aim. The three names recommended to the House in the motion were chosen as the result of a fair and open competition, as required under the Standing Order. The Commission's report sets this out in more detail for those who are interested. I would like to thank the recruitment panel for all its work in sifting the many applications and putting forward three excellent candidates.

Turning briefly to those candidates, I am sure the House will agree that they will increase diversity on the Standards Committee and that they will bring a broad range of insights and experience to their work on the Committee. Tammy Banks is the chief executive of Yorkshire and Humberside Circles of Support and Accountability, a charity based in York. Rita Dexter has had a lifetime of service in local government and recently retired as deputy commissioner of the London Fire Brigade. Paul Thorogood is the chief executive officer of the Football Foundation. Further biographical details of all the candidates are published in the Commission's report for the information of the House and beyond.

The motion proposes that the three candidates be appointed for six years, which is the maximum term allowed under the Standing Order. This is to allow continuity of service and experience on the Committee and to stagger the departure dates of the seven lay members taken as a whole. I am sure that other Members will join me in wishing the new lay members well in their new role. I ask the House to agree to the motion for the appointments.

6.17 pm

Sir Kevin Barron (Rother Valley) (Lab): As Chair of the Committee on Standards, I would like to speak briefly to support the motion today. As part of my role as Chair, I was a member of the recruitment panel to select the candidates for the lay member posts. The field of potential members was exceptionally strong, and I am sure that the three names that emerged from it will add great value to the work of the Committee. I look forward to welcoming Tammy, Rita and Paul to their new posts if the House passes the motion today.

I would also like to express the thanks of the Committee—and indeed of my personal thanks—to three of the current lay members, Sharon Darcy, Peter Jinman and Walter Rader, who leave us at the end of the month. I believe that they are the first lay members ever to be appointed to a parliamentary Committee, although we now have a total of seven such members. They had the difficult task of taking on and shaping a completely new role at the start of 2013, and doing so at a time when I think it is fair to say that the standards system in the House was not held in high regard.

Sharon, Peter and Walter have brought to their role a deep experience of other regulatory regimes and a determination to improve the system in the House. During their time in post, they have achieved a great deal. They have made a full contribution to all reports and discussions in Committee, much to the improvement of our decisions and processes. They have also encouraged us to look beyond our bread-and-butter disciplinary cases and think about how we can change the culture of standards in the Commons and engage the public more in our work. I know that all three of the departing lay members think there is still more to be done, but I hope that they also have a sense of achievement because of the changes they have brought about in the last four years. They leave a legacy that I am sure will be picked up and pursued by all colleagues on the Standards Committee as we go forward.

6.19 pm

Tommy Sheppard (Edinburgh East) (SNP): I rise briefly to associate myself with the comments already made. I have been a member of the Committee on Standards for—I cannot believe that I can say this—almost two years, and I want to pay tribute to our lay colleagues who are retiring. I have seen at firsthand how they have brought intelligence and, most of all, perspective to our debates. They have allowed us to consider things and arrive at a view that would have been different had they not been present. Members of this House can sometimes be so embroiled in something that we are unable to rise above it and see ourselves as others would see us. That is the contribution that the lay members have made. I concur with the appointment of the new lay members and look forward to working with them.

Question put and agreed to.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

TERMS AND CONDITIONS OF EMPLOYMENT

That the draft National Minimum Wage (Amendment) Regulations 2017, which were laid before this House on 30 January, be approved.—(*Guy Opperman.*)

Question agreed to.

PETITIONS

Implementation of the 1995 and 2011 Pension Acts

6.21 pm

Nick Smith (Blaenau Gwent) (Lab): I present this petition from those in Blaenau Gwent who are facing hardship and need a better deal from this Government. Meeting women up and down my borough, it is clear that pension changes are disproportionately affecting working-class women—women who may have started work as young as 15, women with no private pension to fall back on, and women who are likely to be in manual trades, which are hard to keep up in later years. Their stories are pointed, powerful and painful. Those women are known throughout the country as the WASPI women, and they deserve our support.

The petition states:

The petitioners therefore request that the House of Commons urges the Government to make fair transitional arrangements for all women born in the 1950s (on or after 6 April 1951) who have unfairly borne the burden of the increase to the State Pension Age.

Following is the full text of the petition:

[The Petition of residents of Blaenau Gwent,

Declares that as a result of the way in which the 1995 Pension Act and the 2011 Pension Act were implemented, women born in the 1950s (on or after 6 April 1951) have unfairly borne the burden of the increase to the State Pension Age; further that hundreds of thousands of women have had significant changes imposed on them with little or no personal notice; further that implementation took place faster than promised; further that this gave no time to make alternative pension plans; and further that retirement plans have been shattered with devastating consequences.

The Petitioners therefore request that the House of Commons urges the Government to make fair transitional arrangements for all women born in the 1950s (on or after 6 April 1951) who have unfairly borne the burden of the increase to the State Pension Age.

And the Petitioners remain, etc.]

[P002027]

Implementation of the 1995 and 2011 Pensions Acts

6.22 pm

Sir William Cash (Stone) (Con): I have two petitions, the first of which is a petition signed by many residents of the Stone constituency in relation to the Women Against State Pension Inequality Campaign.

The petition states:

The Petition of residents of Stone,

Declares that as a result of the way in which the 1995 Pension Act and the 2011 Pension Act were implemented, women born in the 1950s (on or after 6 April 1951) have unfairly borne the

burden of the increase to the State Pension Age; further that hundreds of thousands of women have had significant changes imposed on them with little or no personal notice; further that implementation took place faster than promised; further that this gave no time to make alternative pension plans; and further that retirement plans have been shattered with devastating consequences.

The Petitioners therefore request that the House of Commons urges the Government to make fair transitional arrangements for all women born in the 1950s (on or after 6 April 1951) who have unfairly borne the burden of the increase to the State Pension Age.

And the Petitioners remain, etc.

[P002028]

No. 31 bus service to Cheadle from Hanley

6.23 pm

Sir William Cash (Stone) (Con): My second petition relates to the No. 31 bus service to Cheadle from Hanley in Stoke-on-Trent and has also been signed by a significant number of my constituents.

The petition states:

The Petition of residents of the constituency of Stone in Staffordshire,

Declares that the No. 31 bus service to Cheadle from Hanley should not be withdrawn.

The Petitioners therefore request that the House of Commons urges the Government to ensure that the No.31 bus service to Cheadle from Hanley is not withdrawn.

And the Petitioners remain, etc.

[P002029]

Parental Alienation

Motion made, and Question proposed, That this House do now adjourn.—(*Guy Opperman.*)

6.25 pm

Simon Danczuk (Rochdale) (Ind): I have spent much of my time in this place investigating and exposing allegations of child sexual abuse. Politicians, the media and the state were too slow to highlight such abuse.

Parental alienation is another form of child abuse that has gone both unreported and under-discussed. Such abuse is not properly recognised by the United Kingdom Government. While Westminster remains silent on the issue, parents and children suffer. The Government and the courts need to recognise parental alienation as a form of emotional abuse, and as such they need to step up efforts to prevent it and, in some circumstances, punish perpetrators.

Sadly, parental alienation is rarely talked about in Parliament. I do not believe there has previously been a debate on it in this place, and only eight questions have been asked about it since I entered the House in 2010. I hope to use this debate to raise awareness and start a discussion about parental alienation.

I attest that I come to this topic not as an expert in the subject but as someone with experience of parental alienation. My mother could be accused of such a thing. When my parents separated when I was five, my mother portrayed my father, perhaps on occasion faithfully, in a very poor light. By contrast, my father would refuse to say anything bad about my mother.

I have some experience that I think is worth sharing but, for those who do not have first-hand experience of parental alienation, I will explain what is meant by the term. Parental alienation is the deliberate manipulation of a child by one parent against the other parent. Often it occurs after a couple have separated. According to the Children and Family Court Advisory and Support Service, parental alienation is responsible for some 80% of the most difficult cases that come before the family courts. CAFCASS also estimates that 5% of children involved in divorce or separation will experience some level of parental alienation. However, that figure seems incredibly low for what I believe to be a more widespread problem.

Despite those shocking statistics, the United Kingdom lags behind many other countries across the world in addressing the issue. Parental alienation is not recognised in the lower courts and, although the higher courts acknowledge that parental alienation occurs, many family rights campaigners feel the courts do nothing about it. Although there have been small steps in the right direction, progress in the UK has been far too slow.

In part, the controversy is down to parental alienation syndrome, a hotly contested psychological condition. The syndrome is not recognised by the World Health Organisation and has been tossed out by some child abuse experts as “junk science.” I will not get into the nitty-gritty of that psychological debate, which is for specialists to discuss, but it does not matter whether we label parental alienation as a syndrome, because it is still a problem for families.

Suella Fernandes (Fareham) (Con): I thank the hon. Gentleman for his explanation of the issue. Does he agree with Mr Justice Munby, as he then was—he is

[*Suella Fernandes*]

now president of the family division of the High Court and has judged many family cases involving contact disputes—that the cause of these problems is delay in the court system, the failure of the courts to challenge groundless allegations against non-resident fathers and the failure of the courts to get to grips with defiance of contact orders and child arrangement orders and to properly enforce against breach? Does he agree that that is the core of some of the problems?

Simon Danczuk: I thank the hon. Lady for her intervention, and I know that she has good knowledge of these issues from her time before coming to this place. She makes an extremely good point, which adds to the discussion and debate that I hope we will continue to have on this issue.

I am sure we would all agree that it is not normal for a child, in a short space of time, to go from loving a parent to seeing them as an object of hate. As Dr Amy Baker, a developmental psychologist who has written extensively on parental alienation, has said:

“Children do not typically reject a parent, even a relatively bad one, unless they have been manipulated to do so.”

Manipulation can take various forms, and some acts may even be unconscious. For example, if a mother is anxious about their child going to visit their father, the child may pick up on that and begin, for perhaps no other reason, to worry themselves. The odd comment in front of the children about the other parent’s financial situation or inability to stick with plans is another mild form of parental alienation. Although such actions are unlikely to have a serious impact, it is none the less worth keeping in mind that children are very impressionable and that parents must watch what they say around them.

In more destructive cases, the manipulation takes a very nasty form. The manipulator can poison the child’s mind with biased accounts of why the marriage failed or the unpleasant details of the divorce settlement. In the most severe circumstances, a parent may restrict access time to the other parent so that a proper relationship cannot be maintained. That type of parental behaviour can result in the child being uncharacteristically rude to the target parent, refusing to see them and even making serious but false allegations against their mum or dad; often it is carried out by parents seeking revenge against their former partner, with the children maliciously used as a weapon in the battle.

For the target parent the sense of loss and pain can be unimaginable. For the children, who are innocent bystanders, the effects in the present and the long term can only be negative. We know from evidence that bad relationships within families are bad for child development. Separation already has its difficulties, but if it is marred by manipulation and hostility, that will undoubtedly impair a child’s mental health, emotional wellbeing and academic attainment. Indeed, it is likely that a child who is manipulated against one of their parents will engage in such practices when they grow up and have children of their own. I must say that I have had to work at avoiding being negative in conversation with my two youngest children since my second marriage broke down. Thankfully, my second wife Karen and I, for all our differences, work really hard at putting our children’s

emotions first. That is down to good and regular communication, but I can understand how a parent can slip into the milder forms of parental alienation, which highlights the need to raise awareness.

Since this debate was announced, I have received a number of emails from victims of parental alienation, and I am sure that after this evening I will receive more. Of course, it would be unwise to take those accounts completely at face value, as cases are often complex and there are always two sides to any story. However, I can believe that many of the tales that have been recounted are experienced by many parents up and down the country. Last month, when I tweeted an article about parental alienation, I was surprised by the response I received. This is an issue that most people outside Westminster are aware of, although they may well not use the term “parental alienation”. A few of those who got in touch said that they would be watching this debate, and I would like to thank them for sharing their experiences and urge them to share them with their Member of Parliament.

I would like to make a few observations before I share some of the more high-profile cases that have been reported on. First, many fathers’ rights campaign groups have rightly been campaigning on this issue for many years—understandably so, given the trauma that many fathers have to go through to gain access to their children after separation. However, it is important to note that mothers can be the victims of parental alienation as well as the perpetrators. Additionally, the manipulation may not come from the parent who has custody over the child—indeed, a mother or father who sees their child only at weekends could use that limited contact time to poison the mind of their child.

We know that the problem affects many families, so it is surprising that there are so few documented accounts. Last year, the BBC’s “Victoria Derbyshire” show highlighted the case of a girl whose father manipulated her against her mother. Emma—not her real name—went to live with her dad two years after her parents separated. He deliberately blocked her and her siblings from seeing their mother. In front of the children, the father blamed the mother for the breakdown of the family. He told them that their mother was a liar and a drunk, and that she was not interested in seeing them and no longer loved them. Emma was subject to this abuse for five years, but was none the wiser. As she told the BBC:

“With me only being nine, to the age of twelve, I didn’t know” better. Emma’s father blocked her attempts to see her mother, until she eventually ran away. She managed to reach her aunt’s home and call her mum for the first time in years. She now lives with her mother and has cut all ties with her father, and she questions how he can look after children.

Although the children are often unaware of the abuse they are being subjected to, the parent being vilified is all too aware. The case of Miriam—again, not her real name—highlights the suffering experienced by such a parent. Her case is particularly harrowing given the serious sexual allegations made against her by her son, after her ex-husband told her that she would never see her child again. Miriam denied the accusations and they have since been dismissed by the court, yet she did not see her son for 592 days, and he will now consent to seeing her only under supervision, every six

weeks. She is losing hope that she will ever have a meaningful relationship with her child again. She told *The Guardian*:

“My son has been so severely manipulated by his father that it may not be until he has his own children that he comes back to me.”

I know of one mother who had her children steal jewellery and underwear from the separated father's home. She encouraged them to write graffiti at his house, and even had them put hair removal cream in his shampoo bottles. Those are some of the more extreme examples of parental alienation.

What can we do going forward? It seems that there is a lack of information out there about parental alienation in the United Kingdom, so there needs to be further investigation. Parental alienation needs greater recognition by the UK Government, and the family courts need to record it as a specific issue. Without data about the scale of the problem, it is difficult to recommend a solution, let alone monitor the impact of any measures the Government might decide to introduce. When considering the matter, the Government should consider a variety of measures ranging from investing in initiatives to prevent or stop this form of abuse in its early stages to programmes to support victims, as well as changes in legislation to ensure that in the most extreme circumstances parents who abuse their children in this way are punished.

Investment in early prevention efforts must be prioritised, and better guidance must be given to courts, social workers and all those who have children under their duty of care. The Government have already funded a CAFCASS pilot scheme to provide therapeutic programmes relating to parental alienation. I am keen to hear from the Minister how that pilot went and whether the Government plan to continue and expand the programme. I urge the Government to take on board the concerns of Joanna Abrahams, the head of family law at Setfords Solicitors, who has expressed concerns that cuts to legal aid will prevent parents from accessing justice on this issue.

Parental alienation is recognised in the US and Canada, it is illegal in Brazil and Mexico, and in Italy parents who manipulate their child can be fined. It is worth the Government exploring different models such as those to see how best practice can be adopted here in the UK; I hope the Minister will liaise with his counterparts in those countries.

Parental alienation has a serious impact on our children. It is a crying shame that this form of child abuse all too often goes unrecognised and unreported. Parental alienation warrants further debate in Parliament, and we then need the Government to take further action. One of the most immediate and simplest ways in which we can improve the situation is to raise awareness and make both parents conscious of the damage that parental alienation can do to their children. We can all help to raise awareness by doing more next month on 25 April, when we mark Parental Alienation Awareness Day.

6.39 pm

The Minister for Courts and Justice (Sir Oliver Heald):

First, may I congratulate the hon. Member for Rochdale (Simon Danczuk) on securing this debate and on his interesting and thoughtful contribution? It is right to say at the outset that the Government are considering family justice matters at the moment with a view to

having a Green Paper later this year. With that in mind, he has highlighted an important concern. I was sorry to hear of his own personal experience of parental alienation, which must make this an issue of particular concern to him, and the House will have been moved by that.

I am sure that everyone in the House will agree that parental separation is one of the most traumatic events for a family. It affects both the child and the parents. Many separated parents do manage to overcome that agony of separation and work out child arrangements in a way that values and encourages the ongoing involvement of each other, and the hon. Gentleman mentioned his own experience of doing that. Other parents, for a variety of reasons, find themselves in conflict with each other when faced with the need to make important decisions together about the future of themselves and their children. All too often, the needs of the children are lost in that emotional turmoil.

The breakdown of a relationship presents its own difficulties for children. The emotional upheaval of separation is made worse when one parent—more commonly, but not always, the parent with whom the child resides—seeks to turn the child against the other parent and make them appear anxious in their presence. Although there is no generally recognised syndrome—as the hon. Gentleman called it—of parental alienation in this jurisdiction, it does not mean that the problem is unrecognised by the family justice system. What matters is not whether parental alienation is a syndrome, but what the impact is on the child. The Government are aware of the difficulties that a parent can face when the other parent seeks to alienate them from their child's life, and I am sure that hon. Members know that from their own constituency work, because it is a point that comes up in surgeries. Such behaviour can never be acceptable and it has a traumatic effect. Like domestic abuse, it can intensify emotional harm to children. However, I can assure hon. Members that the law takes the matter seriously. There are mechanisms in place robustly to address parental alienation when it features in child arrangements cases before the family court.

When a parent applies for a child arrangements order determining with whom their child is to live or spend time, the court must by law presume that the child's welfare will be furthered by that parent's involvement in their life, unless there is clear evidence to the contrary. When making any decision about the nature of that involvement, the child's welfare is always paramount, but that presumption applies. This position contrasts starkly with the issue that we are debating this evening involving parents who unilaterally seek to undermine the importance of that law, which attaches importance to both parents' involvement—always assuming that it is safe and in the child's best interests to do so.

Where the court is dealing with a child arrangements dispute, the Children Act 1989 sets out what is known as the welfare checklist, which includes having regard to factors such as the ascertainable wishes and feelings of the child concerned, commensurate with that child's age and level of understanding. If the court is concerned about what those wishes genuinely are and the feelings involved, it can request the Children and Family Court Advisory and Support Service—CAFCASS—to prepare a welfare report on the child's wishes and feelings as well as any other any matters relevant to the case.

Tim Loughton (East Worthing and Shoreham) (Con): I apologise for not being present for the beginning of the debate, due to its starting early. My right hon. and learned Friend is making some good points, but is it not the case that the problem with child arrangements orders, which represent a diluted form of the shared parenting principle that should have been in the Children and Families Act 2014, is that the resident parent can usually game the legal system by not abiding by contact orders repeatedly? The non-resident parent constantly has to go back to court and does not see the child, so that over a matter of months that then becomes years the child does not know that parent any more, and the child's wishes and feelings may change to, "I don't know that parent. I don't want contact with them." That is the real cause and the most common form of parental alienation.

Sir Oliver Heald: If my hon. Friend bears with me, I think I will cover those points in my next remarks, but if I do not, I give him full licence to have another go.

CAFCASS is a professional social work organisation and its practitioners understand and recognise the potential for what is often called implacable hostility by a resident or non-resident parent in a child arrangements case. CAFCASS practitioners are professionally qualified social workers with a minimum of three years' post-qualifying experience. They are aware of the potential for children to be influenced by parental views and are alert to the possibility of parental alienation throughout a case.

Where the child presents adult themes or language, the CAFCASS practitioner will explore these and report on such matters to the court. The idea is to intervene as early as possible—a point made by my hon. Friend the Member for Fareham (Suella Fernandes). CAFCASS has a range of tools available to assist its practitioners in assessing the presence or the danger of alienating behaviours. They include a tool for use in direct work with the family, where the child rehearsing adult complaints or describing parents in wholly positive or negative terms will indicate their exposure to alienating behaviours.

There are other measures that can be taken. In highly intractable cases the court can make the child who is the subject of the proceedings a party to the case, with their own representative in court, as well as a guardian. That will ensure that the child's wishes and feelings are fully heard and properly investigated.

The Government recognise, of course, the potential for parental alienation to continue after an order setting child arrangements has been made. A parent who has attempted during the proceedings to alienate the child against the other parent and failed may then seek to frustrate the operation of the order. The court has a general power when making a child arrangements order to direct CAFCASS to monitor compliance with the order and report to the court. A parent may also apply to the court to vary or revoke the order.

Where there is wilful breach of a child arrangements order, the court has powers to deal with that. It may require the person in breach to undertake unpaid work or to pay financial compensation—for example, when a parent has spent money to come to see a child. It is a contempt of court not to follow a court order, and the available punishments include fines and imprisonment, but the court must consider the reason for the breach

and the child's welfare when deciding whether enforcement action is necessary to secure the other parent's involvement in the child's life.

Tim Loughton: Will my right hon. and learned Friend give way?

Sir Oliver Heald: I am just about to finish replying to my hon. Friend's previous intervention. He will have an opportunity to intervene again.

In an exceptional case, the court could decide to change the child's residence to the non-resident parent. As my hon. Friend knows, I have practised in the courts and I was involved in a case where that happened. The case was intractable and long running; one parent was not willing to give any time with the child to the other parent, and in the end the judge transferred the order. I have to say it was not a great success, but that case shows that a powerful remedy is available. Of course, such a change would be profound for the child and could be contemplated only if their longer term welfare needs outweighed the short-term impact on their wellbeing, but in some cases it is an effective option.

Implacable hostility and alienating behaviour by the resident parent are difficult issues for the family court to address and are very distressing for the parent on the receiving end. We need to understand something about the nature and scale of the problem. Professor Liz Trinder of the University of Exeter did a research study in 2012, looking in detail at 215 enforcement applications relating to child contact orders. It was found that alienating or implacably hostile mothers represented a small minority—about 5% of cases. More often, enforcement cases involved parents in continuing high conflict with each other, which prevented them from making arrangements that worked in practice. The second largest group involved cases with significant ongoing welfare concerns, followed by cases where older children just wanted to reduce the amount of time they were spending with their parents, wanting to take part in other activities instead. I can say, as somebody who has done such cases, that the allure of the football pitch or friends down the road sometimes gets in the way as children get older.

I do not for one moment wish to diminish the impact of parental alienation when it occurs. As I have already made clear, such behaviour is unacceptable, but it is important to understand that what may appear to be alienating behaviour by a resident parent may, in fact, be the result of other concerns. It is a mixed, complicated picture. More broadly, I would like to address the perception that the family justice system contains an inherent inequality—I think that is my hon. Friend the Member for East Worthing and Shoreham's point, but I will let him have another go if I am wrong—against fathers seeking to live with or spend time with their children.

As I hope I have explained, the legislative framework governing child arrangements orders and adjudication of disputes by the family court is gender neutral. It is focused—and this is right—on the welfare of the child, as opposed to any perceived rights. Each case is determined on the facts and the individual welfare needs of the child by an independent judge assisted by experienced CAFCASS practitioners. Judges, for their part, recognise the far-reaching nature of the decisions they make for those involved. I certainly know of cases where there has been this sort of appalling behaviour, but later on it

has come to bite the party that was involved because the child has not accepted it in the longer term and has wanted to know both parents.

Tim Loughton: The Minister is being very generous in giving way. I do want to have another go because he is making some very good points. To come back to the available penalties, he mentioned imprisonment. Well, of course, that would fail the welfare checklist for the child in the Children Act 1989 in the vast majority of cases because it is not in the best interests of that child for his or her parent to go to jail. I do not expect him to do this now, but could he provide us with some figures as to the number of occasions on which meaningful penalties have been brought against somebody who is a serial frustrator of contact—that form of parental alienation? How many cases of transfer of residency of a child have there been? I think he will find, notwithstanding his single case, that the actual number is minuscule. That is the nuclear option and the deterrent, but it is not used.

Sir Oliver Heald: I am always happy to discuss these matters with my hon. Friend, who is very knowledgeable in the area of children's protection and who takes a particular interest in a range of social and caring matters concerning children. I am more than happy to look at what information is available for him. It is true that we have done some work looking at pilots and particular examples. The Department for Education also has a series of initiatives, which are not all about this particular issue but are all in the field of family justice. I will also look for what further information I can give the hon. Member for Rochdale about that particular scheme.

The law does not grant either parent any right to any particular amount or pattern of involvement in the child's life. Parental involvement may take many different forms, from staying overnight, at one end of the spectrum,

to indirect involvement through letters and cards, and it often depends on the geographical circumstances of the parties, too.

If the court determines that a particular arrangement—for example, a shared residence arrangement—is necessary to meet the child's welfare needs, it can make an order to that effect. I am sure the House will agree that the welfare of the child, including any concerns the court may have about safety, must always come before the wishes of the adult parties. The current law gives the court wide discretion to address the range of welfare issues that can affect children.

I am conscious that this issue transcends party lines, as we have seen tonight. It is an important issue for those fathers who seek to maintain involvement in their child's life. I hope I have addressed many of those aspects of parental alienation that naturally concern Members.

In concluding, I would like to thank everybody who has made a contribution. I thank the hon. Member for Rochdale for calling the debate and making a speech, but I also thank those who have made interventions, which have raised important points. The Government do not have plans immediately to depart from the current law, which puts children's welfare first and foremost when the family court considers matters affecting their lives and futures. However, as I said at the beginning, we are giving consideration to what further changes may be needed to the family justice system, and we will seek views on our proposals later this year. That may well offer the hon. Gentleman and others an opportunity to set out their concerns if they feel that we have not gone far enough or that there are other matters we need to consider in detail. In the meantime, I will certainly reflect carefully on what has been said in the debate tonight.

Question put and agreed to.

6.56 pm

House adjourned.

Deferred Divisions

SOCIAL SECURITY

That the draft Bereavement Support Payment Regulations 2017, which were laid before this House on 12 January, be approved.

The House divided: Ayes 292, Noes 236.

Division No. 183]

AYES

Adams, Nigel
 Afriyie, Adam
 Aldous, Peter
 Allan, Lucy
 Allen, Heidi
 Amess, Sir David
 Andrew, Stuart
 Ansell, Caroline
 Argar, Edward
 Atkins, Victoria
 Bacon, Mr Richard
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, Stephen
 Bebb, Guto
 Bellingham, Sir Henry
 Benyon, rh Richard
 Berry, Jake
 Berry, James
 Bingham, Andrew
 Blackman, Bob
 Blackwood, Nicola
 Blunt, Crispin
 Bone, Mr Peter
 Borwick, Victoria
 Bradley, rh Karen
 Brady, Mr Graham
 Brazier, Sir Julian
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Buckland, Robert
 Burns, Conor
 Burns, rh Sir Simon
 Burrowes, Mr David
 Burt, rh Alistair
 Cairns, rh Alun
 Carmichael, Neil
 Cartlidge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chope, Mr Christopher
 Churchill, Jo
 Clark, rh Greg
 Cleverly, James
 Clifton-Brown, Geoffrey
 Coffey, Dr Thérèse
 Collins, Damian
 Colvile, Oliver
 Cooper, Rosie
 Costa, Alberto
 Courts, Robert
 Crabb, rh Stephen
 Crouch, Tracey
 Davies, Byron
 Davies, Chris
 Davies, David T. C.
 Davies, Glyn
 Davies, Dr James
 Davies, Mims

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

Harrington, Richard
 Harris, Rebecca
 Harrison, Trudy
 Hart, Simon
 Hayes, rh Mr John
 Heald, rh Sir Oliver
 Heappey, James
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hinds, Damian
 Hoare, Simon
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Mr Adam
 Hopkins, Kris
 Howarth, Sir Gerald
 Howell, John
 Howlett, Ben
 Huddleston, Nigel
 Hurd, Mr Nick
 Jackson, Mr Stewart
 James, Margot
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, Dr Caroline
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Mr Marcus
 Kawczynski, Daniel
 Kennedy, Seema
 Kirby, Simon
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Lancaster, Mark
 Latham, Pauline
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Leslie, Charlotte
 Letwin, rh Sir Oliver
 Lewis, rh Brandon
 Lewis, rh Dr Julian
 Lidington, rh Mr David
 Lilley, rh Mr Peter
 Lopresti, Jack
 Lord, Jonathan
 Loughton, Tim
 Mackinlay, Craig
 Mackintosh, David
 Main, Mrs Anne
 Mak, Mr Alan
 Malthouse, Kit
 Mann, Scott
 Mathias, Dr Tania
 May, rh Mrs Theresa
 Maynard, Paul
 McCartney, Karl
 McLoughlin, rh Sir Patrick
 McPartland, Stephen
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miller, rh Mrs Maria
 Milling, Amanda

Mills, Nigel
 Mitchell, rh Mr Andrew
 Mordaunt, Penny
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mowat, David
 Mundell, rh David
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, Caroline
 Norman, Jesse
 Nuttall, Mr David
 Offord, Dr Matthew
 Opperman, Guy
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Mike
 Percy, Andrew
 Philip, Chris
 Pickles, rh Sir Eric
 Pincher, Christopher
 Poulter, Dr Daniel
 Pow, Rebecca
 Prentis, Victoria
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Raab, Mr Dominic
 Redwood, rh John
 Rees-Mogg, Mr Jacob
 Robinson, Mary
 Rosindell, Andrew
 Rudd, rh Amber
 Rutley, David
 Sandbach, Antoinette
 Selous, Andrew
 Shapps, rh Grant
 Sharma, Alok
 Shelbrooke, Alec
 Simpson, rh Mr Keith
 Skidmore, Chris
 Smith, Henry
 Smith, Julian
 Smith, Royston
 Solloway, Amanda
 Soubry, rh Anna
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Stride, Mel
 Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Mr Robert
 Thomas, Derek
 Throup, Maggie
 Timpson, Edward
 Tolhurst, Kelly

Tomlinson, Justin
Tomlinson, Michael
Tracey, Craig
Tredinnick, David
Trevelyan, Mrs Anne-Marie
Truss, rh Elizabeth
Tugendhat, Tom
Turner, Mr Andrew
Tyrie, rh Mr Andrew
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Wallace, Mr Ben
Warburton, David

Warman, Matt
Wharton, James
Wheeler, Heather
Whittaker, Craig
Whittingdale, rh Mr John
Wiggin, Bill
Williams, Craig
Williamson, rh Gavin
Wilson, Mr Rob
Wollaston, Dr Sarah
Wragg, William
Wright, rh Jeremy
Zahawi, Nadhim

Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Keeley, Barbara
Kendall, Liz
Kerevan, George
Kerr, Calum
Kinahan, Danny
Kinnock, Stephen
Kyle, Peter
Lavery, Ian
Law, Chris
Leslie, Chris
Lewell-Buck, Mrs Emma
Lewis, Clive
Long Bailey, Rebecca
Lucas, Caroline
Lucas, Ian C.
Lynch, Holly
MacNeil, Mr Angus Brendan
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marris, Rob
Marsden, Gordon
Maskell, Rachael
Matheson, Christian
Mc Nally, John
McCabe, Steve
McCaig, Callum
McDonagh, Siobhain
McDonald, Andy
McDonald, Stuart C.
McDonnell, Dr Alasdair
McDonnell, rh John
McGarry, Natalie
McGinn, Conor
McGovern, Alison
McInnes, Liz
McKinnell, Catherine
McLaughlin, Anne
McMahon, Jim
Meale, Sir Alan
Mearns, Ian
Miliband, rh Edward
Monaghan, Carol
Monaghan, Dr Paul
Moon, Mrs Madeleine
Morden, Jessica
Mulholland, Greg
Mullin, Roger
Murray, Ian
Newlands, Gavin
Nicolson, John
O'Hara, Brendan
Onn, Melanie
Osamor, Kate
Owen, Albert
Paterson, Steven
Pennycook, Matthew
Phillipson, Bridget
Pound, Stephen
Pugh, John

Qureshi, Yasmin
Rayner, Angela
Rees, Christina
Reeves, Rachel
Reynolds, Jonathan
Rimmer, Marie
Ritchie, Ms Margaret
Robertson, rh Angus
Robinson, Gavin
Robinson, Mr Geoffrey
Rotheram, Steve
Ryan, rh Joan
Salmond, rh Alex
Saville Roberts, Liz
Shannon, Jim
Sheerman, Mr Barry
Sherriff, Paula
Shuker, Mr Gavin
Siddiq, Tulip
Simpson, David
Skinner, Mr Dennis
Slaughter, Andy
Smeeth, Ruth
Smith, Angela
Smith, Cat
Smith, Jeff
Smith, Nick
Smith, Owen
Smyth, Karin
Snell, Gareth
Spellar, rh Mr John
Stephens, Chris
Stevens, Jo
Streeting, Wes
Stuart, rh Ms Gisela
Tami, Mark
Thewliss, Alison
Thomas-Symonds,
Nick
Thompson, Owen
Thomson, Michelle
Thornberry, rh Emily
Timms, rh Stephen
Trickett, Jon
Turley, Anna
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Weir, Mike
West, Catherine
White, Chris
Whitehead, Dr Alan
Whitford, Dr Philippa
Williams, Mr Mark
Wilson, Corri
Wilson, Phil
Winnick, Mr David
Winterton, rh Dame Rosie
Wishart, Pete
Woodcock, John
Wright, Mr Iain
Zeichner, Daniel

NOES

Abrahams, Debbie
Ahmed-Sheikh, Ms Tasmina
Alexander, Heidi
Ali, Rushanara
Allin-Khan, Dr Rosena
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Beckett, rh Margaret
Benn, rh Hilary
Betts, Mr Clive
Blackford, Ian
Blackman, Kirsty
Blenkinsop, Tom
Blomfield, Paul
Boswell, Philip
Brabin, Tracy
Bradshaw, rh Mr Ben
Brake, rh Tom
Brennan, Kevin
Brock, Deidre
Brown, Alan
Brown, Lyn
Brown, rh Mr Nicholas
Buck, Ms Karen
Burden, Richard
Burgon, Richard
Cameron, Dr Lisa
Campbell, rh Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Carmichael, rh Mr Alistair
Chapman, Douglas
Cherry, Joanna
Clwyd, rh Ann
Coaker, Vernon
Crausby, Sir David
Crawley, Angela
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cummins, Judith
Cunningham, Mr Jim
Dakin, Nic
David, Wayne
Davies, Geraint
Day, Martyn
De Piero, Gloria
Docherty-Hughes, Martin
Dodds, rh Mr Nigel
Donaldson, rh Sir Jeffrey M.
Donaldson, Stuart Blair
Doughty, Stephen
Dowd, Jim

Dowd, Peter
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Elliott, Julie
Elliott, Tom
Ellman, Mrs Louise
Elmore, Chris
Evans, Chris
Farron, Tim
Fellows, Marion
Ferrier, Margaret
Field, rh Frank
Fitzpatrick, Jim
Fleelo, Robert
Fletcher, Colleen
Flint, rh Caroline
Foxcroft, Vicky
Furniss, Gill
Gapes, Mike
Gardiner, Barry
Gethins, Stephen
Gibson, Patricia
Glass, Pat
Glindon, Mary
Goodman, Helen
Grady, Patrick
Grant, Peter
Gray, Neil
Green, Kate
Greenwood, Lilian
Greenwood, Margaret
Griffith, Nia
Gwynne, Andrew
Hamilton, Fabian
Harris, Carolyn
Hayes, Helen
Hayman, Sue
Healey, rh John
Hendry, Drew
Hermon, Lady
Hodgson, Mrs Sharon
Hollern, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Huq, Dr Rupa
Hussain, Imran
Jarvis, Dan
Johnson, rh Alan
Jones, Gerald
Jones, Graham

Question accordingly agreed to.

CROWN

That the draft Sovereign Grant Act 2011 (Change of Percentage) Order 2017, which was laid before this House on 26 January, be approved.

The House divided: Ayes 464, Noes 56.

Division No. 184]

AYES

Abrahams, Debbie
 Adams, Nigel
 Afriyie, Adam
 Aldous, Peter
 Alexander, Heidi
 Allan, Lucy
 Allen, Heidi
 Allin-Khan, Dr Rosena
 Amess, Sir David
 Andrew, Stuart
 Ansell, Caroline
 Argar, Edward
 Ashworth, Jonathan
 Atkins, Victoria
 Austin, Ian
 Bacon, Mr Richard
 Bailey, Mr Adrian
 Baker, Mr Steve
 Baldwin, Harriett
 Barclay, Stephen
 Bebb, Guto
 Beckett, rh Margaret
 Bellingham, Sir Henry
 Benn, rh Hilary
 Benyon, rh Richard
 Berry, Jake
 Berry, James
 Betts, Mr Clive
 Bingham, Andrew
 Blackman, Bob
 Blackwood, Nicola
 Blenkinsop, Tom
 Blomfield, Paul
 Blunt, Crispin
 Borwick, Victoria
 Brabin, Tracy
 Bradley, rh Karen
 Brady, Mr Graham
 Brake, rh Tom
 Brazier, Sir Julian
 Bridgen, Andrew
 Brine, Steve
 Brokenshire, rh James
 Brown, Lyn
 Brown, rh Mr Nicholas
 Buck, Ms Karen
 Buckland, Robert
 Burden, Richard
 Burgon, Richard
 Burns, Conor
 Burns, rh Sir Simon
 Burrowes, Mr David
 Burt, rh Alistair
 Cairns, rh Alun
 Campbell, rh Mr Alan
 Campbell, Mr Gregory
 Campbell, Mr Ronnie
 Carmichael, rh Mr Alistair
 Carmichael, Neil
 Cartledge, James
 Cash, Sir William
 Caulfield, Maria
 Chalk, Alex
 Chope, Mr Christopher
 Churchill, Jo
 Clark, rh Greg
 Cleverly, James
 Clifton-Brown, Geoffrey
 Clwyd, rh Ann
 Coaker, Vernon
 Coffey, Dr Thérèse
 Collins, Damian
 Colville, Oliver
 Costa, Alberto
 Courts, Robert
 Crabb, rh Stephen
 Crausby, Sir David
 Creagh, Mary
 Creasy, Stella
 Crouch, Tracey
 Cruddas, Jon
 Cryer, John
 Cummins, Judith
 Cunningham, Mr Jim
 Dakin, Nic
 David, Wayne
 Davies, Byron
 Davies, Chris
 Davies, David T. C.
 Davies, Geraint
 Davies, Glyn
 Davies, Dr James
 Davies, Mims
 Davis, rh Mr David
 De Piero, Gloria
 Dinenage, Caroline
 Djanogly, Mr Jonathan
 Dodds, rh Mr Nigel
 Donaldson, rh Sir Jeffrey M.
 Donelan, Michelle
 Dorries, Nadine
 Double, Steve
 Doughty, Stephen
 Dowd, Jim
 Dowd, Peter
 Dowden, Oliver
 Doyle-Price, Jackie
 Drax, Richard
 Dromey, Jack
 Drummond, Mrs Flick
 Duddridge, James
 Dugher, Michael
 Duncan, rh Sir Alan
 Duncan Smith, rh Mr Iain
 Dunne, Mr Philip
 Eagle, Ms Angela
 Eagle, Maria
 Elliott, Julie
 Elliott, Tom
 Ellis, Michael
 Ellison, Jane
 Ellman, Mrs Louise
 Ellwood, Mr Tobias
 Elmore, Chris
 Elphicke, Charlie
 Eustice, George
 Evans, Chris
 Evans, Graham
 Evans, Mr Nigel
 Evennett, rh David
 Fabricant, Michael
 Fallon, rh Sir Michael
 Farron, Tim
 Fernandes, Suella

Field, rh Frank
 Field, rh Mark
 Fitzpatrick, Jim
 Ffello, Robert
 Fletcher, Colleen
 Flint, rh Caroline
 Foster, Kevin
 Fox, rh Dr Liam
 Foxcroft, Vicky
 Francois, rh Mr Mark
 Frazer, Lucy
 Freer, Mike
 Fuller, Richard
 Furniss, Gill
 Fysh, Marcus
 Gale, Sir Roger
 Gapes, Mike
 Gardiner, Barry
 Garnier, rh Sir Edward
 Gauke, rh Mr David
 Ghani, Nusrat
 Gibb, rh Mr Nick
 Gillan, rh Mrs Cheryl
 Glass, Pat
 Glen, John
 Glindon, Mary
 Goodman, Helen
 Goodwill, Mr Robert
 Gove, rh Michael
 Graham, Richard
 Grant, Mrs Helen
 Gray, James
 Grayling, rh Chris
 Green, Chris
 Green, rh Damian
 Green, Kate
 Greening, rh Justine
 Greenwood, Lilian
 Greenwood, Margaret
 Grieve, rh Mr Dominic
 Griffith, Nia
 Griffiths, Andrew
 Gummer, rh Ben
 Gwynne, Andrew
 Gyimah, Mr Sam
 Halfon, rh Robert
 Hall, Luke
 Hamilton, Fabian
 Hammond, rh Mr Philip
 Hammond, Stephen
 Hancock, rh Matt
 Hands, rh Greg
 Hanson, rh Mr David
 Harper, rh Mr Mark
 Harrington, Richard
 Harris, Carolyn
 Harris, Rebecca
 Harrison, Trudy
 Hart, Simon
 Hayes, Helen
 Hayes, rh Mr John
 Hayman, Sue
 Heald, rh Sir Oliver
 Healey, rh John
 Heappey, James
 Heaton-Jones, Peter
 Henderson, Gordon
 Herbert, rh Nick
 Hermon, Lady
 Hinds, Damian
 Hoare, Simon
 Hodgson, Mrs Sharon

Hollern, Kate
 Hollingbery, George
 Hollinrake, Kevin
 Hollobone, Mr Philip
 Holloway, Mr Adam
 Hopkins, Kelvin
 Hopkins, Kris
 Howarth, rh Mr George
 Howarth, Sir Gerald
 Howell, John
 Howlett, Ben
 Huddleston, Nigel
 Huq, Dr Rupa
 Hurd, Mr Nick
 Hussain, Imran
 Jackson, Mr Stewart
 James, Margot
 Jarvis, Dan
 Javid, rh Sajid
 Jayawardena, Mr Ranil
 Jenkyns, Andrea
 Jenrick, Robert
 Johnson, rh Alan
 Johnson, Dr Caroline
 Johnson, Joseph
 Jones, Andrew
 Jones, rh Mr David
 Jones, Gerald
 Jones, Graham
 Jones, Helen
 Jones, Mr Kevan
 Jones, Mr Marcus
 Jones, Susan Elan
 Kawczynski, Daniel
 Keeley, Barbara
 Kendall, Liz
 Kennedy, Seema
 Kinahan, Danny
 Kinnock, Stephen
 Kirby, Simon
 Knight, rh Sir Greg
 Knight, Julian
 Kwarteng, Kwasi
 Kyle, Peter
 Lancaster, Mark
 Latham, Pauline
 Lavery, Ian
 Leadsom, rh Andrea
 Lee, Dr Phillip
 Lefroy, Jeremy
 Leigh, Sir Edward
 Leslie, Charlotte
 Letwin, rh Sir Oliver
 Lewell-Buck, Mrs Emma
 Lewis, rh Brandon
 Lewis, Clive
 Lewis, rh Dr Julian
 Lidington, rh Mr David
 Lilley, rh Mr Peter
 Long Bailey, Rebecca
 Lopresti, Jack
 Lord, Jonathan
 Loughton, Tim
 Lucas, Ian C.
 Lynch, Holly
 Mackinlay, Craig
 Mackintosh, David
 Mahmood, Mr Khalid
 Main, Mrs Anne
 Mak, Mr Alan
 Malhotra, Seema
 Malthouse, Kit

Mann, John
 Mann, Scott
 Marris, Rob
 Marsden, Gordon
 Maskell, Rachael
 Matheson, Christian
 Mathias, Dr Tania
 May, rh Mrs Theresa
 Maynard, Paul
 McCabe, Steve
 McCartney, Jason
 McCartney, Karl
 McDonagh, Siobhain
 McDonald, Andy
 McDonnell, rh John
 McGinn, Conor
 McInnes, Liz
 McKinnell, Catherine
 McLoughlin, rh Sir Patrick
 McMahan, Jim
 McPartland, Stephen
 Meale, Sir Alan
 Mearns, Ian
 Menzies, Mark
 Mercer, Johnny
 Merriman, Huw
 Metcalfe, Stephen
 Miliband, rh Edward
 Miller, rh Mrs Maria
 Milling, Amanda
 Mills, Nigel
 Mitchell, rh Mr Andrew
 Moon, Mrs Madeleine
 Mordaunt, Penny
 Morden, Jessica
 Morgan, rh Nicky
 Morris, Anne Marie
 Morris, David
 Morris, James
 Morton, Wendy
 Mowat, David
 Mulholland, Greg
 Mundell, rh David
 Murray, Ian
 Murray, Mrs Sheryll
 Murrison, Dr Andrew
 Neill, Robert
 Newton, Sarah
 Nokes, Caroline
 Norman, Jesse
 Nuttall, Mr David
 Offord, Dr Matthew
 Opperman, Guy
 Osamor, Kate
 Owen, Albert
 Parish, Neil
 Patel, rh Priti
 Paterson, rh Mr Owen
 Pawsey, Mark
 Penning, rh Mike
 Pennycook, Matthew
 Percy, Andrew
 Phillipson, Bridget
 Philp, Chris
 Pickles, rh Sir Eric
 Pincher, Christopher
 Poulter, Dr Daniel
 Pound, Stephen
 Pow, Rebecca
 Prentis, Victoria
 Pugh, John
 Pursglove, Tom
 Quin, Jeremy
 Quince, Will
 Qureshi, Yasmin
 Raab, Mr Dominic
 Rayner, Angela
 Redwood, rh John
 Rees, Christina
 Rees-Mogg, Mr Jacob
 Reeves, Rachel
 Reynolds, Jonathan
 Rimmer, Marie
 Robinson, Gavin
 Robinson, Mr Geoffrey
 Robinson, Mary
 Rosindell, Andrew
 Rotheram, Steve
 Rudd, rh Amber
 Rutley, David
 Ryan, rh Joan
 Sandbach, Antoinette
 Selous, Andrew
 Shannon, Jim
 Shapps, rh Grant
 Sharma, Alok
 Sheerman, Mr Barry
 Shelbrooke, Alec
 Sherriff, Paula
 Shuker, Mr Gavin
 Siddiq, Tulip
 Simpson, David
 Simpson, rh Mr Keith
 Skidmore, Chris
 Slaughter, Andy
 Smeeth, Ruth
 Smith, Angela
 Smith, Cat
 Smith, Henry
 Smith, Jeff
 Smith, Julian
 Smith, Nick
 Smith, Owen
 Smith, Royston
 Snell, Gareth
 Solloway, Amanda
 Soubry, rh Anna
 Spellar, rh Mr John
 Spelman, rh Dame Caroline
 Spencer, Mark
 Stephenson, Andrew
 Stevens, Jo
 Stevenson, John
 Stewart, Bob
 Stewart, Iain
 Stewart, Rory
 Streeter, Mr Gary
 Streeting, Wes
 Stride, Mel
 Stuart, rh Ms Gisela

Stuart, Graham
 Sturdy, Julian
 Sunak, Rishi
 Swayne, rh Sir Desmond
 Swire, rh Sir Hugo
 Syms, Mr Robert
 Tami, Mark
 Thomas, Derek
 Thomas-Symonds,
 Nick
 Thornberry, rh Emily
 Throup, Maggie
 Timms, rh Stephen
 Timpson, Edward
 Tolhurst, Kelly
 Tomlinson, Justin
 Tomlinson, Michael
 Tracey, Craig
 Tredinnick, David
 Trevelyan, Mrs Anne-Marie
 Trickett, Jon
 Truss, rh Elizabeth
 Tugendhat, Tom
 Turley, Anna
 Turner, Mr Andrew
 Twigg, Derek
 Twigg, Stephen
 Tyrie, rh Mr Andrew
 Umunna, Mr Chuka
 Vara, Mr Shailesh

Vaz, Valerie
 Vickers, Martin
 Villiers, rh Mrs Theresa
 Wallace, Mr Ben
 Warburton, David
 Warman, Matt
 West, Catherine
 Wharton, James
 Wheeler, Heather
 White, Chris
 Whitehead, Dr Alan
 Whittaker, Craig
 Whittingdale, rh Mr
 John
 Wiggin, Bill
 Williams, Craig
 Williams, Mr Mark
 Williamson, rh Gavin
 Wilson, Phil
 Wilson, Mr Rob
 Winnick, Mr David
 Winterton, rh Dame
 Rosie
 Woodcock, John
 Wragg, William
 Wright, Mr Iain
 Wright, rh Jeremy
 Zahawi, Nadhim
 Zeichner, Daniel

NOES

Ahmed-Sheikh, Ms Tasmina
 Ali, Rushanara
 Blackford, Ian
 Blackman, Kirsty
 Boswell, Philip
 Brock, Deidre
 Brown, Alan
 Cameron, Dr Lisa
 Chapman, Douglas
 Cherry, Joanna
 Crawley, Angela
 Day, Martyn
 Docherty-Hughes, Martin
 Donaldson, Stuart Blair
 Durkan, Mark
 Edwards, Jonathan
 Fellows, Marion
 Ferrier, Margaret
 Gethins, Stephen
 Gibson, Patricia
 Grady, Patrick
 Grant, Peter
 Gray, Neil
 Hendry, Drew
 Hosie, Stewart
 Kerevan, George
 Kerr, Calum
 Law, Chris
 Lucas, Caroline
 MacNeil, Mr Angus Brendan
 Mc Nally, John
 McCaig, Callum
 McDonald, Stuart
 C.
 McDonnell, Dr Alasdair
 McGarry, Natalie
 McLaughlin, Anne
 Monaghan, Carol
 Monaghan, Dr Paul
 Mullin, Roger
 Newlands, Gavin
 Nicolson, John
 O'Hara, Brendan
 Paterson, Steven
 Ritchie, Ms Margaret
 Robertson, rh Angus
 Salmond, rh Alex
 Saville Roberts, Liz
 Skinner, Mr Dennis
 Stephens, Chris
 Thewliss, Alison
 Thompson, Owen
 Thomson, Michelle
 Weir, Mike
 Whitford, Dr Philippa
 Wilson, Corri
 Wishart, Pete

Question accordingly agreed to.

Westminster Hall

Wednesday 15 March 2017

[MR CHRISTOPHER CHOPE *in the Chair*]

Maternity Discrimination

[*Relevant documents: First Report from the Women and Equalities Committee, Pregnancy and maternity discrimination, HC 90, and the Government response, CM 9401.*]

9.30 am

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): I beg to move,

That this House has considered the effect of maternity discrimination.

It is an honour to serve under your chairmanship, Mr Chope. I am very pleased to have secured this debate on an important topic for many women and a key campaigning area for the Labour party: maternity discrimination. I thank all hon. Members who have turned out this morning to contribute to it.

Maternity discrimination is an issue that cannot be ignored. It is only right that action be taken to ensure that this persistent issue in our society is ended once and for all. It is a welcome point of reflection for us all that this debate comes exactly a week after we celebrated International Women's Day and just over a week before mothers' day. I felt it was important to secure the debate between those two dates, to press the Government to do more, but also to raise awareness of the many women beyond these walls who are met with blatant and unnecessary discrimination.

Many people—some of whom may even be in this Chamber today, although I hope not—think that maternity discrimination is not a concern that we should focus on, possibly because it does not feature on their radar at all. But it is real, it is happening and it is becoming ever present in our society. Action is needed. That is clearly documented in the Women and Equalities Committee report from last August, which highlighted the fact that pregnant women and mothers are now reporting more discrimination and worse treatment in the workplace than 10 years ago. By some estimates, that discrimination is double what it used to be. According to the Government's own figures, one in nine women—54,000 in total—is forced out of their jobs each year because of being a mother or becoming pregnant. If that statistic applied to the women elected to this place, it would mean 21 of our fellow female MPs being forced out of this House. If that happened, we would be up in arms and raising merry hell on the Floor of the House. Well, if it is not acceptable for women in this place, it is not acceptable for women in any workplace.

A hundred years ago, women got the vote for the very first time, as part of a campaign to see women become part of public life so that they did not have to abide by the whim of a man and could be fully integrated into society, taking their rightful place as both actors and influencers in how our country should look and act. However, a century on, women still face many hurdles, and all because of their gender.

I will touch on three key themes in my speech. First, I want to set the scene by expanding on the ramifications, both economic and social, of maternity discrimination in our society. I will then move on to the work of the Equality and Human Rights Commission and the Women and Equalities Committee. Finally, I will look at what the Government are doing—or not doing—to end maternity discrimination.

As I said, this place would be a lot worse off if the statistics on maternity discrimination were replicated in this, the mother of Parliaments. However, maternity discrimination has a far broader impact on our society than some may first expect. The financial costs identified affect not only society, but businesses, the Government and the women themselves. A report last year by the EHRC found:

“The cost to employers of women being forced to leave their job as a result of...discrimination...was estimated to be around £278.8 million over the course of a year.”

Much of that cost was incurred owing to recruitment and training to replace the woman who was forced out of her job, lost productivity from being down a member of staff and statutory maternity payments if the woman was on leave when she left work. For the Government, maternity discrimination means not only lost tax revenue from women not working, but increased benefit payments when they seek support because they have been forced out of work. The cost to the Government is between £14 million and £16.7 million a year.

The financial losses that women themselves face have been estimated to range from between £28.9 million and £34.2 million. Some 20% of women reported significant financial losses as a result of failing to get a promotion, receiving lower pay increases or bonuses than they would have secured were they not pregnant, or even demotion for becoming pregnant. Pregnancy and children are costly—there is no doubt about it—but the costs incurred by women are unjust, unfair and discriminatory. The gift of pregnancy should never be a cost to a woman's potential or her economic worth.

It is not only the economic costs of women being forced out of the workplace or facing discrimination for becoming pregnant that are a problem, but the social and equality issues that arise. Women's position in society has come on in leaps and bounds from the time when they were not able to vote, could not work once they were married, had to stay at home or had to defer to a man for every major decision made in their life—as late as the 1970s, women had to have a male guarantor for a mortgage. However, the specific issue of maternity discrimination highlights the fact that the position of women in our society is still tentative. There is still a long way to go.

Jessica Morden (Newport East) (Lab): I congratulate my hon. Friend on securing this important debate and on her excellent speech. Does she agree that such discrimination also happens later on in life? We should recognise that women also face discrimination during the menopause. That point was very well made to me on Saturday by the Wales TUC women's committee, which is doing a survey on that very subject.

Mrs Hodgson: I am grateful to my hon. Friend for raising that period in women's lives. I will not be able to touch on it in my speech, but it is very important. There

[Mrs Hodgson]

is a real lack of knowledge about what women have to go through during the menopause. I am probably not long off that period myself. People have no idea what women may have to go through, but we hear all the horror stories. A little understanding from employers would make all the difference. I know that I would probably be a better employer after I have gone through it; unfortunately, men do not have that luxury, so they rely upon us to tell them. That is definitely an important aspect of the matter, and I am grateful to my hon. Friend for raising it.

Some may argue otherwise, but for me and many other women—especially on this side of the House, but across the House, too—equality is a cause worth fighting for, because it creates not only a fairer society, but a stronger and more resilient one. Maternity discrimination holds us back from achieving that goal of an equal society. We need renewed vigour to tackle the problem, so that we can fully realise our country's potential, with everyone having a fair chance in life and not having to face discrimination for being who they are. It was therefore welcome that this time last year the EHRC and the Department for Business, Innovation and Skills published their findings on the prevalence and nature of maternity discrimination in our society, so that we could fully understand the scale of the problem, which was indeed damning. The research showed that, of the women surveyed,

“77%...had a negative or possibly discriminatory experience during pregnancy; maternity leave; and on their return from maternity leave.”

Such experiences included facing harassment or negative comments related to their pregnancy, struggling to secure flexible working from their employer to manage the demands of pregnancy and subsequent childcare, or, for 9% of women, feeling that they had to leave their job because they were being treated poorly or unfairly.

What women are documented as facing because of pregnancy and impending motherhood is worrying and deeply shocking. Even case studies from Maternity Action's helpline have documented these shameful occurrences. One woman became so stressed with her working environment, where she was being singled out by her manager and treated appallingly, that she was signed off sick with stress before her maternity leave had even begun. As we all know, when someone is pregnant, stress is the last thing she needs. She is told to have a calm and radiant time, which was hardly the case for that mother. It goes without saying that no woman should face such hurdles in life or feel pressured into choosing between having children or having a career that progresses at the same rate as the careers of their male counterparts.

Following the forensic light shone on the issue by the EHRC, the Women and Equalities Committee, under the excellent leadership of the right hon. Member for Basingstoke (Mrs Miller), who I am thrilled to see in the Chamber today—I look forward to her contribution—undertook to investigate maternity discrimination further. In August last year, that inquiry produced some excellent recommendations for the Government to look at and act upon. Sadly, however, it took until January of this year for the Government to respond to the inquiry's findings.

Included in the recommendations in the Select Committee's report were further calls for action around the health and safety of pregnant women in the workplace, such as placing a duty on employers to conduct an individual risk assessment for new and expectant mothers, all the way to identifying issues around casual, agency and zero-hours workers, who do not have the same pregnancy and maternity entitlements as women classed as employees.

Melanie Onn (Great Grimsby) (Lab): In an economy that increasingly relies on temporary contracts, more and more women are unable to access any kind of statutory maternity leave, because they have no right to it. That is because they are classed as workers rather than employees. Does my hon. Friend agree that much more needs to be done to provide those women with better access to maternity rights?

Mrs Hodgson: I totally agree. On the issue of workers and employees, there is clearly a need to tidy up the law so that women who work in these areas of the labour market are protected and guaranteed the same rights as those women who are classed as employees, so I am very pleased that my hon. Friend has raised that issue. Indeed, Maternity Action has pushed for action on it and recently made a submission to the Matthew Taylor review, which aims to look at working practices in the modern economy, and to the Select Committee on Business, Energy and Industrial Strategy inquiry, “Future World of Work”. I hope that the Minister will be able to shed some light on progress on this issue.

It is safe to say that when the Government eventually responded to the Women and Equalities Committee report, the response was far from pleasing. Although the Government's commitment to zero tolerance of discrimination against expectant or new mothers in the workplace is to be welcomed, as is the announcement of a consultation on protecting pregnant women against redundancy, sadly the wider response failed to see words leading to action. The Government's response can easily be seen as a mixture of defending the unacceptable status quo and kicking the issue into the long grass, as if it was something that should be thought about on another day. The Government are failing to realise that this is happening right now.

I am not just making a party political point. The likes of Maternity Action have analysed the Government's response and reaction to each of the recommendations and have come to the same conclusion: that the Government see this as an issue for another day. I have a lot of time and respect for the Minister who is responding to this debate—she knows that—but I find the Government's response disappointing to say the least. That is why I hope she can offer me some reassurances when she responds to this debate.

I would like the Minister to consider two things ahead of her response. First, when will we see the details of the consultation on protecting pregnant women from redundancy? Two months on from the Government's commitment to consult on this issue, we are yet to see publication of the scale or time frame. I hope that information will be forthcoming following this debate, and sooner rather than later. Even better, the Minister could announce further details in her speech today.

My second ask is that the Government take another look at the excellent recommendations in the Select Committee's report and heed the words of the right hon. Member for Basingstoke, who said that the Government's response was

"a missed opportunity for the Government to demonstrate the urgency and bite on this issue that we found lacking".

I could not have put it better myself. Therefore, I hope that the Minister will commit to re-evaluating the Government's response to the Select Committee report and their own wider actions when it comes to maternity discrimination.

To conclude, we have come a long way in the march for women's equality. I know that this point will not be lost on the Minister, but it bears reiterating: as the current standard bearers, we in this House have a duty to uphold the work done by the women who came before us. Failing to end maternity discrimination would betray our crusading predecessors, who campaigned to improve the position of women in society. As women here today, we have the power to make the changes possible for women who face discrimination in the workplace for being pregnant or being a new mother. However, we must also stand up for the women who will come after those facing these challenges now, and ensure that in the future no woman faces discrimination in the workplace for doing what is only natural—having a child.

I hope that the Minister will heed this call to arms and take it back to her officials, knowing that we in this House and many more women beyond this Chamber are willing her on to make the changes needed and improve the standing of women in the workplace. She alone has the power to do that. I hope she realises that and does not squander this incredible position she has to enact change.

9.44 am

Mrs Maria Miller (Basingstoke) (Con): It is a pleasure to serve under your chairmanship, Mr Chope.

I shall begin by apologising to Members for the fact that I need to leave shortly before the end of the debate, as I have to chair a Select Committee. I hope that they will accept my apologies.

I congratulate the hon. Member for Washington and Sunderland West (Mrs Hodgson) on securing such an important debate. We have record numbers of women in work in this country, but we still have a workplace that is not sufficiently modernised to deal with those record numbers. The hon. Lady took an intervention from the hon. Member for Great Grimsby (Melanie Onn), who was absolutely right to say that all too often now we have different classes of women in the workplace, who are not being dealt with in the way that all of us, as constituency MPs, would want them to be dealt with.

We need to modernise the workplace and make sure that it can deal fairly with both mothers and fathers who have caring responsibilities. In particular, and in keeping with the subject of this debate, we need to ensure that the critical issues that the hon. Member for Washington and Sunderland West identified, which have also been identified by both the Select Committee report that she referred to and by the Equality and Human

Rights Commission in its work on discrimination, are outlawed and stopped. We cannot allow those things to continue.

As the hon. Lady mentioned, the Government's own research has indicated that around three quarters of the women involved in that research have experienced a negative or potentially discriminatory experience as a result of their pregnancy. We would not expect that in a country that prides itself on introducing the Equality Act 2010 and on the fact that we have record numbers of women in work.

Not for a moment do I question the commitment of my hon. Friend the Minister in this area; as someone who has extensive knowledge of and experience in business, she will know first-hand the importance of supporting women and fathers through the experience of having a new addition to their family. At the moment, however, the law is not working in the way that we intend it to, which is what I want to focus on.

I shall discuss three recommendations in the Select Committee report, to which the hon. Member for Washington and Sunderland West kindly referred to in her speech. First, not all people who are in work are treated the same, and a difference has started to emerge between workers and employees. In particular, the fact that many women are not able to access paid time off work to attend antenatal appointments should be deeply worrying to us all, because there is clear evidence that attending antenatal appointments and receiving regular support through pregnancy is critical to the health of both the unborn child and the mother. If we are not to accrue costs beyond the pregnancy, because of conditions such as postnatal depression or because of issues around the health of children, we need to address this matter, and rapidly.

I do not think that there was ever really any intention for us to get to a position where quite large groups of women were not covered to have paid time off. However, when the Select Committee visited to Portsmouth with my hon. Friend the Member for Portsmouth South (Mrs Drummond) to take evidence from individuals in the community as part of our deliberations, we met women who had not had access to paid time off for antenatal appointments, which caused them deep distress and great worry.

The Government need to look at that issue and address it quickly. Perhaps during the Brexit deliberations and the passage of the great repeal Bill, and given the clear commitment from the Prime Minister to protect and, I hope, enhance workers' rights, this issue can be dealt with swiftly.

Melanie Onn: Does the right hon. Lady agree that there is also scope for raising awareness of women's rights at work, particularly their right to maternity-related pay, leave and other support, such as the antenatal appointments that she referred to?

Mrs Miller: The hon. Lady makes a really important point, which I would take one stage further: it is not just about women and mothers; it is about men, too. If we are to tackle the issues around shared parental leave and its low take-up, we need to ensure that the information is there for mums and dads—and, indeed, all individuals involved in new parenthood. The research we did for our Select Committee report uncovered the fact that

[Mrs Miller]

many dads find it difficult to access information and perhaps even more difficult to ask for information from their employer. A number of the recommendations in our report cover access to information, and I know the Government will have looked at them carefully.

My second point is about how we can learn from other countries—near neighbours and countries that are very like us. Many Members get a little fed up about the fact that we always refer to Scandinavia when we look for models for how we should run our country, so this time let us look at Germany. It has a very strong economy and is well run. It has an interesting way of providing the additional protection for pregnant women that I would like to see in our country. It has protection from redundancy for new and expectant mothers up to six months after the birth of a child. That has worked well and made it clear to employers that redundancy is not an option or way forward.

Anecdotally, I have spoken to constituents and people I know who have been pregnant, and they have been offered redundancy while on maternity leave. My goodness, that is a difficult choice, is it not? New mums are coping with an incredibly stressful and possibly quite vulnerable situation. For their employer to offer them redundancy could well be attractive at that point, and they may well take it up and sign a piece of paper saying that they will not disclose that they have taken that offer. That makes it difficult to see that such things are going on. They then come out on the other side of the pregnancy and maternity leave and find it incredibly difficult to get back into the workplace: that is hard, particularly if, as the research tells us, someone has taken more than six months of maternity leave. It would be useful to look at the German system and perhaps interpret it for our country. I do not think anyone could say that Germany is not a competitive economy. Its productivity levels are far higher than the UK's, and I urge the Government to consider that measure as part of their work.

The final point that I want to draw everyone's attention to is the probable underestimation of the scale of the problem. I referred earlier to women who might be on maternity leave who take up the offer of redundancy. That is not recorded. Cases may be happening, and we might simply not be grappling with the scale of the problem. That demonstrates the need to ensure that the enforcement action available in this country has teeth. I welcome the thoughtful work that the Government have already done on tribunal fees. I know they are thinking about how we can make tribunals more accessible for more people.

I welcome that, but another problem for pregnant women is the time limit that precludes their taking action where there has been discrimination; action cannot be taken more than three months after the incident. I cannot recall how old your children are, Mr Chope, but I am sure you can cast your mind back to the position three months after the birth of a child or three months after your wife might have taken maternity leave. It is a hectic time when it is difficult to think about bringing a discrimination case. There are better things to do.

I was therefore slightly disappointed that the Government said that at this point they will not consider extending that time limit for pregnant women to six months. It would be entirely appropriate to do that. I do not think

there would be a cost to the Government in doing so, and a great deal of fairness would come into play. I hope that they can do that, as well as encouraging the Equality and Human Rights Commission to demonstrate the strength of the law by bringing more cases more publicly. That would show that there are consequences to the ill-treatment of women who are pregnant or on maternity leave and that this is not something that companies should be treating in an apparently cavalier fashion.

The Minister has looked at the matter in detail, and I give her my personal thanks. The response to my Committee's report demonstrated her careful attention, and I thank her for that. I also reiterate my thanks to the hon. Member for Washington and Sunderland West for calling this debate, which has given me an opportunity to contribute and underline the report that the Committee wrote. A number of members of the Committee are here today.

9.55 am

Alison Thewliss (Glasgow Central) (SNP): It is a pleasure to see you in the Chair, Mr Chope. I thank the hon. Member for Washington and Sunderland West (Mrs Hodgson) for securing this debate. It is not the first time we have debated this issue in Westminster Hall or other parts of this building. In July last year, we had a debate on this issue. In January, I spoke at an event with the right hon. Member for Basingstoke (Mrs Miller) and the hon. Member for Rotherham (Sarah Champion) hosted by Maternity Action.

It is with some frustration that we are here today, having seen so little progress on the excellent recommendations by the Women and Equalities Committee and so many other campaigning groups. At the event in January, Maternity Action previewed some excellent videos that it had produced to highlight to women the actions they can take. The videos put it very well. It was ordinary women in ordinary jobs facing up to the issues that every pregnant woman must face about what will happen with their job and what will happen when they become pregnant in the first place and when they have their baby. I encourage all women and, indeed, men watching this debate to take a look at those videos and to share them widely, so that women know what their rights are and that they can come forward. It seems clear that women are not aware of their rights and are not being encouraged to exercise them.

It should not be down to charities such as Maternity Action and grassroots campaigns such as Pregnant Then Screwed to highlight to women their rights. The Government should be letting women know what their rights are and encouraging them to take them up. They should be cracking down on employers who inhibit women from doing so, and they clearly have a role in that.

The Alliance for Maternity Rights has a 32-point action plan to put an end to pregnancy discrimination in the workplace. It makes a great number of excellent recommendations, one of which is about access to information. When women come into contact with officials, that should be used as an opportunity to get information and reinforce what their rights are and where they can seek advice and seek help. Some of those things are being done in Scotland. Point 10 of the action plan is:

"Reintroduction of the 'Pregnancy' and 'Birth to Five' books...in translation and accessible formats...for new and expectant parents".

In Scotland, we have the “Ready Steady Baby” books and a great deal of information is available about women’s rights within pregnancy and once they have had the baby. It is important that women have every opportunity possible to get that information.

The action plan also has good recommendations about improving employer practice. Point 3 is:

“Commit to working with employers to encourage them to evaluate the retention rates for women one year after returning to work following maternity leave, as part of their gender pay gap analysis.”

When they go back to work, some women find it just too difficult to juggle all the things they have to juggle, whether it is childcare or trying to get to work on time or to leave on time to pick children up from whoever is looking after them. It is incredibly difficult and stressful, and some women find that far too difficult and that flexibility is not built in.

Point 4 is:

“Work with employers and third party organisations including recruiters to encourage a ‘flexible by default’ approach to all roles (working hours are flexible unless there is a genuine business case against).”

As the right hon. Member for Basingstoke mentioned, that is good for men, too. My hon. Friend the Member for Airdrie and Shotts (Neil Gray) encouraged me to point out that only 2% to 8% of men take up their right to shared parental leave. That is tiny. If maternity leave and paternity leave are made more accessible, more normal and more mainstream—something that everybody has a right to take up—that has to be good for men, as it is for women. Employers are obliged to consider requests for flexible working, but they are under no compulsion to act on that. Sometimes getting up the courage even to ask for flexible working can be incredibly difficult.

The issue around stress in pregnancy is also significant. I had a briefing from the Personal Social Services Research Unit at the London School of Economics, which highlights the costs to society of perinatal mental health problems. That is a serious issue made worse by the stress of pregnancy when it comes to dealing with employers. The briefing states:

“Taken together, perinatal depression, anxiety and psychosis carry a...long-term cost to society of about £8.1 billion for each one-year cohort of births in the UK. This is equivalent to a cost of just under £10,000 for every single birth in the country.”

How much of that is down to the stress of dealing with unsympathetic employers who do not help and support women in those circumstances? If we can do something to reduce that stress and the impact it has on those women and their unborn children, we should definitely do it.

Tulip Siddiq (Hampstead and Kilburn) (Lab): I thank the hon. Lady for giving way and I apologise for being late. Ironically, I was dropping my daughter off at nursery, which is why I came in a bit late. The hon. Lady is making a passionate speech.

I want to raise a point about Parliament when I was pregnant last year. It may surprise some Members to know that there is no maternity leave here in Parliament. I raised the issue several times and was met with hostility across the board from people of all political parties. The right hon. Member for Basingstoke (Mrs Miller) was one of the few who listened and said she would try

to make some changes. Does the hon. Member for Glasgow Central (Alison Thewliss) agree that if we are preaching about maternity discrimination, perhaps we should think about the fact that Members such as myself have had to come back to Parliament almost immediately after having an emergency C-section.

Alison Thewliss: I absolutely agree. I know the hon. Lady has tried very hard and has been in the Chamber with her baby at times. I am glad to see babies in the Chamber, but that speaks to the fact that there is no other provision in this building. There is no alternative for people to look after their babies other than perhaps leaving them with a member of staff. The nursery across the road is not a crèche. We need to think better about how we encourage women into this building in the first place and how we keep them here. There is not enough support.

The hon. Lady’s point about maternity leave for women in the House is right. It is also true for councillors across the country as well. There is no provision under the Local Government Act 1972 for councillors to have maternity leave, and lots of councils do not have any provision, either. I know because I breastfed both of my small children when I was at Glasgow City Council, and I just had to make the best of that. The council was very supportive at the time, but I know that it is difficult and a challenge for women in politics, and we need to think about how we support women in that field.

Access to justice is a serious issue as well. The EHRC, an organisation at serious risk right now, has been mentioned. It does not have enough funding and cannot support all the women it would like to support. The Government need to give serious consideration to making their role in this real, because if they cut funding as well as having tribunal fees, they really are denying women access to the justice that they deserve.

Pregnant Then Screwed has a campaign called “Give Me Six” to highlight an issue that the right hon. Member for Basingstoke raised about having six months to make a claim. There is a petition with 50,000 signatures. I encourage people to sign it, because it is incredibly important that the Government recognise that three months is a barrier. There are so many things going on that people cannot access their rights under employment tribunals, and six months would give them a little more breathing space.

It would be remiss of me not to mention breastfeeding in this debate, as I always tend to do. As Maternity Action has highlighted, one in five women who stopped breastfeeding say that returning to work influenced that decision, and more than half would like to have breastfed for longer. That is a difficulty. Employers need to be aware of what they can put in for breastfeeding mums. The Alliance for Maternity Rights recommends that the Government

“Ensure...breastfeeding is covered in...HSE template risk assessments”,

and calls on them to

“Introduce a statutory right to time off and facilities for breastfeeding”.

Such facilities do not need to be complex. We simply need a private room with access to a plug point for a breast pump, so that there is time and space for that, and fridge facilities for putting the milk in. Those are

[Alison Thewliss]

not difficult asks for employers, but women have to have confidence that they can ask and not be misunderstood, dismissed or laughed at, and that employers are able to provide such facilities as easily and as quickly as possible.

I will close by giving some examples from constituents of mine who got in touch with my Facebook page after the event in January. I was shocked at how quickly these examples of people's experiences came in and how commonplace they were. The women told their stories almost casually. The first woman said:

"I was made redundant at 3 months pg. I was one of 5 HR Managers doing exactly the same jobs. (Not) surprisingly none of the others were even in the consultation process."

The right hon. Member for Basingstoke mentioned Germany as an example. Such examples might stop such practices. The second woman said:

"I worked for a company that got around laws by describing its workers as freelance. They told me to go on benefits when I was pregnant, a few months later they were made to make their freelancers paid employees, but I was just left pregnant on benefits. Very stressful all round, I was told I had no legal come back on them as I had had to leave whilst still freelance."

The third woman said:

"My gran's neighbour was two weeks away from leaving on maternity leave meaning she would get maternity pay when they said to her they didn't need her any longer and let her go."

The fourth woman said:

"This happened to me. I got a job and when I told them I was pregnant they withdrew the...offer claiming I wasn't suitable for the post and that I'd only ever been a candidate. I took them to tribunal and lost, but I wanted to hold them to account. It's awful that companies can and do get away with treating expectant and new mums like that and if you want to take them to court you need to pay for it."

That woman was actually applying for a job in a nursery, so we might expect them to have some appreciation of babies and childbirth and suchlike. Another woman said:

"I had to quit my job. They gave me less hours as I had hyperemesis gravidarum but not less duties or even breaks when I was on shift."

That speaks to the understanding of pregnancy. Some employers, male and female, go with their own experience on this. If they did not have morning sickness or particular experiences in pregnancy, they will often think that is true for all women—"If I was able to get up and go to work while I was pregnant, you should be able to, too." Employers need clear advice on such issues.

When I was coming here across from the main building, I noticed a buggy sitting outside the Labour Whips Office. I assumed it belonged to the hon. Member for Kingston upon Hull East (Karl Turner). That speaks to the point that we need to make sure that babies are visible. The lives of ordinary people involve having children and the different compromises that we need to make in life. So many babies are born every single day and each person has an individual story to tell. We need to make pregnancy, childbirth and parenthood visible. We need to think about how we support people and how Government can take a leading role in making sure that the rights of women and families are respected and taken forward by all employers across this country. Those who do not adhere to such laws should be cracked down on.

10.7 am

Tracy Brabin (Batley and Spen) (Lab): Thank you for calling me to speak in this important debate, Mr Chope; it is a privilege to speak under your chairmanship on the issue of maternity rights.

In my contribution, I will mention my personal experiences and what I gleaned from my former industry, and look to the future at what can be done to improve the outlook for expectant women and mothers. As we have heard, many credible and sound proposals have been put forward by the Women and Equalities Select committee, of which I am a member and which is brilliantly chaired by the right hon. Member for Basingstoke (Mrs Miller). However, my contribution will focus on women in casual work.

First, as many may know, before my election to this place I was an actor and a writer. In those industries, the work is almost exclusively freelance or short-term casual. After my first daughter was born—she was only a few months old—I was offered a six-month contract on "Coronation Street". Those six months turned into three years. I absolutely loved the job and the character I played, but I cannot deny that being a mother and working on screen presented difficulties.

My baby and husband were in London while I worked often six days a week in Manchester. During that time, my partner and I tried everything. My partner moved to Manchester to be with me, but, with no support network, that did not work. We had no nursery at work. We tried employing a nanny, but that did not work. I tried to be both a mother and an actor, spinning the plates, but that did not work.

The No. 1 priority of an actor on TV's favourite soap must obviously be the work over and above family commitments. After looking around the green room and realising that other women had made such choices, I had to make a choice for myself: my career in "Coronation Street" and my future there, or my family. I handed in my notice and planned baby No. 2, leaving when I was six months pregnant. Luckily, in soap opera, they use the big handbag to hide a woman's pregnancy, so that was employed for a number of months. However, freelance workers such as actors, writers and filmmakers, and so many others in today's world of work, do not have the luxury of company maternity pay, so when I became pregnant, my contribution to the family finances was state maternity allowance.

The wider issue is more serious. On the whole, pregnant women are invisible in film and television, unless the star is already attached, as seen previously with—I've forgotten the actress's name. Her surname is Colman—somebody give me a clue.

Melanie Onn: Olivia!

Tracy Brabin: Olivia Colman—I thank my hon. Friend—in "The Night Manager", and the actor in "Fargo". The reason why they got those jobs was that the producers and directors absolutely wanted those actors, so they overlooked the fact that they were pregnant and wrote that into the story. They were chosen despite pregnancy, because they are bankable. In writing this speech, I found it difficult to think of many other characters on our TV screens who just so happen to be pregnant. In film, it is even less common. When have we ever seen a waitress or lawyer who is pregnant and it just happens to be incidental, not part of the story?

That invisibility influences the public's perception of what pregnant women are capable of. I assume that that has an impact on employers. If employers do not see ordinary women getting on with their lives, having breaks for their antenatal appointments and—irrespective of the pregnancy—just doing their job, that impacts on decision-making in the workplace. I would say that there is no small link between the fact that we do not see pregnant women on TV who are just getting on with their jobs and women in Sports Direct, for example, giving birth in the toilet. There is a profound link. If we do not see it, we cannot be it; if we do not see it, we cannot deal with it.

Regrettably, in the world of work, no progress has been made since my personal experience. As an actor, when a woman starts to show, she absolutely stops working—she falls off a fiscal cliff. What would normally be for most women a moment of joy and delight is replaced by panic: how on earth am I going to earn any money in my chosen profession once I start to show? I will confide in hon. Members: when I was offered the part of Sarah Ferguson in a film for ABC TV, I hid the fact I was pregnant because I knew they would fire me. I was so far down the line then that they had to accommodate my circumstances. An actor is a worker and should not be put in the position of having to lie to their employer.

As we have seen from the Women and Equalities Committee report, pregnant women and mothers report more discrimination and poor treatment at work now than they did a decade ago. The situation is even worse. Going backwards is not acceptable, so it is high time we looked at the positive proposals in front of us seriously and carefully, and acted with urgency, because more women today are being made redundant or feeling forced to leave their jobs than in 2005. More than three quarters of women surveyed in recent research have experienced a negative or potentially discriminatory experience as a result of their pregnancy or maternity.

The report gives us further reason for concern, including the fact that mothers who left their employer as a result of risks not being resolved were more likely than average to be on an agency, casual or zero-hours contract—9% compared with 4% on a permanent contract. The casual employee is more vulnerable to such discrimination. Some 50% of those on agency, casual or zero-hours contracts reported a risk or impact to their health and welfare when pregnant. It is really important we make progress, as agency and casual work is not going away—it is on the rise. Citizens Advice tells us there has been a 58% increase in the past decade in the number of people in temporary jobs because they are unable to find permanent work. That is an important rise and it is incredibly important that women in those jobs are treated fairly and equally.

There are some common-sense options on the table. I hope to hear the Minister's views on extending the right to paid time off for antenatal appointments to those in casual work, after a short qualifying period, which would allow women to access the medical care they need without losing out financially, and on whether the Government will commit to taking steps to offer greater parity of rights between casual workers and employees. As casual work becomes more common, our rights at work should not disappear.

10.14 am

Dr Lisa Cameron (East Kilbride, Strathaven and Lesmahagow) (SNP): It is a pleasure to serve under your chairmanship, Mr Chope. I thank the hon. Member for Washington and Sunderland West (Mrs Hodgson) for securing this important debate and thank all hon. Members for their excellent speeches.

Maternity discrimination is an extremely complex issue: it is not just about having a job to go back to after having a baby. I would like to speak briefly about my own experience. People who know me will be aware that I have two children, so I have some experience.

During one of my pregnancies, at around seven months I experienced anaemia and the GP said I could not work full days at that point. I gave that advice to my manager, but unfortunately she said, “Oh, well—you are going to have to take hours off your annual leave at the end of the day, or you are going to have to go off on your maternity leave early.” People who have been through the process of having a baby while at work will know that going off early or using annual leave means that that leave cannot be used at the other end of the maternity period, with the baby, so it puts a woman at a disadvantage straightaway. Given that my manager was a woman, I had expected a bit more empathy, and given that I worked in the NHS, I had expected that the GP's advice would be taken on board. I was quite appalled by the situation and how it was handled.

I do not think that taking annual leave or starting maternity leave at an earlier stage is a “reasonable adjustment”, when other things could be done—my job description, for instance, meant that I could do research at home, or, as I worked as a union rep a day a week, I could have used some of the hours to do union work. So there was absolutely no necessity for me to do either of those things. Unfortunately, given the uncompromising nature of the management system that I was in, I went off on maternity leave early—I felt forced to do that—and so lost time with my baby at the other end. It would be helpful to clarify, for both women and employers, the term “reasonable adjustments”. All too often, I feel that employers use it as a way of engaging in surreptitious discrimination and getting round their obligations.

The next issue I experienced was when I was off on maternity leave. There were job and training opportunities afforded to colleagues that I was never informed about. As many employees do, I had “keeping in touch” days—it is certainly something that the NHS advocates—so there was no reason why I should not have been able to come in and take up training opportunities alongside colleagues, using those days—but I was absolutely never contacted about the opportunities.

The rationale given by the manager when I challenged that on my return was that, because we had had a conversation during my pregnancy about my wanting to spend quality time with my baby, she did not think I would want to do any of those things. I felt that was a decision I should have been able to make. Someone should not just assume, because a woman has had a baby, that they know best and do not need to contact her and give her any opportunity to inform with her own views. Again, I found that extremely unacceptable.

Will the Minister give some clarification on the three-month period? Obviously, when someone is off on maternity leave—they might be off for a whole year—some

[Dr Lisa Cameron]

of those things can happen when they are off. Does the three-month period when a woman is able to raise a concern with the tribunal occur from when the incident that she might not have known about happened or from when she becomes aware of it? That is really important. A lot of things could happen, and until a woman returns and speaks with colleagues or finds out that people have moved to other jobs, she can have no knowledge of what opportunities there were.

Tulip Siddiq: What does the hon. Lady think about access to justice? Will the Minister consider abolishing some of the up-front fees, which are so high that many women who are pregnant or have just had children are put off bringing forward discrimination cases?

Dr Cameron: I thank the hon. Lady for those words. That is an extremely important issue, and I will come to it. I was lucky: because I was a union rep, I had my union's support and I could afford the tribunal fees. Although my case never went to a tribunal, I have absolutely no doubt that if I had not gone down that road and had not had that support, the issue would have been swept under the carpet and not dealt with.

I have real concerns that women without such support—perhaps they are in workplaces that are not unionised—do not have adequate representation and cannot afford tribunal fees, given that a baby is expensive enough. Women are not going to prioritise tribunal fees over their baby or their family's needs.

I had been working as a consultant in the NHS for many years, so I was not in a junior position, but when I came back to work a male colleague was given management responsibility for a new member of staff who had joined the department. They were originally to work under both of us—50% with each manager—but the management opportunity was taken away from me, although I had been a consultant for far longer than my colleague.

I did not know about the decision until the new member of staff arrived and said, “You're not my manager. The other individual is my manager. Did no one tell you about it?” I said, “No one told me about it. I didn't even know you were arriving today.” When women go back to work and are juggling everything, people often do not give them any choice or any information. They are not even given the courtesy of being updated about what was happening.

I felt that my managerial duties were being removed. When I challenged that decision, I was told that the rationale was that I was part-time, and that it had been decided during my maternity leave that I might not be able to deal with the managerial responsibilities. Once again, because I had come back from maternity leave and was trying to manage my family time and my job—the number of hours had been agreed—my role was demeaned, which meant that I was subservient to my male colleague. That is certainly what I felt. I was aggrieved about not being consulted about a decision that affected my job.

Shortly after I returned to work, it became apparent that very little of my patient workload had been undertaken in the year I had been off. That really concerned me, given that I had a number of patients in a forensic

setting who required updated risk assessments annually. No one raised that issue with me on my return, but approximately 70% of the patients whose risk assessments I had been involved in doing prior to going on maternity leave had not had any updates during that time. I had to contact my professional body and take advice about clinical risk, and then I had to raise that issue with management. That is difficult, particularly for individuals who work in the NHS, because whistleblowing is not easy. People do not want to find themselves in that situation, particularly if they have come back from maternity leave. However, we have to take our professional and clinical duties extremely seriously, and that is the situation I found myself in.

I raise these issues not for sympathy or because I want people to say, “That's terrible. It shouldn't have happened to you,” but because I feel that my story is only one among the thousands that happen in this country every year. The impact and extent of maternity discrimination is not always obvious. It is not always about having a job to return to; it is about all the issues surrounding that. We have to address those issues. The NHS has quite robust policies in place, but lots of organisations do not, so other women find themselves in much more difficult situations.

I had support from my union, Unite, which I would like to thank. I applied to the tribunal and paid the fee, but many women cannot afford that and do not have support. That issue has to be addressed. In the Scottish Parliament, the plan is to scrap tribunal fees. The Minister should look at doing the same, or at least ensuring that the fees are based on the ability to pay or are smaller. Tribunal fees put so many people off. Given the stages I went through with my grievance, I have no doubt that, had I not had the potential to go to a tribunal at the end of the process, my concerns and the issues I raised would have been disregarded. A “reasonable adjustment” would have been made or an explanation would have been given, and they would not have been taken seriously.

Women should not be discriminated against for something that is so natural—having a family—particularly when they are pregnant or have just had a baby, because that is when they are most vulnerable. It is our duty to take these issues forward and give women as much protection as we can. There are already statutory obligations, but they need to be strengthened because there are far too many ways around them.

Women do not experience equality in the workplace and are unlikely to unless we take action and make employers' obligations very clear. I would like the protections to be extended and clarified; it should be made obvious to employers that they apply during the period of pregnancy and the maternity leave period, and also for a period on return, because those are all periods in which women are vulnerable.

We need to make it explicit that women have the right to training opportunities, job opportunities and management opportunities. They must not come back to a workload that has not been done while they were off. The advice of their GP or medical practitioner should be taken on board. At the very least, those things should be happening. This is a huge problem for many, so let us acknowledge it and ensure that the Government work across the United Kingdom for women and equality.

10.27 pm

Angela Crawley (Lanark and Hamilton East) (SNP): It is a pleasure to serve under your chairmanship, Mr Chope. I congratulate the hon. Member for Washington and Sunderland West (Mrs Hodgson) on securing this debate. We have debated this issue before, but it is welcome that we are doing so again. As she highlighted, the Government's failure to take action and level the playing field for the many women who experience maternity discrimination leads to a huge economic loss.

The House debated this issue last July, and since then the Government have responded to the Women and Equalities Committee's report, but I am only too disappointed that they have not taken up the many recommendations in it. Issues such as access to childcare, flexible working and shared parental leave are commonplace in this debate. We have heard so many stories of women who experience maternity and pregnancy discrimination daily. As a member of the Women and Equalities Committee, I am passionate about this issue, and I believe the Government can do more. I know that the Minister believes, like I do, that this is unjust, and that she wants to take action if it is possible to do so.

The Committee's report challenged the insurmountable fees and the negative impact that they have on such women. I know there are issues to do with "floodgate" scenarios and costs and so on, but in this instance we can do more.

My hon. Friends the Members for Glasgow Central (Alison Thewliss) and for Airdrie and Shotts (Neil Gray) have been champions for the role of fathers in the workplace and the emphasis on flexible working and shared parenting. However, that does nothing to tackle discrimination. I pay credit to the Alliance for Maternity Rights and Pregnant Then Screwed for being vociferous in their approach.

I am sad to say that the Government have failed to take serious action. Fifty-four thousand mothers experience discrimination and unfair dismissal every year and one third have a negative experience, despite having the right, according to the law, to 52 weeks of leave, including 39 weeks of statutory paid leave, and the right to return to work. Sadly, however, too many women feel unable to access those rights. My colleague the right hon. Member for Basingstoke (Mrs Miller), Chair of a Committee that does such a fantastic job on bringing forward such issues, has highlighted how often pregnant women are coerced into waiving their rights and unfair dismissals simply go unchallenged.

With a large percentage of the workforce likely to face maternity discrimination during their lifetime and in their experience of pregnancy, the law needs to exist not only in writing but in practice. It is time for us to tackle entrenched and outdated problems in society and the workplace. I recognise that that is not simply the job of Government, and we have to work with businesses large and small to bring about the best practice possible.

I pay tribute and give recognition to the hon. Member for Batley and Spen (Tracy Brabin) and my hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) for speaking about their personal experiences, raising issues to do with insecure contracts and their treatment when they returned to work. Too many women are employed on zero-hours contracts and in unstable employment, and too many such women receive a raw deal.

The fact is that women face significant barriers. The introduction of tribunal fees can undeniably be seen to have had a negative impact on women who are pregnant or experiencing that discrimination, which places an additional barrier in an already stressful part of life. The Government have failed to provide an adequate response to that negative impact.

As we have heard, the Scottish Government have committed to scrapping tribunal fees when they have the extra powers to do so. I would ask this Government to consider some sort of remedy to achieve the same for women throughout the UK. The time limit of three months is often insufficient, as we have heard, and at the very least I hope that the Government will consider extending that to six months, to give women the appropriate time to find recourse for any actions. It is a stressful enough time for many women and their families who are experiencing discrimination in the workplace.

Many women want to return to work; they simply want to enjoy their family life first and foremost. Let us do more to support those women. We have the powers to do so, and I hope that this House and this Parliament will do so.

10.32 am

Sarah Champion (Rotherham) (Lab): It is a pleasure to serve under your chairmanship, Mr Chope. I look forward to the time when the Chair is not the only man in the Chamber when we have a debate such as this, which is symptomatic of the uphill struggle we still face. I congratulate my hon. Friend the Member for Washington and Sunderland West (Mrs Hodgson) on securing this hugely necessary and timely debate. I also thank her for all the work she has done over the years on maternity rights and on early years. I am grateful for everything that she has done.

As hon. Members have outlined today, maternity and pregnancy discrimination is an issue that affects hundreds of thousands of women every year. It goes to the very core of what this House should be striving to ensure, which is that all women can engage as full citizens in society. We must ensure that women can participate fully in the workplace and, if they choose, have children and work.

The last Labour Government recognised just how important that was. They extended the right to statutory maternity leave to a full year for all employed women, regardless of length of service, and they doubled maternity pay. Those changes made the UK an international leader in maternity rights. At the time, we had the most generous allowance internationally for the length of maternity leave. This Government, however, are not leading. They are not active in tackling maternity discrimination. They appear to be content with the status quo, despite having the evidence—their own evidence—for how bad the problem is. As has been mentioned, research published in March 2016 by the Equality and Human Rights Commission and the then Department for Business, Innovation and Skills shed light on the sheer scale of maternity discrimination.

The facts need repeating. Seventy-seven per cent. of pregnant women and new mothers experience discrimination or negative treatment during pregnancy and maternity, and on their return from maternity leave, which equates to 390,000 women each year. In 2005, the

[Sarah Champion]

proportion of women who reported maternity discrimination was 45%, or 32% lower than today. The figures are stark, but we must remember that they represent real women: women who have been made to feel that they need to stop breastfeeding, as the hon. Member for Glasgow Central (Alison Thewliss) said; women whose health and safety are put at risk by managers who do not understand or, worse, do not care about the impact of work on the woman or the pregnancy; and women who are denied statutory maternity pay or flexible working, or are demoted, downgraded and devalued, as the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron) discussed.

The consequences of maternity discrimination are severe. Eleven per cent. of mothers, or 54,000 women, lose their jobs as a result of such discrimination each year. That includes 9% of women who were treated so badly that they felt they had no choice but to leave. The Government's failure to tackle the issue or take seriously any of the suggestions set out by the Women and Equalities Committee, and their presiding over a working landscape where maternity discrimination is getting considerably worse, are shameful. Not only are they failing women and their families, but it makes no economic sense to lose 11% of the workforce each year.

My hon. Friend the Member for Washington and Sunderland West also mentioned the 2016 BIS and Equality and Human Rights Commission report. It estimated the financial cost to employers of women being forced to leave their jobs as a result of pregnancy and maternity-related discrimination at about £278.8 million over the course of only one year, the cost to the state being between £14 million and £16.7 million.

Tulip Siddiq: I thank my hon. Friend for her passionate speech and would like to take this opportunity to thank her for all the work that she, too, has done in this field.

Last night when I put this debate on the Facebook page of the local mothers' group of which I am a member, one of the women, Anat, wrote back about how statutory maternity pay is lost if someone changes jobs while pregnant. She works in the technology industry, where it is normal to change jobs every two to three years, so she has a choice between dropping out of her industry, which would be a huge loss for women in the tech industry, and avoiding career progression, if she goes down that route. Does my hon. Friend agree that we need to look at how statutory maternity pay can be kept for women in certain jobs in which they have to switch employer every few years? One policy cannot fit all.

Sarah Champion: I completely agree with my hon. Friend. I am interested that she used the word "choice", because we are not giving women any choice. We are not reflecting the current employment situation or representing the needs of women. The Minister is passionate about the issue, and I hope that she is taking everything on board.

That brings me beautifully on to the next part of my speech. I am concerned about how we as a society regard women, women's work and women's place in that society. Maternity discrimination is another structural block that prevents women from reaching their economic

potential. Eighty-six per cent. of the Government gains in the most recent Budget impacted negatively on women, yet they still refuse to gender-audit their policies, so we have to question their commitment to tackling the growing inequality. In addition, the use of insecure contracts has ballooned over the last 10 years, with more than 900,000 workers in the UK on a zero-hours contract, 55% of them women.

I commend the work of the right hon. Member for Basingstoke (Mrs Miller) as Chair of the Women and Equalities Committee, which pointed to the inherent problems for casual, agency and zero-hours workers, whose rights for women are less assured than for women who are considered to be employees. For example, a woman might be forced to choose between working and earning, and attending an antenatal appointment that is vital to the health of both mother and baby. The Committee recommended that expectant mothers who are casual, agency or zero-hours workers should be entitled to paid time off for antenatal appointments. It recommended that the Government review the pregnancy and maternity-related rights available to workers, and legislate to give greater parity between them and those women considered employees.

The Government announced in their Budget plans a review of the rights of self-employed workers. Will the Government extend that to include the rights of women on insecure contracts, casual and agency staff and zero-hours workers? Does the Minister agree that it is unacceptable for women on such contracts, already likely to be earning less, to be burdened with the choice between earning and looking after their health and that of their unborn child?

Another theme reported on by the BIS and EHRC research, the Women and Equalities Committee, and women's rights groups such as Maternity Action is the link between pregnancy and poor health and safety. Women reported being forced to lift heavy objects and stand on their feet for hours, being unable to take toilet breaks, and so on. Unsurprisingly, there is a clear link between insecure work and women being forced to leave their employer as a result of health and safety risks not being resolved. The Government must do more now, not only to help employers to understand how to identify and mitigate risks relating to pregnant women, but to compel employers to conduct risk assessments for new, expectant or breastfeeding mothers. Will the Minister tell us why the Government did not accept that recommendation from the Women and Equalities Committee? After all, an employer would undertake a specific risk assessment for an employee who had returned to work with a medical issue that meant their role needed to be adapted, so why should it not do so for a pregnant woman or a new mother who is breastfeeding?

The introduction of employment tribunal fees is a real burden of shame for this Government, who have priced women out of upholding their rights in the workplace. According to TUC analysis, the number of working people challenging discrimination or unfair treatment at work has fallen by 9,000 a month since charges of up to £1,200 came in. Since the introduction of fees, the number of sex discrimination complaints that include a tribunal claim has dropped by 76%, and pregnancy-related cases have fallen by 50%. Only 1% of maternity discrimination cases end up in an employment tribunal. That is a disgrace, and the Government know

it, yet the only promise they have made is that they will tinker with the “help with fees” scheme to extend the support available to people on lower incomes. Can the Minister see that linking justice to the ability to pay flouts fundamental democratic principles?

Furthermore, people with £3,000 of savings remain at a disadvantage, as the Government say that they can “rein in” spending on non-essential items to meet the £1,200 cost of bringing a claim. The Government clearly have not considered the circumstances of women who anticipate a major drop in their income due to childbirth and have prudently saved for essential day-to-day living costs or obvious essential items for their new baby, such as a buggy, clothing, a car seat or a cot. Those are not luxury items. Fees should be scrapped. If the Government will not do so, will the Minister discount savings for the purpose of claims alleging maternity or pregnancy-related discrimination? Will she also take seriously Members’ recommendations about extending the three-month term for maternity discrimination cases to six months?

I will deal briefly with the Government’s consultation on protections against redundancy for working mothers, which was announced in January. No details of the consultation, such as its scope or timeframe, have been published, but we already know that its reach is too small. The consultation will look only at redundancies as a result of maternity discrimination, which impact approximately 5,000 women each year. It will do nothing for the almost 50,000 women each year who are dismissed or forced to resign from their jobs because of having a baby. Why are the Government not looking to review the rights afforded to women with worker status compared with those who are employees? Why are the Government refusing to address health and safety issues? Why are the Government continuing to ignore the devastating impact of employment tribunal fees?

There are related issues that we could progress if only the Government gave this matter the priority it deserves—issues such as discrimination and lack of support for women who miscarry or those experiencing menopause. The Government urgently need to treat such discrimination. Women in the workplace and those who have been forced out cannot afford for the Government to continue to close their eyes to these issues.

Finally, in the context of Brexit, will the Minister give clear assurances about how the Government will ensure that we do not roll back maternity and pregnancy rights? The EU has been the source of much of the UK’s legal protection for pregnant women and new mothers. We will not stand by and allow this Government to undermine those rights. We will not allow this Government to accept the flawed status quo. Women and their families deserve so much more. I know that the Minister is committed to this area, so I really hope that she listens to some of the recommendations made today and acts.

10.44 am

The Parliamentary Under-Secretary of State for Business, Energy and Industrial Strategy (Margot James): It is a pleasure to serve under your chairmanship, Mr Chope. I congratulate the hon. Member for Washington and Sunderland West (Mrs Hodgson) on securing this debate in such a timely manner—as she pointed out, we are between International Women’s Day and mothering Sunday, which is apt.

I thank all Members for their excellent and thought-provoking contributions. We heard from my right hon. Friend the Member for Basingstoke (Mrs Miller), the hon. Member for Glasgow Central (Alison Thewliss) and the hon. Member for Batley and Spennings Dale (Tracy Brabin), whom I heard speak for the first time and who gave an excellent speech. We also heard from the hon. Member for East Kilbride, Strathaven and Lesmahagow (Dr Cameron)—I hope I pronounced that right—the hon. Member for Lanark and Hamilton East (Angela Crawley) and the shadow Minister, the hon. Member for Rotherham (Sarah Champion), who reminded us all of the unacceptable extent of pregnancy discrimination, which was unearthed by the EHRC’s good work.

This is the first time we have considered maternity discrimination since the Government responded to the Women and Equalities Committee’s recommendations, and I very much welcome the opportunity to discuss what we are doing. I have made careful note of some of the things that were raised that point to the need for further action.

I shall begin by making it clear that pregnancy and maternity-related discrimination has absolutely no place in today’s workplace or a progressive society. It is illegal, and the Government are committed to tackling it. Women make up 47% of the labour force, and more than 15 million women are active in the labour force at any time. Female talent and experience make a huge contribution to the productivity of individual businesses and the economy generally. I have spent more of my career in business than in politics, and I add that mothers bring a huge amount of experience from their responsibilities in that role. I very much agree with hon. Members who made the important point that pregnancy is not visible enough. There was a time when women almost had to hide the fact that they had children to progress in their careers. We have moved on from those days, but not enough.

In her excellent speech, the hon. Member for Washington and Sunderland West talked about the effect of pregnancy discrimination on the wider economy in lost tax revenues and increased benefit costs, to say nothing of the personal financial loss to the women concerned and their families. We are committed to building an economy that works for everyone, and supporting all women, including mothers, so that they can participate in the labour market to their full potential if they choose to do so is an important part of that work.

I am grateful to the Women and Equalities Committee for its thorough review of this issue, and I echo the many complimentary remarks that hon. Members made about the excellent chairing of that Committee by my right hon. Friend the Member for Basingstoke. We responded to each of the recommendations in the Committee’s report, setting out additional steps to protect pregnant women and new mothers, but as I said, I accept from what I have heard this morning that we still have more to do.

We have committed to review redundancy protection. Our thinking is at an early stage, but it is clear that new and expectant mothers need to be supported and treated fairly by their employers, and that does not always happen. The hon. Member for Washington and Sunderland West asked me to update the House on where we are with the review. It would be bit premature for me to do so, but I will be able to shortly. I will write to her when I am in a position to update her properly.

[Margot James]

The findings of the research into pregnancy and maternity-related discrimination and disadvantage that was commissioned jointly by my Department and the EHRC paint a picture of some workplaces that is quite at odds with expectations in today's society. We have a legal framework that gives pregnant women and new mothers rights and protections, and women have a means of legal redress if they are discriminated against because they are pregnant or take time away from work to care for their baby.

We have heard from several Members about the practical challenge for new mothers of bringing cases to tribunal, where that is necessary, within the statutory three-month limit. As we set out in our response to the Committee, tribunals have discretion to allow claims after more than three months have elapsed, where that is just and equitable, but I accept that that is in the gift of the tribunal and is not the same as people having the right to a longer period. We will consider what further guidance could better clarify the position.

Dr Cameron: Will the Minister give way?

Margot James: I will give way just once, because I am mindful that there were a lot of questions and I do not have much time.

Dr Cameron: There is another issue I wanted to raise. When I originally contacted ACAS regarding the situation I found myself in, rather than informing me that there was a critical three-month window in which to apply for a tribunal, I was told to go through a grievance procedure in the NHS, which takes much longer than three months. Does the Minister agree that it is important that women are given advice as to the timing of the tribunal and the need for an application to be in place before using the grievance procedure?

Margot James: I thank the hon. Lady for her intervention. I hope the situation has improved since she used the service but, in case it has not, I will write to the chairman of ACAS to convey her concerns.

The hon. Lady also asked about the time limit and how it is interpreted. The three-month time limit applies from the date the discrimination happened but, when there is a series of events, the time limit runs from the end of that series. There are flexibilities, and time limits can be extended where it is equitable to do so, such as if it is not reasonable to expect a woman on maternity leave to have been aware of events while she was away.

We are keen to help mothers return to jobs that make full use of their qualifications and experience, and to enable them to progress. Part of that is about removing specific barriers. We know that from the EHRC research, and we have brought in the working forward campaign, which intends to improve advice and share best practice, calling on employers to make workplaces the best they can be for pregnant women and new mothers. We have some way to go on that.

However, more than 100 employers, representing 1.2 million employees across the UK, have signed up to the initiative, which is an important milestone. Many of the employers pledging action such as Barclays, Nationwide, Royal Mail and Ford are putting in place returners

programmes and means of staying in touch with pregnant women and new mothers on maternity leave, which is another point that was made.¹ I am pleased to say that the Department for Business, Energy and Industrial Strategy has joined the campaign and I hope that more employers will be inspired to sign up.

I said I would return to the ways in which we are helping to address the barriers. Couples can take advantage of shared parental leave and pay, and the extension of the right to request flexible working to all employees with 26 weeks' service can help mothers among others to combine work with caring responsibilities. I accept that people sometimes feel inhibited about requesting flexible working arrangements, but as that becomes more commonplace and as we put more behind campaigns to raise awareness of how easy it can be and how it can improve productivity and make companies more competitive, I hope that people will feel less inhibited and the situation will improve.

We are now introducing the entitlement to 30 hours' free childcare for working parents of three and four-year-olds as well as tax-free childcare, enabling more children than ever to benefit from Government-funded childcare. To help monitor progress, we require large organisations to publish their gender pay gap and bonus pay gap data. We are committed to supporting mothers and fathers to balance work with family life in a way that works for them and their circumstances. I echo the remarks made by the shadow Minister that it is disappointing that the only man who has participated in the debate—from a sedentary position—is indeed the Chairman. We need to get male colleagues involved in these debates and discussions, because mothers' issues are not just the preserve of mothers.

Several hon. Members raised the issues for self-employed women. In fact, the hon. Member for Hampstead and Kilburn (Tulip Siddiq) talked about her position as an MP, which brought that home to me. Of course, she is not alone. The reason she found herself in that unacceptable position when she was pregnant last year was because MPs are not employees. We are workers, and in this area we have fewer rights than we would if we were employees.

That brings me to Matthew Taylor's review—several hon. Members asked for an update. The review is fully under way and one of the issues on its agenda is to consider the different employment rights afforded to workers and employees. That very much includes rights to maternity benefits—and indeed paternity benefits. The review is consulting around the country. There will be a series of town hall meetings—I will attend one in Glasgow next month—and he will report back to the Government in July.

There are many factors to consider when it comes to enhancing rights funded by the public purse. Having carefully considered the issue, we have concluded that it is right to look at the case for having greater parity in parental benefits between the employed and self-employed. The Chancellor announced last week that we will consult on that specifically, independently of the Matthew Taylor review, during the summer.

A number of other questions were asked, and I am sorry if I cannot do justice to all of them in the time remaining. At the beginning of the debate, we heard a recommendation for employers to be required to undertake an individual health and safety risk assessment for pregnant women. Employers must already safeguard

1. [Official Report, 23 March 2017, Vol. 623, c. 11-12MC.]

the health of women who are pregnant, so I was disturbed to hear about instances where that was patently not the case. Legally, employers should safeguard the health of women who are pregnant. The Health and Safety Executive has at least updated and strengthened its guidance in that respect. We dealt with the redundancy matter, at least as it stands at the moment.

The hon. Member for Glasgow Central talked about incentivising employers to take on part-time workers and consider flexible working. That is an extremely important issue, which I have dealt with, as I have dealt with existing flexibilities for maternity. I will turn to the issue—

Mr Christopher Chope (in the Chair): Order. I hope the Minister will give the hon. Member for Washington and Sunderland West (Mrs Hodgson) time to respond.

Margot James: Yes. How long?

Mr Christopher Chope (in the Chair): It is normally a maximum of two minutes, which means she should start now.

Margot James: Right. I will end my speech. Thank you, Mr Chope. I will write to the hon. Member for Washington and Sunderland West on anything outstanding that she raised in her opening speech.

10.58 am

Mrs Hodgson: I am grateful to the Minister for leaving me time to respond. I thank all Members for coming along this morning and for their excellent contributions. I especially thank my hon. Friend the Member for Rotherham (Sarah Champion), the shadow Minister for Women and Equalities, who is leading for the Opposition in this policy area with immense energy and dedication. She is truly making her mark and has some notable successes under her belt, which is not easy for anyone in opposition. I welcome the commitments by the Minister and I look forward to receiving the letter she spoke of.

As we have heard, we have had many debates on this issue, and I think this will go down as one of the best. I hope it may be the last—at least for a while. Mark my words: we will all be following this issue closely and, if we are not happy with progress, one—or perhaps all—of us will be back here before too long, doing this all over again. As we heard in great detail from everyone present, this issue is too important to ignore. I thank everyone again for their attendance, including you, Mr Chope, and the Minister. I look forward to receiving her letter.

Question put and agreed to.

Resolved,

That this House has considered the effect of maternity discrimination.

Police Widows' Pensions

11 am

Mrs Madeleine Moon (Bridgend) (Lab): I beg to move,

That this House has considered police widows' pensions.

This important issue was brought to my attention by a constituent of mine, Diane, who sadly lost her husband in the line of duty when he was serving as a police officer. Years down the line, Diane met another man and fell in love. The couple decided they wanted to be together. They found that the position was that Diane had to choose between their future happiness and maintaining her eligibility for her late husband's pension. She is not alone in her predicament; hundreds of other widows and widowers are left to make the same decision.

Fortunately, in 2014 Cathryn Hall, who is here today, started a petition entitled "Grant Police Widows Pensions for Life—Don't Make Them Choose Between Future Happiness and Pensions", which says it all. Cathryn has bravely shared her story so I am not breaching any confidentiality in recounting it. She became a widow at 24 years old following the death of her husband Colin, who served in the West Midlands police force for 21 years. Some years later, Cathryn was left with a difficult decision: should she maintain her eligibility for the pension, into which her late husband had contributed 11% of his salary, or move in with a new partner and lose it?

The petition gathered more than 115,000 signatures, so I am here to ask yet again why so many women such as Diane and Cathryn are forced to choose. The reason is that individuals widowed between 1980 and the early 2000s are covered by the Police Pensions Regulations 1987 and lose access to their spouse's pension if they remarry or cohabit.

Mr Mark Williams (Ceredigion) (LD): I congratulate the hon. Lady on securing this important debate. I, too, have constituents who feel strongly about the matter. Does she agree that campaigners also feel that there is injustice in the lack of parity of approach across the United Kingdom?

Mrs Moon: The hon. Gentleman is moving me forward in my speech, but yes, that is a major issue. The people who serve in United Kingdom police forces expect that should they lose their lives in the line of duty, all their families will be cared for in exactly the same way. The hon. Gentleman has pointed out a major cause of injustice, which we have come here today to rectify.

There was a welcome breakthrough in 2015, when reforms were introduced. I acknowledge that. The widows, widowers and civil partners of police killed in the line of duty and covered by the 1987 regulations now receive a pension for life if they were in receipt of a special augmented pension, remained unmarried and were not living with a new partner by 1 April 2015. That is a large number of caveats: what of those not covered? The inequality comes over loud and clear.

Liz Saville Roberts (Dwyfor Meirionnydd) (PC): The recommendation of the 2011 Hutton report—the report of the independent public service pensions commission—related to all armed services. Does the hon. Lady agree

[Liz Saville Roberts]

that it is a matter of implementing equality across generations, in all the armed services, as the report recommended?

Mrs Moon: I can say only that the Welsh think alike no matter their political party, because that is another thing that I intend to cover in my speech.

When we ask individuals to put their lives on the line, we should expect that exactly the same care and responsibility will be shown towards all their families, should they make the ultimate sacrifice. Why, then, should a widow or widower lose the financial support from their late husband or wife when they decide to remarry or cohabit?

I should like the Minister to explain where the money is going. If the widow or widower is ineligible to receive it, who has it? What of their children? No father or mother wants their children to be impoverished; nor do they want the money that they set aside to protect their children in the event of their death, and to prepare for their future, to go somewhere else. So what are the Government doing with the money? Why are the widows, widowers and children penalised? Campaigners rightly argue that no Government should seek to profit from the withdrawal of a small and immaterial number of police widows' pensions, and the condemning, in the process, of 22,000 widows to a life of loneliness and isolation. That is what is happening at the moment.

We are not asking for extra money. The Treasury is not being asked to find new money. The families just want what they are entitled to. I shall set out the figures. The police officers pay 11% of their wages into the pensions. Generally speaking, the widows or widowers receive 50% of the pension. In 2012 there were 22,000 widows in receipt of a police pension. Between 2008 and 2012 in England and Wales, there were a mere 131 cessations because of remarriage or cohabitation. That is a large number of people who are being forced to face a life of isolation and loneliness to maintain their financial security.

On the figures, approximately 0.5% of police widows are being unfairly denied financial support that would have been available to them from the pensions. It is hard to put an exact figure on how much individuals are losing, because that is personal and depends on the husband's or wife's age at death. My constituent estimates that she has lost about £135,000—a not inconsiderable sum. The numbers are small: to grant all police widows a pension for life, regardless of their status, would, according to the response to a freedom of information request, cost £50 million. As I have said, that is not new money; it is money already in the system.

I want to tell the Minister about a couple, aged 75 and 80, whom I will not name as they want to remain anonymous. One is the widow of a police officer. They are forced to live 100 miles apart because the loss of the widow's income should they cohabit would be impossible to bear. That means that they are not there to support each other every day through the inevitable illness that old age brings. They want to spend their twilight years together without financial penalty. Why are they denied that right?

Announcing the changes in 2015, the then Home Secretary, now the Prime Minister, told the House:

“We will reform the scheme to ensure that the widows, widowers and civil partners of police officers who have died on duty do not have to choose between solitude and financial security.—[*Official Report*, 12 October 2015; Vol. 600, c. 18.]

However, that is happening. The average age of a police widow is 74. The petty injustice that I am describing could cost the taxpayer more: as the group gets older without the income from their deceased spouses' pensions they are more likely to have recourse to the state. Does the Minister think that a sensible use of public money?

This injustice forces widows and widowers to choose between love and money. Many feel that the financial cost is too great, particularly when their children are affected. If they choose personal happiness, they face financial insecurity through no fault of their own. They will also be asking their new partner to take on full financial responsibility for their children, who will lose the money that their father or mother had put aside for them. I cannot understand that.

Just over two years ago, the hon. Member for Gloucester (Richard Graham) raised this issue, and he and I debated it in this Chamber. We are no further forward now; the situation has been made more baffling. I am particularly pleased to see hon. Members here from Northern Ireland and Scotland.

Jim Shannon (Strangford) (DUP): That was set up, Mr Chope; you probably realised that. I congratulate the hon. Lady on bringing the debate. It is not only the Welsh who think alike; it is the people of Northern Ireland as well.

The Royal Ulster Constabulary faced a very different kind of day-to-day work from that of colleagues on the mainland. The grief of loss is the same for families no matter where they live, and the pension rules must therefore also be the same. Does the hon. Lady agree with the widows in my constituency who feel aggrieved and demand and expect this injustice to be rectified—their pension rights to be secured? I look forward to the Minister's response; I hope it is a good one.

Mrs Moon: Everyone expects to be treated the same. People might face different stresses and strains within the police force, but the risk, ultimately, is that every day someone will be determined to take the life of a police officer. If an officer is lost to their family, and if they have made appropriate plans to protect their family, it is right that the state honours that commitment. We pay great tribute to families when they take on these roles and responsibilities, and we should maintain that commitment.

Changes have been made in Scotland and Northern Ireland, and I commend those Administrations. In Scotland, the Government announced the same amendment to the pensions paid to the survivors of police officers and firefighters killed in the line of duty. I think those pensions have been reinstated and backdated to 1 October 2015.

Patrick Grady (Glasgow North) (SNP): I thank the hon. Lady for securing the debate. One of my constituents was affected by this issue, but the Scottish Government's decision to reinstate the pensions has resolved that injustice for him. This is one area on which we are happy to express solidarity across the UK. Governments

across the United Kingdom should be aiming for the highest possible standards, to pay respect to our officers killed in the line of duty.

Mrs Moon: As I have said, police officers face the same risks every day. They deserve the same pension rights, and their families deserve the same financial protection. Comparisons have already been made between police officers' widows and widowers and their armed forces counterparts, with Ministers often seeking to differentiate between the two as a way of justifying the cessation of pension rights for police officers. However, as has already been commented on, the 2011 Hutton Report made it clear that

“there is a need to recognise the unique nature of the work the uniformed services (the armed forces, police and firefighters) undertake.”

They put themselves in harm's way to protect us. Is it not now time for England and Wales to join the rest of the United Kingdom in ending this injustice? Will the Minister undertake to meet the campaign group? Many of them are here today and will be happy to discuss a way forward with the Minister.

I ask the Minister to end this incomprehensible, unfair and, quite honestly, blatant inequality. Let us give the families back the money they are due. All these men and women are asking for is a level playing field instead of a harsh financial penalty. For me, this boils down to a simple issue: we have to stop putting a price on love. The Government have to make sure that widows, widowers and their children have access to the pension rights that were put there to protect them in the future. By right and by legitimacy, they should have them.

11.14 am

The Minister for Policing and the Fire Service (Brandon Lewis): I congratulate the hon. Member for Bridgend (Mrs Moon) on securing the debate. As she rightly outlined, it is an issue that has been discussed and raised on the Floor of the House by my hon. Friend the Member for Gloucester (Richard Graham). He came to see me quite recently and made a passionate case.

I want to make it clear that I have huge sympathy—as we all should—and admiration for those who have faced the loss of a loved one through their work and as a result of their being on police duty. It is unfortunate, and as the hon. Lady rightly outlined, it is a tragic reality—thankfully rare—that some police officers pay the ultimate sacrifice when fighting crime and keeping us safe. They deserve our huge respect and thanks, so it is right that, whenever we have the opportunity to do so in this place, we are able to pay our respects to those officers and the families they leave behind, and to all police officers and staff, who run towards danger—pretty much every day in one form or another, as the hon. Lady said—in the name of public service.

The Government continue to recognise the risks faced by officers as part of their everyday job. As the hon. Lady outlined, that is why the previous Home Secretary changed police pension provisions to allow widows, widowers and surviving civil partners of police officers who die on duty in England and Wales to receive a survivor pension for life; the definition of “on duty” includes when death occurs during a journey to or from work. The changes also include circumstances in which an officer died from injuries resulting from their being targeted as a member of the police, including circumstances

in which the relevant police pension authority believes that the death should be considered a result of the execution of duty.

Those changes were brought by the Police Pensions and Police (Injury Benefit) (Amendment) Regulations 2015, which came into force on 18 January last year. Those amendments were backdated to 1 April 2015, which aligned with the timing for changes made to armed forces survivors' pensions. In keeping with the policy applied to the armed forces' pensions, any pensions already surrendered before April 2015 were not reinstated as a result of the change; that was the same across both schemes. However, it is important to note that the regulations will continue to allow the police pension authority the discretion to reinstate adult survivor benefits if a remarriage, civil partnership, or cohabitation subsequently ends.

The hon. Lady referenced the fact that the changes would not require new money, as the money is already in the scheme. If I may correct her, it would require new money. The scheme is not structured to cover those funds; it is an employee and employer contributory scheme, but anything that tops that up or goes beyond what is already covered by the scheme will be new money funded by the taxpayer, so she is wrong.

The hon. Lady also touched on the difference between this and changes to armed forces widows' pensions. The Government believe that there is difference, and that there are particular factors that apply to the armed forces. Not only do the families of armed forces personnel have to cope with long and uncertain separations while their spouse or civil partner has deployed on operations directly, the mobile nature of service life often prevents those partners from earning their own occupational pension. We recognise that that puts them in a difficult position when trying to provide for their own financial future.

The same combination of risk to life and disruption to family life cannot be said to apply to other public service workforces. The Government do not believe that it would be justifiable to make the same changes for all survivors of police officers. Nevertheless, we believe it is right to recognise the risks faced by police officers every day as part of their job. I believe that, when police officers, and also firefighters, die on duty, their surviving spouses and civil partners should not face a decision between a new relationship and retaining their entitlement to their survivor benefits.

I appreciate the hon. Lady's reference to other parts of the United Kingdom. However, policing in Scotland, for example, is a devolved matter. Those other Administrations are entitled to make their own decisions, but that does not, in itself, create a precedent that will necessarily be followed in the whole of the United Kingdom.

We have made clear our commitment to ensure that public service pensions are affordable, sustainable and fair. We keep these things under review at all times. As I promised my hon. Friend the Member for Gloucester, we will continue to review all these matters. These pension schemes need to be fair and affordable for members, but also fair and affordable for the taxpayer who subsidises them through contributions.

Richard Graham (Gloucester) (Con): The situation at the moment, as I understand it, is that the Ministry of Defence is reviewing what the provisions are retrospectively

[Richard Graham]

for armed forces widows. Does the Minister accept that were the Ministry of Defence to make changes, it would be very hard for the Government to maintain a difference in what those widows are granted and what police widows are granted?

Brandon Lewis: My hon. Friend makes, as always, a very good point. As I have just outlined, there is no current plan for us to change the scheme beyond the changes made only last year. However, we always keep these things under review. As I said to him when we met, I will continue to keep this under review, as the Treasury does on all these matters, to ensure that we have a scheme that is not only fair for the taxpayer but ultimately, as he rightly says, fair to the families of those people who go out every day and put themselves at risk. We will continue to do that.

Question put and agreed to.

11.21 am

Sitting suspended.

GP Indemnity Costs: England

[MR ANDREW TURNER *in the Chair*]

2.30 pm

Alex Chalk (Cheltenham) (Con): I beg to move,

That this House has considered the cost of GP indemnity in England.

May I say at the outset what a pleasure it is to serve under your chairmanship, Mr Turner? I thank hon. Members for attending the debate. It is disappointing that it clashes with an important speech by my right hon. Friend the Chancellor of the Exchequer, but I know that several hon. Members from across the House will be interested in the matters discussed here.

General practitioners are the foundation stone of strong primary care and, in turn, strong primary care underpins a strong NHS. To put it another way, if GPs sneeze, the entire NHS catches a cold. That is because, first, GPs keep the community healthier, with early interventions to prevent conditions from getting out of control and requiring resource-intensive hospitalisation, and, secondly, they divert patients who might otherwise present at an accident and emergency department towards pathways more suitable for them and, indeed, the NHS.

GPs are doing an enormous amount to adjust to the changing health needs of our country. I accept that these are now familiar statistics, but they bear repetition. In our country of just 64 million people, there are now 1 million more people aged over 65 compared with 2010, and there are more than 300,000 people aged over 80. Those are stark statistics. It is fantastic news, of course, but it presents great challenges, and many of those challenges fall on GPs.

I pay tribute to the GPs in my constituency from Yorkleigh surgery, Overton Park surgery, Berkeley Place surgery, St Paul's medical centre and so many others, who do a brilliant job. Most GPs I meet enjoy their job—indeed, the overwhelming majority do—despite its great demands, but I do feel, and I suspect many of them do, too, that they can be unfairly criticised. I trust that we can all take this opportunity to express our gratitude and admiration for the vital work that GPs do. To put it bluntly, they keep the show on the road. Without their professionalism and good will, the system as a whole would fall over. They are vital.

When I was elected to this place, I was concerned that the proportion of the overall health spend going on primary care appeared to have shrunk. All the evidence suggested to me that that needed to change, so I warmly welcome the 14% increase that the Government have announced in funding for general practice. It is rising from £9.5 billion in 2015-16 to £12 billion by 2020-21, as announced in the “General Practice Forward View”. Of course we all want there to be more money, but that additional funding and the additional £2 billion for social care announced by the Chancellor in the Budget are manifestly steps in the right direction.

Given that background, what is this specific debate all about? I have called the debate because I am concerned about an issue that has the potential to restrict the vital pipeline of new GPs. I am referring to GP indemnity—the insurance premiums that GPs are obliged to pay, from their own pockets, before they are permitted to practise.

The bottom line is that those premiums are rising at such a rate that they are discouraging GPs from taking on certain forms of work, including out-of-hours care, and are even discouraging some medical students from entering primary care in the first place.

It is important to understand that GPs are in a special category of medical professionals in this respect, because doctors working for NHS bodies, such as hospital trusts, are covered by the clinical negligence scheme for trusts, which is administered by the NHS Litigation Authority; there are equivalent organisations in Scotland, Northern Ireland and Wales.

This issue does not emerge from a vacuum; it has been brewing for a while. In its 2014 annual report, the Medical Defence Union published data suggesting that indemnity inflation is about 10% per annum. More recently, a survey carried out by NHS England last year as part of the GP indemnity review showed that between 2010 and 2016 there was an increase in the average indemnity payment for in-hours or scheduled care of more than 50%. What does that mean in real terms—in pounds, shillings and pence? The average payment for in-hours or scheduled care cover in 2010 was £5,200. That had risen to £7,900 by 2016—an increase of more than 50%. Ninety-five per cent. of GPs surveyed have experienced a rise in indemnity costs, and 88% pay them from their own pockets.

The inflation for out-of-hours sessions is, according to the review, likely to be higher still. It is thought to be about 20% per annum, although the position on out-of-hours care is harder to establish because of data availability. Of the several thousand GPs surveyed, 72% claimed that the rise in their indemnity costs had deterred them from taking on out-of-hours sessions. Only 21% agreed with the statement

“Indemnity has not deterred me from taking on additional sessions”.

Those are concerning figures.

The review concluded that the rise is expected to continue. We have an historical average rise of about 10% per annum for scheduled care, and the rise is likely to continue. Of course, the review did not take into account the change in the discount rate. Just to remind everyone, the discount rate is used in a calculation to determine lump-sum compensation for claimants who have suffered life-changing injuries. It is being reduced to -0.75% from 2.5%; that will take effect, I think, on 20 March. This is the first time that it has been changed since 2001. It seems inevitable that that will inflate premiums further. We may have thought that we had solved the problem or that most of the problem was behind us, with the historical 10% average price increase, but the chances are that we ain't seen nothing yet.

What is the impact on the ground? According to a practice manager at St Catherine's surgery, a busy practice in the centre of Cheltenham, the problem is acute and having an effect on GP recruitment. When that practice wanted to appoint a new salaried GP, it was unable to attract anyone—notwithstanding the fact that Cheltenham is an extremely desirable place to practise, as I am sure everyone here would acknowledge and appreciate—without including paid indemnity as part of the salary package. That has added £7,500 to the cost of the doctor's employment, and the surgery has to bear that, but this is plainly an unsustainable model.

I should add for completeness that this is not just about GPs in primary care. Modern surgeries are very sophisticated in the types of practitioner they employ. They employ advanced nurse practitioners and nurse practitioners with prescribing rights, but their indemnity payments are rising, too. An advanced nurse practitioner must pay about £3,000 per annum and a nurse practitioner about £1,200, and those figures are also increasing.

Why is all this happening? We need to slay two myths right from the start. First, it has nothing to do with GP performance dipping. Statistics show that the medical defence organisations have increased the proportion of cases closed with no payment made to the claimant from 70% to 80%. The quality and safety of care have never been higher. GPs continue to be very professional and very precise in the treatment that they administer. Secondly, the current situation is not down to profiteering by the medical defence organisations. The three main ones, which include the Medical Protection Society and the Medical Defence Union, are mutual organisations and not profit making. The 2016 review did not find evidence that market inefficiency is a cause of rising indemnity premiums.

The reason for the rises appears to be a blend of two principal factors. The first is workload. GPs are seeing more patients than ever before; I refer back to my remarks about the number of people in our country aged over 65 and 80. The second factor is compensation inflation. It is not unusual nowadays for insurers to pay a claim for more than £5 million. The review also alluded to a more litigious culture. There is a concern that patients are not simply being informed of avenues of redress, but are actually being encouraged to bring cases. It is a delicate issue, and there is a balance to be struck, but that does seem to me to be a concerning observation. That culture exists alongside an increasing number of claims companies. The number is said to be proportionally higher in England than elsewhere in Europe.

How do we respond? I have studied this issue in some detail: it is clear to me that Ministers and the Government in general are alive to it and working hard to react to it. As I said, back in May 2016 NHS England and the Department of Health established a GP indemnity review group to address the matter. That reported back in July last year and led to two important measures. The first was a winter scheme, originally scheduled to end on 31 March this year, to reimburse doctors who were willing to work more out-of-hours sessions to deal with winter pressures—I should remind Members that there is that 20% per annum rise in out-of-hours premiums. The second element was a new GP indemnity support scheme, which would run for two years.

The first of those—the winter scheme—has now been extended and will run until the end of April, which is welcome. As for the GP indemnity support scheme, it is excellent; it is direct financial support—hard cash—in the region of approximately £33 million per annum. The first payment will be in April 2017 to address inflation experienced in 2016-17, and a corresponding payment will be made in April 2018. I am grateful to the Government for those important steps, which will make a big difference.

However, we need a long-term solution, and I urge the Government that in considering the long-term options they leave nothing off the table. This does have to be handled carefully, but some options that I respectfully

[Alex Chalk]

suggest merit further consideration are as follows. First, on legal reform, there is an argument for specifically fixing the amounts that can be recovered in costs by legal firms in certain cases. I am a lawyer by background, and should probably declare an interest—I even practised in clinical negligence law for a while. Clinical negligence claims can be highly complex. It is important that access to justice for wronged claimants is preserved, but that should not preclude any examination of the costs issue.

Secondly, even if it would be unaffordable for the NHS LA to cover all GP costs, we should look again at whether indemnity fees for certain areas of work, such as out-of-hours or minor surgery work, could be covered centrally. That would go a considerable way to easing the burdens on GPs and improving the attractiveness of the profession. I understand that the DOH is committed to exploring the potential of national clinical negligence schemes.

Thirdly, the Government could consider altering the mechanism through which awards are made, and base them on NHS costs rather than private costs. At the moment, payouts are quantified on the basis that care will be provided in the independent sector. Ought we to look at whether the law should be changed so that medical defence organisations and the NHS LA could purchase NHS and local authority care packages for those who have suffered from medical negligence?

I would be grateful for an update on the Government's thinking on this important issue. Specifically, the review last year reported that further work would be carried out in 2016 to establish the best method for providing additional support in respect of out-of-hours care, so can we have an update on that?

I will end by saying that this may seem like a dry subject to anyone who is watching on TV or reading the report of this debate, but unless this problem is tackled in a fundamental way it risks undermining the excellent work that is otherwise being done to bolster primary care. It risks narrowing the pipeline of GPs—a pipeline we need to widen. The sums that GPs are now paying risk demoralising existing GPs and disincentivising the next generation. A long-term solution must be found.

2.43 pm

Mr Steve Baker (Wycombe) (Con): It is a pleasure to serve under your chairmanship, Mr Turner. I congratulate my hon. Friend the Member for Cheltenham (Alex Chalk) on his excellent speech and on securing this debate, and very much concur with what he said.

Before I go any further I should say that my wife is a general practitioner, a former Royal Air Force senior medical officer who now works as a locum for the Ministry of Defence. I should also say that any errors or omissions in my remarks are entirely my own; I only spotted this debate this morning so I have not had a chance to discuss the issues with my wife. The scale of indemnity fees and the rate of price inflation in them has been an occasional—possibly frequent—topic of dinner table conversation. It is quite clear that something is going on when we see such steep rises to such high levels.

I want to pick up on a few of my hon. Friend's points. He made the point about GPs being the foundation; we cannot overstate that, particularly in the context of

ever-increasing specialisation in secondary care. The point I wish to make to my hon. Friend the Minister is that it seems that, as secondary care becomes more specialist, the burden of diagnosis will increasingly fall on general practitioners. I have heard accounts, which I may relay imperfectly, of a thoracic problem, for example, being referred to secondary care; the consultant might exclude a heart problem, but then it has to be referred again to exclude a lung problem, and again for whatever it may be. My sense from listening to my wife and other GPs is that increasing specialisation in secondary care sometimes shifts the burden of diagnosis on to primary care.

It seems to me, if I may say so from the perspective of an aerospace engineer, that diagnosing people is a slightly less exact science than diagnosing machinery. That is partly because it relies on what people say about their own condition, and partly because it relies on their coming forward at the right moment in the development of their illness or condition. I wonder whether specialisation has led to a transfer of risk, which is material to premiums. I put that point to the Government; I appreciate that they might not be able to answer it today.

My other point is about the status of partnerships, which is both relevant to the future of general practice and tied into this subject. I have recently had occasion to discuss with a senior partner how it has become financially less attractive over recent years to be a senior partner. I have mixed feelings about that. One of the little discussed realities of the NHS is that general practice was never nationalised, so partnerships have always had this special status where they are private businesses tightly coupled to a state-funded and run NHS.

It seems that the problem of steeply rising indemnities is material to problems that partners face in continuing in business, often in ageing premises that they are locked into through mortgage conditions. If the Government intend for the partnership model to continue indefinitely, and if there is cross-party agreement on that, the cost of indemnity needs to be considered, along with a range of other factors in relation to that model.

My hon. Friend the Member for Cheltenham mentioned that he sees GPs as having a special status, and I think he is absolutely right on a number of levels. They are special in the sense of the GP's place in the hearts of the public; special in the sense that, as specialism increases, so does the burden of diagnosis on them; and special in terms of the status they have as businesses operating within the NHS. More than that, as clinical commissioners, general practitioners now have the great burden of determining what care will be deployed where in the NHS.

It is proper that I restate that I have an interest in this, but I observe that the support being given in relation to GP indemnities is not being extended to the MOD's locums at this stage. Armed forces personnel need healthcare too, and because of how armed forces medicine operates, the armed forces often need locums. I ask the Minister to consider the general point that the MOD might need the same support in relation to indemnity fees that general practice would enjoy everywhere else.

Finally, I do not think that this is a confrontational debate. We live in times when medicine has changed, people's attitudes to risk have changed and the role of the GP is changing. We are all united—at least on this side of the Chamber, but I hope across it—in recognising

that the Government are seeking to rise to all those challenges, and I look forward to hearing what my hon. Friend the Minister has to say.

2.48 pm

Julie Cooper (Burnley) (Lab): It is a pleasure to serve under your chairmanship, Mr Turner. I thank the hon. Member for Cheltenham (Alex Chalk) for securing this debate on this really important subject, and join him in paying tribute to GPs—including those in my constituency and across the country, many of whom I have had the pleasure of meeting recently. I pay tribute to the excellent work that they do. They are at the cutting-edge of the NHS; in many ways, they are the gatekeepers, taking tough—often the hardest—decisions. They deserve our respect and support at every corner.

It is important to begin by setting this debate in the context of the pressures that GPs face. Undoubtedly, as has been mentioned, the demand for GP services has increased massively. Much of that has been attributed to the ageing population. Many patients suffering from mental health issues find that those are not addressed elsewhere, because specialist services are not as abundant as they might be. The lack of social care provision and funding cuts for social care mean that many unsupported elderly people have to call on their GP to work above and beyond, and on far more occasions, for the vital support that they are denied elsewhere.

We rightly heard about the recruitment and retention of GPs and support staff in practices. That issue is particularly important, because anything that is damaging or makes the situation worse is cause for concern. Recently, the Capita chaos relating to patient records and the national performance list did not help, placing more pressure on our GPs. The criticism relating to this winter's A&E crisis, including the implication that GPs should somehow be doing more to lift the pressure, did not help either.

The hon. Member for Cheltenham rightly referred to the extra responsibility that GPs have taken on with commissioning. That important role has put extra demand on them. I agree totally with his very good point about the pressures that are coming back upstream because of increasing specialisms in hospitals. I met GPs and some of their staff recently and was concerned to hear them say, "Of all the health professionals, we feel that nobody speaks up for us," so I welcome this debate. It is right and proper that we in this House recognise and put on the record the value of GPs.

The rising cost of professional indemnity is an added burden, and frankly, doctors do not need anything else to deal with, nor do other medical specialists within GP surgeries. As has been outlined, 95% of doctors report phenomenal increases in indemnity costs. I will not repeat the figures, but the rises have been unacceptably high. I underline that the increases in costs are in no way due to a deterioration of professional standards—absolutely the reverse is true. Standards are at least as high as they have ever been, and in most cases, they are higher. The current situation is, in fact, due to the sheer volume of work done by general practice. When that grows to such an extent, the amount of complaints against the service are bound to go up too.

We live in a different society and a different, increasingly litigious world. People are encouraged to take action for sometimes minor issues, hence the need for doctors to

have professional indemnity covering them up to about £20 million, which I think is the figure that people widely acknowledge they need to be covered for. That is why there has been the massive increase in the premiums.

This is an English problem. Although proper analysis has not been done on GP practices elsewhere in the UK, evidence shows that it is less expensive to practise over the border in Scotland and in Wales, where I understand the new contract provides for the out-of-hours work that GPs do, as well as support for the costs of their regular work.

The impact is serious, and the fact that no long-term solution has been found for the problem is having an effect. The Royal College of General Practitioners reported that 80% of GPs say that the time that they are prepared to devote to general practice is affected, whereas 56% said that it would be more likely to deter them from doing out-of-hours work. If the problem is unaddressed, it will undoubtedly affect the long-term recruitment and retention of dedicated people in general practice.

I think we all agree that action is needed. The review group set up in May 2016 introduced short-term interventions, which were really welcome, as has been mentioned. Those will help this year and next towards the costs. The extension of the winter indemnity scheme is also welcome. I understand that the continuation of that led to 500 GPs committing to out-of-hours care, above and beyond the existing number. That surely indicates what the effect of supporting GPs in that way will be.

What action is needed? The Government must begin by demonstrating that they value GPs and recognise the considerable pressure under which most GPs and their staff work. I am sure that hon. Members on both sides of the Chamber agree about that—nor would we find many dissenters among hon. Members who cannot be present today. We must ensure that the Government honour the commitments in the "Five Year Forward View", including the £2.4 billion extra each year for general practice—we must make sure that is delivered in a timely fashion.

I was concerned to hear the royal college express dissatisfaction that up to Christmas, only £2.4 million of the £16 million designated for resilience for GP practices had been committed. We must do better on that. As a matter of urgency, the Government need to carry out a comprehensive review to find a long-term solution. The hon. Member for Cheltenham made sensible suggestions on legal reform. Perhaps a centralised payment for out-of-hours care would support all that. It seems vital that any costs are in line with NHS treatment and not that in the private sector.

The previous Minister, the right hon. Member for North East Bedfordshire (Alistair Burt), said in March 2016 that the Department of Health would begin to consult GPs, patients, lawyers, medical defence organisations and commercial insurance to look for a long-term solution. That was a year ago, so I look forward to the Minister telling us what progress has been made. Although Chaand Nagpaul, the chair of the British Medical Association GP committee, welcomed the short-term help, he went on to say:

"There is a need for a definitive solution to rocketing indemnity costs".

Will the Minister tell us what progress has been made? What action has he taken in all those areas to ensure

[Julie Cooper]

that GPs feel fully valued, and to show that we feel for them when it comes to this extra burden and have taken action to deal with it?

2.58 pm

The Parliamentary Under-Secretary of State for Health (David Mowat): It is a pleasure to serve under your chairmanship, Mr Turner, and I congratulate my hon. Friend the Member for Cheltenham (Alex Chalk) on bringing this really important subject to Westminster Hall this afternoon. The NHS spends between £1.5 billion and £2 billion a year on legal and indemnity costs. If we could find a way to spend that massive slug of money better, that would be better for patients and our constituents, and all that goes with that.

I will start where my hon. Friend started in his really lucid speech. We need to emphasise how much we value GPs, as all Members did who have spoken today. In a speech that I gave recently to GPs, I used a sentence from the foreword by Simon Stevens to the “General Practice Forward View”, and I will use it again now:

“There is no more important job”

in the country

“than that of the family doctor.”

I think that is very good—everybody is nodding, so I think we all agree. There is no harm in our reminding any family doctor who may be listening to this debate of the esteem in which they are held.

My hon. Friend the Member for Cheltenham made some interesting points about the potential for legal reform. We are consulting on that and I will say a bit more about what we are doing. I will give the House one statistic that stuck in my mind as I was preparing for this debate: for legal cases with awards of £10,000 or less, the average costs are three to four times higher than the actual amount paid to the patient. That is indicative of a broken system that we need to fix. He made a point about using the central scheme, which applies to hospital doctors, for GPs. That is an option, but as he also said, the three insurance organisations are non-profit-making, so it is not absolutely clear how it would help.

Another thing I was surprised about was an interesting point that my hon. Friend and, I think, the hon. Member for Burnley (Julie Cooper) made about the way in which costs are estimated for difficult and complex cases. We would all concede that it is right that we properly recompense people who have been damaged through negligence and so on, but one of the things that that is based on is private health insurance rates, not the NHS doing the work. I have discovered the reason for that: it is what was set out in the National Health Service Act 1948, which set up the NHS. We are looking at options around that, but the history of how that evolved and why it became the case is interesting.

Mr Baker: I am grateful for the opportunity to recommend an excellent book: “Working-Class Patients and the Medical Establishment”, by David G. Green, who now runs Civitas. It tells that history, and there are a great many similar examples where we might look at how we can reconnect the whole system with the patient.

David Mowat: I thank my hon. Friend for that intervention and for the interesting comments he made. He talked about the transfer of risk due to specialisation, which is an interesting concept. I will push back a little on that, however. Of the £50 billion of reserve that the NHS needs to hold for legal cases and compensation payments into the future, the vast majority is around maternity, because the money tends to be focused on babies who are injured and have to be supported throughout their life. I am not absolutely sure he is right about that concept.

My hon. Friend made a point about the status of partners in GP practices. Partners have unlimited liability unless they have indemnity, which potentially makes it less attractive to be a partner than a salaried GP. We are seeing that trend. There is a double edge to that, and I will not go into other aspects of how GP practices are structured, but increasingly—I do not know whether this applies to my hon. Friend’s wife—we are finding that things are working better with GP practices being put into hubs of 35,000 to 40,000 people. They are able to employ pharmacists and physios and do more things at scale than they could as a single GP practice or as a practice of two or three GPs, which has historically been the norm.

We are migrating over time from a position where we have 7,500 GP practices to one with something more like 1,500 super-hubs, but it is true to say that the contract position has not caught up with that, and it is a long road. Tomorrow, I am going to visit a hub in Dudley. Super-practices are emerging, which have tens and possibly hundreds of GPs who can provide services across much wider areas. That is a different model, and there is some evidence that such hubs can provide more career structure for GPs and the opportunity to specialise in a way that they have not been able to in the past.

Mr Baker: I must admit that I missed the Government’s plans to move to super-hubs. It sounds quite suitable for Wycombe. Without wishing to make this debate about my wife, she is with the Ministry of Defence. At the moment, the MOD is providing healthcare to units or stations, or whatever bases they may be. How would the super-hub proposal work with the armed forces?

David Mowat: I had forgotten to talk about MOD locums. My hon. Friend raised that issue, and I do not know the answer, but I will write to him and give him the information he needs, and he can talk to his wife about that. I was surprised by that example. I am sure that between the various parts of the Government, we can get an answer.

In the hour available to me, I will discuss in more detail the environment in which the NHS finds itself, the impact and the Government actions we are taking, but I will start with this: we all want access to justice. That is a fundamental of our country, and we should do or say nothing that causes people who have been badly treated to lose out. Lawyers have to be part of how they get access to justice, and that is right, but we also need to protect the viability of our NHS.

We are spending towards £2 billion a year in this area. That is £2 billion a year that we are not spending on nurses, doctors and the improvements we would all like to see. We often have debates about the level of NHS spend compared with other countries in Europe and

different parts of the world, but one area in which we can say we are a leader in Europe is the amount of money we spend on litigation and all that goes with that. That is not because our NHS is less safe than other systems; it is to do with some of the points that were made earlier about the litigation culture that has built up. To an extent, that has been encouraged to build up because of our treatment of costs and some of those things. That spend of £1.5 billion to £2 billion has been increasing by something like 20% a year in the past three or four years. We cannot afford to continue to spend money in that way.

GPs are not the most expensive part of the system, but as my hon. Friend the Member for Cheltenham said, GPs typically have to spend £7,900 out of their own pocket on indemnity. That figure is increasing by 10% a year. Indemnity costs for GPs who do out-of-hours work are increasing by 20% a year, which has knock-on effects for the attractiveness of that work. As we discussed earlier, it also impacts on people in other ways, such as propensity not to become partners in GP practices.

What has made the acceleration in legal costs evident is not so much the major claims that everyone would agree need to be sorted out and dealt with—for example, babies who are damaged at birth and need to be looked after for their entire life—but the significant increase in the number of minor claims, which tend to have a higher proportion of associated legal costs. As I said, claims of around £10,000 would typically have legal costs in excess of three times the amount that the patient would receive. My hon. Friend the Member for Cheltenham said that many claims are successfully defended, and the fact is that 99% of all claims are settled out of court. There can be a tendency to settle minor claims for relatively small amounts—claims under £100,000—just because of the volume that are coming in and because it is cheaper to settle than fight to the end. All of that takes money out of our NHS.

We have talked a little bit about why this is happening. The life expectancy of people with complex needs is increasing, so if someone is damaged at birth, typically the awards they need go on for much longer than in the past. That is a good thing in terms of life expectancy, but it drives cost. There is a view that the best-quality care becomes more expensive. Technology is a part of that. We also have an environment in which, for whatever reason, there has been an explosion in small claims against the NHS, which particularly affects GPs, and there is a legal environment in which even unsuccessful claims or claims without merit can sometimes be rewarded. All of that is made worse, as we have heard, by the change to the discount rate made by the Lord Chancellor, which will come into effect next week on 20 March.

The time value of money essentially was 2.5% and is now going to be -0.75%. That will have a significant impact on all insurers in the private and public sectors. It particularly affects the health sector. The £59 billion reserve that the NHS has for central litigation costs will increase because of the change that has been made by something in excess of £5 billion or £6 billion. Those are significant and serious sums of money in the public purse. The Government's position is that doctors will not have to pay as a consequence of the technical change in discount rate. We are working through how that will work in the central litigation authority and the three insurance companies that my hon. Friend the Member

for Cheltenham mentioned. Nevertheless, the cost is significant in the context of all the other pressures on the health system.

A couple of Members talked about the fact that the issue affects not only doctors in primary care but pharmacists. Increasingly, clinical or prescribing pharmacists are working in primary care and they need indemnity, as do nurse practitioners. We need to remember that that is all part of the picture.

Julie Cooper: On that point, is the Minister prepared to acknowledge that professional indemnity is a significant burden for community pharmacists? That is something he might want to consider before going ahead with his funding cuts.

David Mowat: I will not be dragged into the issue of community pharmacists other than to say they are extremely valued and have a major part to play as we integrate them with the clinical pharmacists working in GP practices. I will simply say, since the hon. Lady has raised it, the Government are committed to getting community pharmacists to move into a much more service-oriented way of working. We will not do that by overpaying for prescribing or by acknowledging or encouraging clustering, which is what the reforms we have talked about will address.

So what are the Government doing? First and foremost, we need to continue the drive to improve standards and quality in the NHS. I made the point earlier that accidents happen and negligence takes place. When it happens, we need to learn from it and ensure that there is a duty of candour within the service. Doctors and nurses need to do what they can to make sure that the systems failure or breakdown that occurred does not happen again. To use a rather trite management consultancy-type phrase, the NHS needs to become a learning culture. It is true, however, that people need to learn from errors and continually try to improve standards. We need to avoid errors as much as possible, but at the same time we cannot have the medical profession being overly defensive, because that is not the right answer either.

My hon. Friend the Member for Cheltenham discussed what we have done so far in the “General Practice Forward View” to protect GPs from the rising costs of indemnity. Some £30 million a year is being paid out for the year just gone. There is a clear commitment in the forward view. The increases in indemnity costs, which are not a consequence of GP actions or failures or whatever, will be indemnified by the Government. I repeat that again today. I have already made the point about specialist nurses and pharmacists.

We are trying to make progress on the law and address the level of costs awarded in some cases. The 12-week consultation on fixed recoverable costs began on 30 January this year. In the case of smaller claims, proposals include a cap on solicitors' fees and on the hourly rate for expert witnesses and locums. It is also proposed that both sides share a single joint expert witness, because it is not always sensible to have two expert witnesses arguing with each other: it is possible to do that in a more effective way. The direct aim of the consultation is to reduce the ratio of the amount of money that the patient gets to the amount of money that the lawyer gets, particularly in the lower-value cases. The Government look forward to the results of the consultation and we hope we can move forward.

[David Mowat]

Another aim—this applies less to GPs, but is also very important—is to do what we can to keep cases out of court altogether by means of the rapid resolution and redress scheme. I have talked a little about maternity cases, but because of the level of the costs and the complexity of the case it can take many years for payments to start being made. That is not right because, from a justice point of view, the baby or the baby's family needs the money more quickly. It can sometimes take nine, 10 or 11 years until the legal side is sorted out, and that is not just.

We began a consultation on the rapid resolution and redress scheme in October last year. The scheme tries to keep the whole thing out of court by attempting through mediation and working together to come up with a sensible and fair solution much quicker so that the 11 and 10-year court cases are avoided. We will try and make progress on that. We have not talked about tort reform. The Government are not currently working on that in respect of indemnity, although that was implied in some of the remarks that my hon. Friend the Member for Cheltenham made.

I will finish where I began. Indemnity is a very important area for the NHS. We are spending towards £2 billion a year. That cost is accelerating and will potentially undermine the level of care that we can give. We need to do what we can to moderate costs.

Alex Chalk: I am encouraged to hear that some important initiatives and measures are being considered. Can my hon. Friend give us any idea of the timescale as to when an overall final outcome and settlement, or solution, is likely to be presented?

David Mowat: The two consultations will take 12 weeks. In a sense, my hon. Friend's question is false. I do not think there will ever be a final solution because we are trying to reconcile two powerful forces: the need for access to justice and equity for people damaged through negligence and the need to be fair to our NHS. There will always be issues that evolve. The discount rate, for example, which we have talked about during the debate, will vary depending on where interest rates move in the months ahead.

We are talking about something that will always have to be kept under review. There will not be a final solution, but the two consultations that I mentioned will make a material difference and I am keen that we should make progress on them as soon as we are able to.

Heidi Allen (South Cambridgeshire) (Con): I appreciate the Minister's giving way, particularly as I was late arriving for the debate, and so may have missed some key points. Building on the point made by my hon. Friend the Member for Cheltenham (Alex Chalk), of course I welcome the Government's interventions, the consultation, the winter scheme and extra money for GPs to cope with inflationary pressures. The problem is that the costs are already so high.

Addenbrooke's hospital in my constituency is losing trainee doctors, who are put off by the cost. Older doctors are retiring early. Doctors are thinking twice about going into specialisms because there is perhaps a higher associated risk. Is there nothing else that we can do?

Hospitals have Crown indemnity. Could we consider that for GPs? Could we extend it to them, as an alternative idea?

David Mowat: Those are all fair points, but in the GP forward view we have said that GPs will not bear the cost of increased indemnity—the Government will; and that is a commitment that we are holding to. The increased costs incurred last year are being paid through the GP contract, following the discussions that we have had with the BMA, and the cost of that to the Government for this year is £33 million. That is a commitment that will go into the future.

However, my hon. Friend the Member for South Cambridgeshire (Heidi Allen) makes a fair point that in a country with a shortage of GPs, where we are trying to recruit a further 5,000 doctors to work in general practice by 2020, we need to make the profession attractive. We are trying to do that, and there are different ways to do it. Indemnity is just part of it. To answer her point, I would say that this year the number of medical students going into GP training is the highest ever achieved. Something over 3,000 are going into the training, and we need them all. I responded to a debate here yesterday about a shortage of GPs in Essex. Frankly there are shortages everywhere; we understand that.

In a sense, I share the frustration of my hon. Friends the Members for South Cambridgeshire and for Cheltenham and the feeling "Why can't we just fix this?" The answer is that there are legal rights that we cannot just take away; we cannot say that it will just not be possible to sue the NHS in future. That is not the system in the country that we live in. However, we need to do moderate, sensible things to bear down on costs, so that we spend a greater proportion of NHS money on doctors than on lawyers. All of us in the Chamber would agree on that.

3.22 pm

Alex Chalk: I thank all hon. Members who have taken part in the debate. I think that four things have emerged. First, there is an overwhelming and unified view that GPs are an enormously valuable part of the health service; it is important to underscore that point at every opportunity. To be blunt, I think that GPs sometimes feel got at—in the media and even in this place, I dare say. The message that needs to ring out from this Parliament is that we see GPs as the foundation stone of the NHS. What is good for them is good for patients, and what is good for patients is, of course, good for the country.

Secondly, there was a frank acknowledgement of the scale of the problem. My hon. Friend the Member for South Cambridgeshire (Heidi Allen) made the point that, notwithstanding the increases that we face, the present burden is itself demoralising GPs, and acting as a disincentive to becoming a GP. I take on board, however, the Minister's point about the record number of applicants.

Thirdly, I am grateful that the Government are clearly taking the issue seriously, with the winter scheme, which has been referred to several times, and the £33 million per annum being invested to cover the cost of the increased indemnity. That is extremely welcome.

I shall close on the fourth point. GPs need to hear that the short-term solutions will translate into a long-term one. I was encouraged by the Minister's comment that

the commitment being made at the moment with respect to the increased indemnity, of £30 million a year, will go into the future. In the not-too-distant future, we need the message to go out that the matter is being addressed, whether through that scheme or another one. It needs to be addressed coherently, sustainably and clearly, sending GPs—whether locums or permanent—the most straightforward message possible: that they are welcome and valued, that their finances are understood, and that we want a system that works for them as well as for patients.

Question put and agreed to.

Resolved,

That this House has considered the cost of GP indemnity in England.

3.25 pm

Sitting suspended.

Local Banking Facilities: Ampthill

[MR JAMES GRAY *in the Chair*]

4 pm

Nadine Dorries (Mid Bedfordshire) (Con): I beg to move,

That this House has considered the provision of local banking facilities in Ampthill.

It is a great pleasure to serve under your chairmanship, Mr Gray. I am usually in that Chair myself; I had forgotten what it is like to be on this side.

In December, my office received an embargoed early notice from NatWest saying that it would shortly be announcing the closure of several of its branches in Bedfordshire, including two in my constituency. Although I have reservations about that programme of branch closures, I completely understand NatWest's need to release and realise the funding behind some of its major assets. However, I am particularly concerned about the effect on the town of Ampthill. I have received a huge number of representations from local residents, who will be left with no bank or building society when NatWest finally closes its doors in June.

Despite the fact that online banking transactions with NatWest increased by 400% between 2010 and 2015, since 2011 transactions at the Ampthill branch have declined by only 20%, in contrast with other banks and branches across the country, according to NatWest's own figures. Given that Ampthill's population is growing and will continue to grow in the future, the branch's customer base will get larger, not smaller. Although 65% of NatWest customers are now using online options, 35% will not or cannot, and a large part of the 65% who do will still need to use the branch at some point. Those general trends are even stronger in Ampthill, because it has a larger than average proportion of elderly people.

The switch to online banking most affects those who simply cannot navigate their way around cyberspace. The largest part of that group is the elderly and the vulnerable. If the Ampthill branch closes, the nearest NatWest will be almost 8 miles away, so people without cars face a long round trip on an infrequent local bus service to access banking services in Bedford. Ampthill is a market town based in the middle of a rural constituency, which unfortunately has—despite the fact that I have argued this case over many years—poor local public transport connections.

Jane Vass, the director of policy and research at the charity Age UK, said:

“If a branch closure happens in an area where bus services are poor”,

as is the case in Ampthill,

“or there is patchy internet service and mobile black spots, it can make banking life extremely difficult for the elderly.”

Despite being told that the closure will affect its customers in that way, NatWest is pressing on regardless.

Ampthill is a busy market town, and traders need access to banking services. I have received concerned representations from local businesses. NatWest currently provides a service to many smaller independent businesses, not just local traders; those businesses may not be able to undertake more complex business finance transactions after the branch closes. The local town council and Central Bedfordshire Council have both expressed deep

[*Nadine Dorries*]

concern that, as well as stifling existing business in Ampthill, the proposed closure will have a limiting effect on the start-up and growth of small and medium-sized enterprises.

I pay tribute to Ampthill town council and the lady mayor, who has run a campaign to raise public awareness of what NatWest is doing in the town and has gathered many signatures. Despite the best efforts of the town council and Central Bedfordshire Council—I believe another meeting is taking place tomorrow night—NatWest has remained absolutely intransigent in its position. Its behaviour, which impacts local businesses in that way, appears contrary to its wider commitment to support business growth, particularly given its initiatives such as the Entrepreneurial Spark.

NatWest's publicity material about the proposed closure of the Ampthill branch suggests that customers can use the nearby post office as an alternative to banking in-branch. I cannot believe that anyone from NatWest has ever set foot inside the post office in Ampthill, which, according to local residents, is struggling for space as it is. At busy peak times there are long queues. I was told today that it is difficult to get staff to work in the post office.

The idea that the already busy, quite small rural local post office should do the heavy lifting for NatWest when it decides to leave is almost preposterous. Only the simplest of transactions can be done in the post office. The deal between the Post Office and the banks is specifically designed to embrace basic—that is the key word—banking services. In a small village or town that had other branches available, that would be an acceptable compromise, but Ampthill's banking needs are more complex and cannot be served by the post office branch alone.

Ampthill town council has run a valiant campaign to stop the closure. It told me that the post office branch into which NatWest wants to send its elderly customers and local businesses has poor accessibility for the disabled or infirm. The nearby town of Flitwick is slightly larger than Ampthill and has a smaller proportion of elderly people, yet Barclays bank is absolutely committed to its presence there. In fact, my office is in the process of arranging for me to visit that branch to have a briefing on what it is undertaking to ensure it can continue to serve the local community by harnessing, not bowing to, current banking trends.

The residents and civil leaders of Ampthill are very clear that they do not want to lose their last bank branch. The town council's petition has so far gathered 2,432 signatures, and there is an active Facebook group calling on NatWest to reverse its decision. I am concerned that NatWest has shown little willingness to work with the community. The one theme running through this is NatWest's disturbing brick wall impact on the local community. There should not be a binary choice between the branch either staying open in its current form or closing its doors for good. My preferred option is for NatWest to share premises with another business to reduce overheads but maintain its presence and services in the town.

As quoted in the money section of a national newspaper, the Royal Bank of Scotland—NatWest—

“says branches will continue to play a ‘vital role’ for customers, providing a ‘failsafe’ when things go wrong and customers need a hand sorting it out.”

NatWest customers in Ampthill will find little comfort in those warm words when their local branch closes in June.

Many of us have seen across the UK, not only in our own constituencies but when visiting other constituencies, that when a major bank decides to close its doors, it often leaves behind some form of presence—often a cash machine or night bank safe facilities for local businesses. I visited a bank recently that had moved from its main branch and taken a small shop on the high street. It had one cashier and a lobby area with cash machines and bank safes that could be accessed at night.

I understand that the property in Ampthill is fairly huge, and it obviously has a high market value, but I do not understand why NatWest has this “all or nothing” attitude and why it cannot say to the residents of Ampthill, “We are leaving your town, but we are leaving this behind. We are not deserting you. We are leaving some facilities behind for local businesses and local people.”

To leave Ampthill with absolutely zero in the way of banking facilities seems almost irresponsible, and shows a fundamental lack of understanding of the local community, yet through schemes such as Entrepreneurial Spark and others, NatWest makes much in its marketing of understanding the needs and concerns of local people. Its behaviour in Ampthill, however, shows the opposite—it does not understand the needs of the local people or of local business. NatWest has its hands over its ears when requests are made to leave behind some form of banking facility, and there is no fail-safe. My constituents will face a round trip of 15 or 16 miles to banking facilities in Bedford.

NatWest is a business and it is beyond the remit of the Treasury to instruct a bank to behave in a certain way. There is, however, a strong working relationship between the Government and the banking sector. We know that because when the banking sector fails the Government and local people pick up the tab—Ampthill residents, through their taxes, have helped to pick up the bill for failed banks, only to be repaid by NatWest, a recipient bank, walking away and turning its back on local people. Recently, I think I heard a figure of 72% in connection with one bank paying back its debt to the people—that was not NatWest.

I know that the Minister has to be brief in his response and there is not a great deal he can say, but beyond the remit of the debate I ask him to use his good offices to press NatWest to be slightly more aware of the needs of local people, in particular when those people are picking up the debts of banks or the costs of bank mismanagement and inappropriate behaviour. NatWest should bear that in mind when it decides to walk away, and it should consider leaving at the very least a cash machine and night-banking facilities for the people of Ampthill. Only 11% of all cash machines are in rural areas, which Ampthill counts as, although those areas would seem to need cash machines more than anywhere else.

I congratulate Barclays for not behaving in the same way as NatWest in a neighbouring town and for being far more diverse in looking at ways in which it can continue to serve the local community. It is time for NatWest to step up to the plate and to do the same in Ampthill.

4.12 pm

The Economic Secretary to the Treasury (Simon Kirby):

It is a pleasure to serve under your chairmanship this afternoon, Mr Gray. I thank my hon. Friend the Member for Mid Bedfordshire (Nadine Dorries) for securing this important debate on behalf of her constituents. She is clearly a very loud voice for her area, and I am sure that NatWest will be listening carefully not only to what she has said, but to what I am about to say.

What is clear to me from the points made today, which were all very good, and from the many letters that I receive regularly from other hon. Members on this subject, is that we all agree on the vital role that banks and building societies play in our local communities, particularly rural communities. As Economic Secretary, I am committed to a financial services system that delivers for all its customers throughout the UK. It does not matter who people are, where they live, what they do or how old they are; it is important to deliver to everyone. We all need the industry to help us to manage our money and to achieve our life goals. Banks and building societies should be there to help everyone, at every stage of life.

I will talk about adapting to change. Banks have made a lot of progress to adjust to the wider changes to the way in which we are banking in the modern era. The banking industry estimates that the number of people going into branches to do their banking has fallen by roughly a third since 2011. RBS reports that, between 2010 and 2015, its customers' online and mobile transactions increased by 400%. The British Bankers Association reports more than 7,000 banking app logins a minute in 2015, which was a 50% rise on the previous year. Many of us in this place, too, have reduced our use of high street bank branches as it has become easier to do more online.

Such changes are leading to tough decisions for the banking industry. Some banks are investing in branch networks, some are consolidating their networks and some are establishing themselves as digital only. It is not for Government to intervene in those commercial decisions, although it is right for us to support access to the banking services that people need. Bank branches remain important to many customers. The Government want to ensure that the industry responds to changes in the way in which we bank while ensuring that it caters for customers who still need access to a branch.

My hon. Friend mentioned post offices. The post office network of more than 11,500 branches enables customers to have access to their bank accounts, withdraw money, deposit cash and cheques, and check balances. She might be pleased to know that in January this year the Post Office announced that it had reached an agreement with all the banks to allow more banking customers to access a wider range of services at the post offices than ever before.

Nadine Dorries: I understand that point, which may be applicable to post office facilities housed in buildings that are appropriate for the extra business. In Ampthill, however, that is not the case. As I said, this lunchtime I was told by someone in Ampthill that the post office there struggles to find staff and is in small premises, which are very cramped—just try buying a stamp there at any busy time in the year. Although the Post Office has agreed to take over for those banks, we know that

post office closures have been a problem throughout the UK for quite some time now. A local post office is neither predictable nor assured, and in Ampthill its facilities are certainly not appropriate.

Simon Kirby: My hon. Friend makes a reasonable point. In the wider context, it is important to say that 99% of personal and 75% of business customers will be able to carry out their day-to-day banking at post offices up and down the country as a result of the new agreement.

The post office in Ampthill is opposite the NatWest bank, in McColl's store and next to the Woodhead Horns repair shop. Next to the bank and opposite the post office is Cambridge Wine Merchants, so I understand that Ampthill is a flourishing, attractive place for people to visit to shop. The banking facilities are an important part of that, but it is worth saying that post offices enjoy longer opening hours than banks, with many open on a Sunday. Furthermore, the changes in the new agreement will help with our frequent worry, as MPs, about our post offices closing down. The additional services and responsibilities will ensure that they are more likely to continue successfully.

The Post Office is also carrying out investment in and modernisation of 7,000 post offices throughout the country, to make the network more sustainable in the long term. In Ampthill, I hope that means that the cloud has a silver lining. It is worth adding that the Post Office is the largest retailer open on Sundays, it has a bigger network even than Tesco, and I am keen to see financial services on our high streets throughout the country. The access to banking protocol means that when a bank decides to close a branch it must think very carefully about the consequences of doing so. It must engage with its customers, it must consider their needs and it must identify ways for its customers to continue banking after the branch has closed. That analysis must be made public.

I am pleased to say that all the major high street banks have signed up to the protocol. The British Bankers Association appointed Professor Russel Griggs to carry out an independent "one year on" review of the protocol. He published that review last November and made several recommendations to improve how the protocol operates. The Government welcome that review, and we are pleased to see the industry commit to further improvements to protect people affected by closures. There is already evidence of improved industry behaviour in places such as Ampthill. RBS, the parent of NatWest, has committed to providing customers with six months' notice of planned closures rather than the 12 weeks stipulated in the protocol, and it did so in Ampthill. That is good news for my hon. Friend's residents, who will have more time to plan for change.

I should also say that customers could vote with their feet and switch their accounts to a bank with a branch nearer to them. My hon. Friend mentioned Flitwick, which is 3 miles away, where Barclays is clearly doing a good job. Perhaps people will consider that option. I can confirm that I have heard that NatWest has committed to retaining an ATM in Ampthill when the branch closes. That is good news and another example of positive industry behaviour.

Nadine Dorries: I thank the Minister for his forbearance. I have had a similar promise in writing from NatWest, but when it is asked to give that promise at public

[*Nadine Dorries*]

meetings, it gives no such assurance to the local community. It is good that he said that on the record. I, too, have said it, but NatWest is not doing that in local meetings.

Simon Kirby: I am not really in a position to tell NatWest how to run its business, but here we are in a public forum that is being recorded and is available for all to see. Having heard that an ATM is promised, I would be disappointed if one were not delivered. I can be quite clear about that. I should say that I am sure that that promise is a result of my hon. Friend's work and campaigning with local residents, who clearly see this as an important issue.

I will continue to keep a close eye on this matter. My hon. Friend will be aware that hundreds of towns, villages and even cities up and down the country are seeing changes in financial services. I try to take an interest in them all, but as she succeeded in securing this debate, I will take an even closer look and keep an eye on her area in particular.

I understand my hon. Friend's concerns and the concerns of many other Members, who do a good job of standing up for their local communities. I encourage the industry to think creatively about how banks continue to serve their customers and how the impact of branch closures can be minimised. Banks and building societies need to balance customer interests, market competition and other commercial factors when considering their strategies. Although the Government do not intervene in such commercial decisions, we will continue to push to ensure that everyone can access the banking services that they need. I thank my hon. Friend for raising these important issues. This has been a good debate, and I look forward to visiting her part of the world in the near future to use the cashpoint, the wonderful wine merchants and the horn repairers.

Question put and agreed to.

4.24 pm

Sitting suspended.

Scottish Devolution and Article 50

4.30 pm

Deidre Brock (Edinburgh North and Leith) (SNP): I beg to move,

That this House has considered the implications for the Scottish devolution settlement of triggering Article 50.

It is a great pleasure to serve under your chairship, Mr Gray. I have to say that this debate has taken on a bit of a different taste in the past few days. On Monday morning, I was quite clear about what we would have to discuss, but by lunchtime my party leader, as well as the Prime Minister, had rather knocked me off my stride. She does that sometimes—she is pretty good. I find myself coming back to the basics of the debate and considering what it is we really need to know: what is in store for Scotland?

If Members will allow me, I will keep things a bit sober and restrained so that we can have a sensible discussion of the issues, which I consider to be extremely important. Over the past few months we have asked questions about the Government's approach to, hopes for and starting position in the negotiations over the UK's leaving the EU. I am afraid we have received no substantive answers, which has led some people less charitable than me to suggest that the Government do not know the answers to those questions. I would never suggest such a thing—not yet, anyway.

The point of fracture for me came at the Scottish Tory conference in Perth, where the Prime Minister did two things in her speech. The first was to claim that Scotland has the most powerful devolved legislature in the world and the second was to suggest that competencies repatriated—if that is the correct word—from the EU will be exercised in Whitehall rather than in Edinburgh, Cardiff or Belfast.

Let me first address the idea that Scotland has the most powerful devolved legislature in the world. I have seen no evidence to support that claim, although it has been made repeatedly over a number of years. I have seen no comparison made that supports such a suggestion, nor any indication of the definition of a devolved legislature being used. I cannot but think that there are more powerful examples of sub-state bodies, such as the German Länder and the Australian states and territories, which would better fit that description. Anyway, it strikes me that we should not care whether Scotland is the most powerful devolved legislature in the world; we should be asking whether the arrangements—current and proposed—are what best suit Scotland's needs.

I will argue that Scotland should be independent, because I believe we have a different outlook on public life from that of the fine people south of the border. Our public discourse is different and our values and societies are different. I understand that people on the other side of the debate will see it in a different light: they look at the issue from a UK point of view and decide that Scotland is better where it is. They are entitled to do that. In my view they are entirely wrong, but they are entitled to be wrong and to support the continuation of the UK rather than the re-emergence of its constituent nations.

The idea of the most powerful devolved legislature in the world brings us to the point about where power should rest. In the early days of devolution, some believed

that they had squared the circle and that the separation of policy areas that should be reserved and those left devolved was finalised. We discovered fairly quickly, however, that that was not the case and that the issue had to be revisited. The prediction of Ron Davies, the one-time Welsh Secretary, came to pass. Devolution is a process, not an event.

The extension of devolution, by the way, was described by the previous leader of the Scottish Conservatives as the most important debate in the Scottish Parliament. Interestingly, she said that at a time when a Labour Scottish Secretary, Des Browne, was busy trying to strip powers from Holyrood—presumably because the Scottish National party had won the Scottish election in 2007. The upshot was an extension rather than a constriction of the competencies of the Scottish Parliament, and the debate continued. In policy area after policy area, power and competency has been ceded to Holyrood as it becomes clear—even to those opposed to any further devolution—that those powers and competencies are best exercised in Scotland. It is a process, not an event.

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): The hon. Lady has secured an important debate. When the UK devolution settlements were designed in 1998, there was no thought of Brexit and, at that time, the single market was the European single market. After Brexit, the single market will be the UK single market—at the moment, because Scotland is not independent. How does she believe that will work in agriculture, fisheries and other policy areas?

Deidre Brock: The hon. Gentleman will be pleased to hear that I will address that later in my speech.

Now we find ourselves about to leave the European Union, the Prime Minister is making the threat of removing competencies from Holyrood as they come back from Brussels; other than that, we do not really have any idea of what she is planning. Leaving the European Union means that the Scotland Act 1998 must be revisited, because it compels Scotland to comply with EU law. The clawing back of powers and competencies from Holyrood to Whitehall, as suggested by the Prime Minister, would also require amendments to that Act.

If Members want to understand exactly how much disentanglement there will be, they should ask the Commons Library, as I did. They will be told that there is a huge number of directives and regulations to look through and that to come up with a definitive figure, list or even idea of what is reserved and what remains devolved is, to all intents and purposes, a fool's errand.

To give an example, there are 527 regulations under the environment, consumer and health sections alone, and there are a whole host of environmental regulations under other headings such as “energy”. I do not know whether the Scotland Office has been working to draw up a list—or the Wales Office or the Northern Ireland Office for that matter. It would be good to be told, but it is clear that there is an enormous amount of work to be done and an enormous amount of legislation to comb through. Sifting that, considering it, deciding where to lay it and working it out will need a new Scotland Act.

It is true that the Government could use section 30 of the 1998 Act further to reserve powers over those areas currently under EU control, but that would seem frankly

perverse if the Act has to be amended in any case. That seems simple, but when I asked the Prime Minister last week whether she would consult the people of Scotland properly and seek the consent of the Scottish Parliament before making changes to the legislation that frames devolution, she seemed perplexed. Her answer to me was that she undertakes

“full discussions with the Scottish Government on...reserved matters and...where we are negotiating on behalf of the whole of the United Kingdom.”—[*Official Report*, 8 March 2017; Vol. 622, c. 808.]

However, we discovered on Monday that that is simply not true. Scotland's First Minister was clear that none of the devolved Administrations had heard a peep from the UK Government before the announcement that we are all being dragged out of the single market, in spite of that being the major part of the Scottish Government's compromise proposal on Brexit.

There is a sweetheart deal for Nissan, but no discussion of Scotland's needs—far less any movement to accommodate those needs. Membership of the single market is vital for Scotland's exports, and essential to the exercise of the economic competencies of the Scottish Parliament and to the future of many Scottish businesses. An immigration system that offers EU citizens the right to come to Scotland to live, work, study and settle down is essential to our continuing to grow a population that is economically active and demographically sustainable, as was discussed in the recent Scottish Affairs Committee debate. Academic research and the excellent record of Scotland's universities is under threat, because Brexit will cut them off from an enormous research funder and from the universities they co-operate with on the continent, not to mention the academics who come to Scotland from elsewhere in the EU.

The implications for Scotland of triggering article 50 are enormous and deep-seated and, whichever way things go, they will have a long half-life. We have heard the glib “Brexit means Brexit”, that it will be red, white and blue and that there will be no running commentary, but I am beginning to suspect that there is no running anything behind Whitehall's firmly closed doors. It is time that the Government started to lay out what Brexit actually means in terms of implications for the people who live on these islands, rather than continuing use of tautology.

Tommy Sheppard (Edinburgh East) (SNP): My hon. Friend is making an excellent case. Does she agree that those people—the minority—in Scotland who voted to leave the European Union did so hoping that they would see a transfer of powers back from Brussels to Edinburgh and that they will be dismayed that they are getting a transfer of powers from Brussels to Westminster? Does that not do a disservice to those no voters in Scotland as well as disrespecting the entire country, which took a different view?

Deidre Brock: My hon. Friend makes an excellent point that I completely agree with. The National Farmers Union of Scotland shares many of his views. It has told me that Brexit is the biggest challenge to Scottish food producers in generations. Farmers, food processing companies and hauliers need migrant workers, access to European markets and guarantees on future financial support. Many of Scotland's farmers depend on that financial support to remain solvent.

[*Deidre Brock*]

The NFUS is clear that the issue should be in the purview of the Scottish Government, and that the cash should follow that competency. That would be around £600 million a year, or £3.5 billion over the current seven-year cycle. More than 20,000 businesses in Scotland receive common agricultural policy payments, and more than 3,000 of those receive less than £1,000 each; that is subsistence, not luxury. We have no idea what the Government intend to happen—whether the cash will be ponied up for our farmers or what other support is in the pipeline.

We all know that the Government are sick and fed up of having to think about the fate of European citizens here and want it tied to UK citizens abroad—the very definition of bargaining chips. We know that because the Prime Minister keeps telling us. Scotland needs those citizens. Half of Scotland's population growth in the past 15 years has come from EU citizens, who have come and made a huge contribution to the country. Four fifths of them are of working age, and four fifths of those are employed. They drive Scotland's economy and contribute taxes, which are of course to be collected for the Scottish Government from April. Scotland cannot hang on and hope that we get something for those people. We need it now because they need it now, so that they can plan ahead rather than planning to leave.

We do not need warm words and vague hopes that a deal can be done, but straightforward action, and now. Scotland needs the UK Government to make the necessary changes now to give EU nationals continuing legal rights—of residence, movement, economic activity and study—that would need legislation to be removed, not a promise to look at it sometime in the future. That is what Scotland needs, what the Scottish economy needs, what Scotland's public sector workforce needs and what the devolution settlement needs.

If the UK Government want to make a decent fist of Brexit, they have to start being honest. The Prime Minister has to stop telling us that she is consulting with the devolved Administrations when she clearly is not.

Steven Paterson (Stirling) (SNP): My hon. Friend makes a very good point. Does she share my concerns that, during the passage of the Scotland Act 2016, any amendment proposed by our party, the Scottish National party—which, after all, represents 56 out of 59 Scottish constituencies—was voted down by the UK Government? That does not augur well for the future when it comes to whether the UK Government are prepared to listen to the arguments coming from Scotland.

Deidre Brock: My hon. Friend makes an excellent point; what he mentioned sets a very poor precedent. When we see no action, that makes all of us doubt very much the warm words we continually hear from the Government.

We need a clear indication of what is ahead and what direction the UK Government intend to take. Further to that, we need guarantees that the Scottish people will be properly consulted and that the Scottish Parliament will be asked for its consent, just as the First Minister will ask for its consent next week when seeking a section 30 agreement. If the Prime Minister and her Government do not want to come to the negotiating

table with the devolved Administration, we should be told, so that we can prepare for the coming independence referendum. It would be foolish of anyone to assume that that is an empty bluff, or that there is anything other than a hard edge to Nicola Sturgeon's statement on Monday. The Scottish Government entered into Brexit negotiations in good faith and were met with a brick wall of intransigence. That is simply not good enough. Scotland's interests need to be defended, and Scotland needs a future we can look to with hope.

There is time for the UK Government to salvage the situation. They can pick up the phone, speak to the Scottish Government and make a compromise deal. However, if they want to keep the UK together, they had better move soon. The Scottish Government will not hang about. Nicola Sturgeon has laid out the case clearly and eloquently: give Scotland due and proper consideration and negotiate in our best interests, or the UK will find it is leaving the EU without us.

No constitutional change is not an option for Scotland now, but we still have the choice about what kind of constitutional change we want for Scotland. The UK is leaving the EU, which at the moment would take Scotland out, but we have the option of opting out of that lemming plunge and choosing instead to be an independent European nation.

4.45 pm

Patrick Grady (Glasgow North) (SNP): It is a pleasure to serve under your chairmanship, Mr Gray, especially given your well-known Glasgow roots and your love for Scotland. I am sure you will be among the first to claim citizenship of a newly independent Scotland—or dual citizenship, perhaps.

James Gray (in the Chair): Order. The hon. Gentleman is entirely right: I am 100% Scottish and all of those things. However, he is quite wrong to seek to involve me in the debate, in which I have no interest or involvement whatever.

Patrick Grady: My apologies, Mr Gray; nevertheless, the pleasure remains. As my hon. Friend the Member for Edinburgh North and Leith (*Deidre Brock*) said, the circumstances in which we are having the debate have changed somewhat, following the First Minister's announcement on Monday about the Scottish Government's decision to seek a section 30 order. I pay tribute to the ever-ready House of Commons Library, which nevertheless managed to capture that announcement in its briefing note just before it went to press.

I will look briefly at the principles behind the debate and some of the practical implications for us in the House and beyond. For me, there are two key principles behind the devolution settlement. The first is the claim of right for Scotland, which we have discussed in this Chamber before. It is the concept of popular sovereignty. The 1989 claim of right was the basis of the constitutional convention and the current devolution settlement. It said:

“We, gathered as the Scottish Constitutional Convention, do hereby acknowledge the sovereign right of the Scottish people to determine the form of Government best suited to their needs”.

That claim still stands today, and it was asserted on 23 June 2016, when the people of Scotland said that they wanted to remain in the European Union. That claim

was passed by the constitutional convention in 1989 and was again agreed by the Scottish Parliament in 2012, but is the principle of the claim now under threat from the Conservative Government? The Tories have never been clear about whether they endorsed that principle in the first place, and it appears even more under threat now, especially if the Prime Minister tries to block or delay the requested potential independence referendum in Scotland.

The second key principle, enshrined in the Scotland Act 1998, is that whatever is not reserved is devolved. As we all know, schedule 5 to the Act is clear about what is reserved: defence, foreign affairs, social security and aspects of trade and energy. There have been some derogations in those areas over the years, but anything that is not mentioned in schedule 5 to the 1998 Act is therefore devolved to the Scottish Parliament. Climate change is a very good precedent for that. When the UK Parliament decided it wanted to legislate on climate change emissions, responsibility fell to the Scottish Parliament to make legislative provision in Scotland. The Scottish Parliament took it upon itself in 2009 to pass some world-leading climate change legislation, which was some of the most ambitious anywhere in the world. It seems now that the principle of what is not reserved being therefore devolved is also under threat. We have certainly had ambiguous answers from Ministers to date.

Margaret Ferrier (Rutherglen and Hamilton West) (SNP): Does my hon. Friend agree that it is absolutely crucial that the UK Government provide clarity of their intent regarding the transfer of powers? The Scottish Government can then plan ahead and ensure that they have sufficient capacity and resource to take on any additional responsibilities.

Patrick Grady: Planning is of absolute importance, and I have to say, I probably have more confidence in the Scottish Government's ability to plan ahead, irrespective of what the UK Government is doing. The First Minister has demonstrated at every turn, before, during and since the EU referendum, that the Scottish Government are actually thinking ahead about the consequences of various decisions might be. We have seen that demonstrated again this week.

My hon. Friend leads me on to the important practicalities of how the implications of triggering article 50 will be felt in Scotland and their implications for devolution. The first—I hope we will have an opportunity to find out a little bit more about this—will be when we finally get to see and hear more about the Government's thinking on the great repeal Bill, or, as it is increasingly known in some circles, the great power grab. It is a serious concern for Members from all parties, not least the hardcore Brexiteers who wanted to restore sovereignty to the House of Commons, that what will in fact happen is a power transfer—a power grab—by the Executive in the United Kingdom.

We read in *The Times* the other day that it will perhaps not just be a great repeal Bill, but that up to seven or more pieces of individual legislation will be needed just to deal with the complexities of taking us out of the European Union. The Government have to start answering questions, precisely as my hon. Friend the Member for Rutherglen and Hamilton West (Margaret Ferrier) said, so that we can make plans.

The consequences for devolution are profound. Which will come first, the chicken or the egg? Are we going to see an amendment to the Scotland Act to reserve powers as a result of Brexit, or will individual pieces of legislation come forward that reserve different powers? What exactly is going to happen?

Dr Poulter: Will the hon. Gentleman give way?

Patrick Grady: I am happy to, if the hon. Gentleman has an answer for me.

Dr Poulter: I speak as someone who was not a hardcore Brexiteer but voted to remain. Agriculture is an area that affects my constituency in Suffolk, as it does many of the constituencies in Scotland. Given that many agricultural tariffs are currently set at a European level, if Scotland remains part of the United Kingdom and we have a UK single market, it would be appropriate for the UK Government to be involved in dealing with those agricultural tariffs, on a point of principle. Does he agree?

Patrick Grady: The principle that is very clear is that if something is not reserved to the UK Government, it is therefore devolved to the Scottish Parliament. I have not read the words “reservation of agriculture” in schedule 5 to the Scotland Act. Some of my hon. Friends might want to clarify or expand on the practicalities of that.

Let us take fisheries as an example, which was one of the potential Bills listed in *The Times* the other day. There are potential consequences for that. If the Government bring forward a fisheries Bill and have not clarified whether that is devolved or reserved, it seems to me that, under the English votes for English laws Standing Orders, it will fall to the Speaker of the House of Commons to decide whether or not that hugely profound, massive area of policy needs to be certified under the EVEL procedures. That could therefore deny a say to Members from Scotland on something that the Scottish Parliament equally has no power over, because we have been left in a legislative limbo. The Government have to start making clear exactly what their thoughts are on these issues.

Margaret Ferrier: Does my hon. Friend agree that, in the case of fisheries, the most appropriate people to administer are the Scottish Government? We have witnessed in the past inexperienced members of the UK Cabinet representing the UK at EU talks, with much more knowledgeable and seasoned Scottish Ministers being snubbed.

Patrick Grady: Indeed. That goes right back to the very process of the UK joining the European Community in the first place, when the fishing communities of Scotland were sold down the river as a bargaining chip in those original negotiations. There is a fear that that will happen again.

The final area that needs to be clarified is the Sewel convention, particularly as it relates to secondary legislation. One fear about the power grab that will come in the great repeal Bill is that the Government will take much power for themselves, through Henry VIII powers, to deal with European regulations by secondary legislation. However, secondary or delegated legislation is not subject

[Patrick Grady]

to the Sewel convention. Concerns about that were raised by the Presiding Officer of the Scottish Parliament in written evidence to the Procedure Committee, which was published this afternoon. He says:

“Looking beyond the Great Repeal Bill, I would also observe that the current deadlines under which subordinate legislation is introduced in the UK Parliament would already constrict the timescale for any consequent scrutiny at the Scottish Parliament. There is a worry that any suggestion of foreshortening those deadlines may not be conducive to allowing proper oversight of any instruments that may include devolved matters.”

The consequences are profound, let alone the fact that the Supreme Court has already said that the Sewel convention is a political decision and therefore not worth the vellum it is inscribed upon.

The implications of triggering article 50 for devolution are profound. The Prime Minister said at Prime Minister’s questions today that she is listening and discussing, but now is the time for agreement and action. Perhaps the Minister could start by answering some of the questions we are raising today.

Several hon. Members *rose*—

James Gray (in the Chair): Order. It may be helpful for Members to know that I intend to call the first of the three party spokespeople at 5.10 pm, and therefore we have about 15 minutes left for three speakers. If my arithmetic serves me right, that means about five minutes each. I call Ian Murray.

4.54 pm

Ian Murray (Edinburgh South) (Lab): Thank you, Sir James. May I apologise to the—

James Gray (in the Chair): Order. I am most grateful to the hon. Gentleman, but I am not in fact Sir James. It may be in the post, but it has not yet arrived.

Ian Murray: It must be in the post; I hope it is, because it would be thoroughly deserved. I apologise to you for elevating you to a knighthood, Mr Gray, and also to the House for being slightly late. A major constituency issue delayed me, so I only heard the end of the speech by the hon. Member for Edinburgh North and Leith (Deidre Brock).

This issue will be a key element of the discussions over the next few years in this House. I am not sure how many thousands or tens of thousands of statutory instruments and pieces of legislation we will see when the great repeal Bill is announced, but I hope we will have some kind of process that takes into account three things. First, English votes for English laws should be suspended with the great repeal Bill, given its severity. Secondly, there must be a streamlined process, so that we do not all end up having to sit and consider 10,000 statutory instruments. I am sure that the House, and certainly the Clerks of the House, would very much welcome that.

Thirdly, I hope that the Minister and the Government—I say this with all respect and in the interests of trying to find a way through—take into account the political difficulties and sensitivities of the Scottish Parliament’s responsibilities and schedule 5 to the Scotland Act 1998.

Schedule 5 is incredibly simple to read now because it has got so small, given the number of powers that have been devolved to the Scottish Parliament, but the key one in there is the relationship with the European Union and foreign affairs. That should not be an excuse for the Government to say that the devolved Administrations should not be heavily involved in this process.

None of us wanted to be here—I certainly did not—in terms of Brexit, but we are, and this process has to be followed through. I pay tribute to the hon. Member for Edinburgh North and Leith for securing this debate. It will probably be one of many we have on Brexit and Scotland over the next few years.

I said this to the Prime Minister yesterday in the House and will emphasise it again now. The general principle should be that where a power is not in schedule 5 to the 1998 Act and where a power has been devolved—whether to Scotland, Northern Ireland, Wales or the metro mayors we are about to elect in May—the power should be devolved. The reason I put it as a principle, rather than saying everything should be devolved in a blanket way, is that some things will take some thought when it comes to the framework. While things such as fisheries, agriculture, the environment, regional development and policy from the European Union are devolved to the Scottish Parliament, it is under the EU framework. That EU framework gives the minimum standards and framework in which member states have to operate.

Dr Poulter: The hon. Gentleman is making a very good speech. This is a difficult area, as he has outlined. Agriculture, for example, is devolved to different parts of the United Kingdom, and there is disagreement on areas such as genetically modified crops. However, when the Secretary of State for International Trade needs to make a trade deal, that is surely something that the UK Government across the UK single market are best placed to do.

Ian Murray: I am glad that the hon. Gentleman made that point, although my response will not necessarily be on the complicated nature of what he determined in his intervention; rather, it will be on how crucial it is for both Governments to work together. Unless both Governments work together, all the negotiations that are happening on trade deals or otherwise will be incredibly difficult to resolve. Given that Scotland and other regions and nations of the UK have some significant products that are of a singular nature to those particular geographical areas, we will have to work together.

Agriculture is one of three or four big areas where we need some kind of working together to ensure that this works properly. Take, for example, cattle movement across borders, which is a hugely complicated and difficult thing. It is about not only the cattle themselves and their welfare but the spread of disease and other issues. We will need some kind of working together and a framework to allow that to happen. While repatriation and devolution should be the principle, we should do this in a systematic way, not only for the benefit of the country and ensuring that this works properly, but for the benefit of the practitioners in all those areas—whether it be the environment, agriculture or fisheries—that will be repatriated and devolved.

Finally, it is not only about devolution; a cheque has to go with it. It cannot just be devolution of power without the devolution of the money. If we take agriculture as an example, again, Scotland gets 16% or 17% of UK agricultural spending in the round. That would have to travel with the devolved powers, which is why I think we need to be quite careful that the frameworks in place for each of those big items are dealt with properly.

5 pm

Calum Kerr (Berwickshire, Roxburgh and Selkirk) (SNP): It is a pleasure to speak in the debate, Mr Gray. I must admit that I did not originally intend to, but I was impelled to do so by the excellent lead given by my hon. Friend the Member for Edinburgh North and Leith (Deidre Brock). In my brief contribution I want to drive home the message about the importance of doing things right, particularly for big areas such as agriculture and fishing. I shall focus on agriculture.

My hon. Friend the Member for Glasgow North (Patrick Grady) reinforced the principle: if it is not reserved, it is by definition devolved. Let us consider the distinct nature of Scottish agriculture: 85% of our land has less favoured area status; as a nation Scotland is approximately 8.4% of the population; we received 16.5% of CAP and we are approximately 32% of the land mass. We have to have a policy that reflects that profile and the different challenges in Scotland. I am the Scottish National party Environment, Food and Rural Affairs spokesperson and have yet to meet a Scottish farmer who is happy for this place to be responsible for Scottish agriculture—and, by the way, a lot of those farmers are not traditional SNP supporters.

At the moment we have no confidence. To be honest, English farmers do not have confidence in the Department for Environment, Food and Rural Affairs. At the Oxford conference in January, when I stood in for the Scottish Farming Minister, the audience was asked who had confidence in DEFRA to deliver in a Brexit world, and no hand went up until, belatedly, the Farming Minister, sitting in the front row, put his hand up, thinking “At least I should have confidence in my own Department.” The industry across the UK, but especially in Scotland, lacks confidence in this place’s capability to design a UK framework—particularly one that takes into account the distinct nature of Scottish farming.

The hon. Member for Central Suffolk and North Ipswich (Dr Poulter) made an interesting contribution. There is a bigger picture and the hon. Member for Edinburgh South (Ian Murray) reinforced aspects of that. We are not saying that there should not be a level of negotiation within the UK; absolutely there should. There is a need for common frameworks in certain places. Within the common agricultural policy there is a common framework, but there is a level of devolution and Scotland and England have different CAP deployments. However, we are absolutely clear that we must negotiate that as partners—as equals at the table, looking for the common framework and agreeing it. At the moment, all the mood music and the signs suggest a power grab. The message is “Don’t you worry. We are the head of the family. We’ll look after you.” I am afraid that that will not wash with the rural communities in Scotland.

Before I close, perhaps I might reinforce the explanation of why there is a lack of trust and why the Government should actively seek to be as transparent and open as

possible about their intention. The fact that they do not do so sends out the wrong signals. It worries people. That is because of our experience. We have heard what happened to fishing; it was “expendable”. Even today, as Brexit negotiations go on, a certain individual from the UK Independence party who leads the charge on many such things is going around TV studios saying “I’m hearing fishing is expendable again.” There is no trust that a UK Government will stand up for Scottish fishing. Let us remember, more fish were caught in Orkney and Shetland than in the whole of England and Wales put together last year. It is overwhelmingly a Scottish industry.

The second area I want to mention is the convergence uplift. It is EU money—€230 million—almost all of which should have gone to Scottish farming. It was distributed across the UK and we got 16%. Scottish farmers see that and think “If they will take money out of my pocket, will they look after me when they design a UK farming system?” I do not think so. The Government must step up and be clear, and if they do not pass on responsibilities the judgment will be at the ballot box.

5.5 pm

Kirsty Blackman (Aberdeen North) (SNP): It is a pleasure to serve under your chairmanship, Mr Gray, and take part in this debate, which was ably introduced by my hon. Friend the Member for Edinburgh North and Leith (Deidre Brock). She laid out the position very well. The tone of the debate has been very good; I hope the Minister will continue in the same vein.

Let me mention a few issues that my hon. Friends and the hon. Member for Edinburgh South (Ian Murray) raised. One of the main reasons for the situation we are in—and why we are having these debates—is the huge uncertainty we face. As my hon. Friend the Member for Glasgow North (Patrick Grady) said, there has been no clarity from the UK Government about how the processes or the timescales will work. Will there be a fresh Scotland Bill or just amendments to the Scotland Act 1998? Exactly how will the processes work? As for the timeline, we do not want to fall into a legislative trap or get stuck in legislative limbo. I am sure that the UK Government have plans, but it would be nice if they told us what they were, so that we could be aware of the timescales. If we are going to try to work together in a future settlement, it would be best if we got off on a good footing, with as much information as possible.

My hon. Friend the Member for Glasgow North and I have discussed the great repeal Bill at length; no doubt we will continue to discuss it in the coming months, because we are particularly interested in the process. The great repeal Bill has the potential to become a great power grab for the UK Government, giving them a lot of powers that they do not currently have. I do not imagine that that is what most people who supported the leave campaign had in mind. [*Interruption.*]

James Gray (in the Chair): Order. There is a Division in the House. The sitting is suspended for 15 minutes, or less if Members come back earlier.

5.7 pm

Sitting suspended for a Division in the House.

5.21 pm

On resuming—

James Gray (in the Chair): I think we can assume that the hon. Member for Central Suffolk and North Ipswich (Dr Poulter) is not returning to the Chamber, or perhaps he will return in a moment. Because of the Division, the debate will finish at 5.45 pm. Therefore, if my arithmetic is right, the hon. Member for Aberdeen North (Kirsty Blackman) has another three minutes to go, the Labour spokesman will have five minutes and after that, the Minister will have 10 minutes.

Kirsty Blackman: Thank you, Mr Gray. I am always a bit discombobulated if there is a vote in the middle of my speech, but I will do my best. I was asking for clarity over the process of the great repeal Bill. We very much make the case to the UK Government that as soon as they have clarity, we would like that to be passed on to us, so we can make informed decisions.

On agriculture and fisheries, there is a lack of trust from a huge number of people in those industries because of how they have been treated. Part of that is genuinely a lack of understanding from the UK Government about the differences in fishing in Scotland compared with fishing in the south of England, for example. On that note, I understand that the Prime Minister will undertake a tour of the UK to talk to us about how wonderful Brexit will be. When she comes to Scotland, I would appreciate it if she spent her time listening—rather than talking—to people from industries, and particularly those that are over-represented in Scotland but under-represented in England. She may know less about them, so that would be good.

I will briefly mention trade deals and protection for communities. We have a lot of communities in Scotland—as in Wales—that are heavily reliant on one industry. Aberdeen is very reliant on the oil industry. Areas such as the one that represented by my hon. Friend the Member for Berwickshire, Roxburgh and Selkirk (Calum Kerr) are heavily involved in the farming and agriculture industries. If things are not right for those industries, those communities are likely to be decimated, so the UK Government should think about prioritising industries that will have a dramatic impact on certain communities rather than those that are the most lucrative for the UK as a whole. They should think about that and reframe the position.

Finally, Brexit is not a situation of our making. The Scottish Government have done their very best to propose a compromise, which we put forward in December, but we have struggled to get any sort of coherent response. It is really important that the UK Government start to work with and talk to us. If we are going to work together, as the hon. Member for Edinburgh South suggested, we need actual, real dialogue, rather than the Prime Minister just standing up and saying that she is talking to us. If she actually talks to us, it will make the process a whole lot easier and a whole lot better tempered.

5.24 pm

Paul Blomfield (Sheffield Central) (Lab): It is a pleasure to wind up for the Opposition with you in the Chair, Mr Gray.

I congratulate the hon. Member for Edinburgh North and Leith (Deidre Brock) on securing this debate, on focusing our attention on a really important issue and on setting the tone for the debate in a way that has been reflected in a number of serious, thoughtful and challenging contributions for the Minister to consider.

The hon. Lady was right to ask questions about the Government's plan for Brexit; I have to say that it is not just Scotland that is being kept in the dark. She is probably right when she says the Government do not really know. It is not necessarily that they are hiding their secret plan; it is so secret that they themselves are not aware of it. Indeed, there were reports this morning in the papers that a battle is going on inside No. 10 about how much the Government will tell the EU about their plans for Brexit when they start the negotiations, and that battle has yet to be resolved.

In the winding-up speech by the Scottish National party spokesperson, the hon. Member for Aberdeen North (Kirsty Blackman), the point was made that we really do not want to be here; none of us do, but clearly we are. Over the past few weeks, we have been talking very much about process and it is important that a debate such as this one takes place, because it begins to shift our attention back to substance. There are some very real issues on which we need to hold the Government to account in—let us not forget—what are the most important negotiations this country has faced since the second world war.

All our attention needs to be on that task, without distraction, because the Government's approach so far really cannot fill us with much confidence. I do not know whether other Members have caught up with this story, but apparently this morning the Brexit Secretary told the Exiting the European Union Committee that the Government have not carried out an assessment of the economic impact of leaving the EU without a deal. I am not sure, therefore, on what basis the Foreign Secretary said that would be a good thing for Britain, when even the International Trade Secretary, who is a bit cavalier about these things, has warned about the risk of crashing out without a deal.

Those sorts of conflicting statements, as well as the lack of certainty and the lack of the type of information that hon. Members have been seeking, is causing huge uncertainty, which the Government must be aware of. We hear all the time from people who are wondering whether to build their lives here, what their future is for their businesses, and so on.

A lot of these issues could have received a positive response in many of the amendments that were tabled to the European Union (Notification of Withdrawal) Bill, but the Government's obsession with having a clean and unamended Bill has added to the lack of clarity, not just on the issues we have faced this week on the final vote and on EU nationals but on the attempt by the Labour Front Bench to require the Government to consult regularly the devolved Administrations in Scotland, Wales and Northern Ireland, and to put the Joint Ministerial Committee on a statutory footing, and to consult it at least every two months.

I hope that the Minister will make up for that uncertainty by responding to requests from hon. Members and explain exactly how the Government will not talk but listen to, as the hon. Member for Aberdeen North said, the people—not only people in Scotland but around the

country. Can he say how he and the Government will ensure that there is a strong voice for the nations and regions of our country in these negotiations? That matters, because although people voted to come out of the EU, they did not vote to be shut out of decisions, and there are a range of related issues that many Members have commented on and about which we need clarity.

Above all, it would be useful for the Minister to confirm whether there will be a presumption that any powers in the devolved areas that are repatriated to the UK following Brexit will be devolved to the Scottish Parliament and other devolved Assemblies. What is the starting point for the Government's thinking? Other Members have mentioned funding, which is important not only for agriculture but for structural funds and university funds. What sort of clarity can the Government give about their intentions? Will they seriously consider Scottish Labour's suggestion about bringing all the peoples of the UK together in a constitutional convention, so that at this profound moment of change for our country we can bring in a new settlement on all these issues for the benefit of all the regions and nations of the UK?

5.30 pm

The Deputy Leader of the House of Commons (Michael Ellis): It is a pleasure to appear before you, Mr Gray.

James Gray (in the Chair): You can "appear" before a judge.

Michael Ellis: Well, that has not quite happened yet. Nevertheless, it is a great pleasure to be here and to represent the House in this debate. I congratulate the hon. Member for Edinburgh North and Leith (Deidre Brock) on securing this debate; I am sure it is one of the many debates on this subject that will continue to take place.

As a Government, we are keen to ensure that the process of leaving the European Union receives the maximum scrutiny and parliamentary debate possible, and this discussion has been an important contribution to that dialogue. In fact, Ministers from the Department for Exiting the European Union have already responded to more than 600 parliamentary written questions, appeared at 13 Select Committee hearings and given six oral statements in eight months, and there will, of course, be many votes on primary legislation to come, as I am sure hon. Members recognise.

The European Union (Notification of Withdrawal) Bill is a straightforward Bill. It is intended to implement the outcome of the referendum. That trusts the decision of the British people, and respects the judgment of the Supreme Court. In June last year, the United Kingdom voted as a whole to leave the European Union. By invoking article 50, using the authority given by Parliament when it passed the Bill on Monday, the Prime Minister will simply be getting on with the process of taking forward that result.

When they invoke article 50, the United Kingdom Government are committed to ensuring that the interests of all parts of England, Scotland, Wales and Northern Ireland are represented as we enter negotiations to leave the European Union. Since the referendum, we have ensured that the devolved Administrations are fully engaged in our preparations to leave the European Union. We established the Joint Ministerial Committee on European

Negotiations, chaired by the Secretary of State for Exiting the European Union, which has met four times since its inception in November. The Joint Ministerial plenary, chaired by the Prime Minister personally, has also met twice—in October and January—and there has also been substantial bilateral engagement between Ministers.

Deidre Brock: Will the Minister give way?

Michael Ellis: I would like to make some progress.

In December, the Scottish Government published their proposals for a differentiated settlement in their paper "Scotland's Place in Europe". Contrary to much of the narrative on this topic, the United Kingdom Government have repeatedly recognised that paper as a serious contribution to the debate. Michael Russell, the Scottish Government Minister for UK Negotiations on Scotland's Place in Europe, presented the paper for discussion at the Joint Ministerial Committee on European Negotiations in January, and lots of officials across both Governments have been working intensively and well, both to deepen our understanding and to forge a constructive dialogue between Scotland's two Governments.

There is common ground between the two Governments, for example on workers' rights, the rights of European Union nationals and the important issues of criminal justice and counter-terrorism. Those were all key elements in the Prime Minister's keynote speech at Lancaster House and the subsequent White Paper, and I suggest that they demonstrate that there is much we agree on. We are committed to continuing to work closely with the Scottish Government and other devolved Administrations after article 50 has been triggered.

Deidre Brock *rose*—

Michael Ellis: I am conscious of the time, but I will give way to the hon. Lady.

Deidre Brock: I heard today that the Government have announced the JMC will not be meeting again before article 50 is triggered. Is that correct?

Michael Ellis: There have been several meetings, as I have enunciated, and no doubt there will be more meetings to come. There is close working between the United Kingdom Government and the devolved Administrations, and ensuring that we take into account the interests of Scotland, Wales and Northern Ireland is vital for securing a future partnership with the European Union that works for the whole of the United Kingdom. It was only a little over two years ago that people in Scotland voted decisively to remain part of the United Kingdom, in a referendum that the Scottish Government called a "once in a generation" vote. The evidence clearly shows that a majority of people in Scotland do not want a second independence referendum.

As the Prime Minister and others across the political spectrum commented following the First Minister's speech on Monday, another referendum would be divisive and would cause huge economic uncertainty at the worst possible time. The tunnel vision that the First Minister demonstrated in her speech is deeply regrettable. Instead of playing politics with the future of our country, the Scottish Government should focus on the state of education,

[*Michael Ellis*]

hospitals, the police service, jobs and the economy. The Scottish Government have significant powers at their disposal, including those under the Scotland Act 2016. We need to hear how they intend to use those powers.

As for the practical business of leaving the EU, there will be much work ahead to ensure legal certainty from the day we leave. Looking forward, the great repeal Bill will be included in the Queen's Speech. That important piece of legislation will provide legal certainty by ensuring that wherever practical and appropriate, the same rules and laws will apply the day after we leave the European Union as did before. The Government will introduce a White Paper providing more detail in due course. The Government are conscious of the importance of that work for economic and policy operations in Scotland and the significant interest that the business and legal community and civil society generally will have in the continued smooth operation of domestic legislation.

The Scottish devolution settlement was created in the context of the United Kingdom's membership of the European Union. As we leave the EU, we will use that opportunity to determine the best place to make new laws and policies on these issues, ensuring that power sits closer to the people of the United Kingdom than ever before. As set out in the White Paper, our guiding principle will be ensuring that no new barriers to living and doing business are created within our own Union. On that basis, we will work with the Scottish Government, along with other devolved Administrations, on an approach for returning powers that works for the whole United Kingdom and reflects the interests of Scotland, Wales and Northern Ireland. The Government have made it clear on numerous occasions that no decisions currently taken by the devolved Administrations will be removed from them. Moreover, we will use the opportunity of powers returning from the EU to ensure that more decisions are devolved.

The process of leaving the European Union has aroused a passionate debate about our future partnership with Europe. As a Government, we will continue to

listen to all voices in that debate while weighing the evidence appropriately. We have engaged extensively with stakeholders in Scotland about EU exit, and we are committed to continuing to do so. The Government continue to believe that we will get the best deal for Scotland and the whole United Kingdom if we have a united front.

5.38 pm

Deidre Brock: I thank all my hon. Friends and Members for their incisive, thoughtful and, in some cases, very passionate contributions. I am a little disappointed that there are not as many people from the other side here today as we might have expected, given the subject matter and the fortuitous timing of the debate this week.

The Minister spoke about the Government being keen to receive maximum scrutiny of Brexit plans. He referred to 600 written questions, many statements in Parliament and so on. I hesitate to speak for colleagues, but in my experience, questions are stonewalled, not answered, and the rising levels of frustration across the House and from devolved Governments and Assemblies are almost palpable.

We are all asking, not unreasonably, for some clarity—clarity on how we exit the EU, what it will mean for devolution across the UK, and specifically, given that I am a Scottish MP, what it means for Scotland. If the UK Government continue their stonewalling of our reasonable requests for information on behalf of our constituents and the people of Scotland, many of whom are extremely concerned about what a future out of the EU will mean for them, I am afraid we will simply take matters into our own hands.

Question put and agreed to.

Resolved,

That this House has considered the implications for the Scottish devolution settlement of triggering Article 50.

5.39 pm

Sitting adjourned.

Written Statements

Wednesday 15 March 2017

TREASURY

Money Laundering, Terrorist Financing and Transfer of Funds Regulations

The Economic Secretary to the Treasury (Simon Kirby):

The Government have today published draft Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (“Money Laundering Regulations 2017”). These regulations transpose the EU fourth money laundering directive (and the Fund Transfer Regulation (FTR) which accompanies it), which seek to implement the international standards set by the Financial Action Task Force.

The Government previously consulted on the transposition of the fourth money laundering directive (4MLD) and the Funds Transfer Regulation in autumn 2016 and these regulations are accompanied by the Government response to that consultation.

The overall objective of transposition is to ensure that the UK’s anti-money laundering and counter-terrorist financing (AML/CTF) regime is kept up to date is effective and is proportionate. This will enable the UK to have a comprehensive AML/CTF regime and ensure that the UK’s financial system is an increasingly hostile environment for money laundering/terrorist financing (ML/TF).

The Money Laundering Regulations 2017 introduce a number of new and updated requirements on relevant businesses and changes to some of the obligations found under the third money laundering directive (3MLD). The FTR updates the rules regarding information on payers and payees accompanying transfers of funds, in any currency, for the purposes of preventing, detecting and investigating ML/TF, where at least one of the payment service providers involved in the transfer of funds is established in the EU.

The Money Laundering Regulations 2017 have been informed by the responses submitted to the autumn 2016 consultation, and the call for evidence on the anti-money laundering supervisory regime in 2016. Changes introduced by the Money Laundering Regulations 2017 include:

Her Majesty’s Revenue and Customs (HMRC) acting as a registering authority for all trust and company service providers (TCSPs), who are not registered by the Financial Conduct Authority (FCA);

an extension of the fit and proper test to agents of money service businesses (MSBs), which will be carried out by HMRC;

the exemption of all gambling service providers from the requirements of the directive, except remote and non-remote casinos. The national risk assessment found that, while ML/TF risks exist in the gambling sector, it is relatively lower risk than other regulated sectors, partly because risks are mitigated by licensing conditions and robust supervision. The Government will regularly review their position on the ML/TF risk that gambling providers present;

a decision not to allow pooled client accounts to be automatically subject to simplified due diligence, but instead for this to be applied on a risk-based approach;

clarification and enhancement of the obligations on money laundering supervisors.

So as to address concern about the disproportionate application of enhanced due diligence measures (EDD) to politically exposed persons, their family members and known close associates, the Government are also requiring firms to take a proportionate approach to EDD. The Money Laundering Regulations 2017 make it clear that firms must assess the level of risk associated with a particular person and assess the extent of the EDD to be applied to that person. In the Government’s view it is not acceptable for firms to refuse to establish a business relationship or carry out a transaction based solely on anyone’s status as a PEP and this was never the intention of 4MLD. Firms must form their own view of the risks associated with individual PEPs, their family members, and known close associates on a case-by-case basis, but the Government would expect that PEPs entrusted with prominent public functions by the UK should generally be treated as lower-risk, and that firms should apply EDD accordingly.

This approach will complement the important provisions put forward by my hon. Friend the Member for Broxbourne (Mr Walker) and accepted by the Government in the Bank of England and Financial Services Act 2016. The FCA will also shortly publish draft guidance on how firms should apply EDD to PEPs, their family members and known close associates.

Alongside the draft Money Laundering Regulations 2017, the Government have also published a response to the consultation on the anti-money laundering supervisory regime. Inconsistent supervision was highlighted by the UK’s national risk assessment as a weakness. The Money Laundering Regulations 2017 impose clearer obligations on supervisors and this publication announces a new office for professional body AML supervision to work with professional body supervisors to help, and ensure, compliance with the new Money Laundering Regulations 2017. Views on the powers this new office should have to carry out this task effectively are requested by 26 April.

The draft Money Laundering Regulations 2017 are open to consultation until 12 April. We expect the regulations to come into force on 26 June.

Both documents can be found at:

[https://www.gov.uk/government/publications?departments%5B%5D=hm-treasury&publication_filter_option=consultations.](https://www.gov.uk/government/publications?departments%5B%5D=hm-treasury&publication_filter_option=consultations)

[HCWS537]

COMMUNITIES AND LOCAL GOVERNMENT

Homelessness

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones):

At autumn statement 2015 the Government announced that the Department for Work and Pensions (DWP) temporary accommodation management fee would be replaced by increased funding to local authorities to give them more control and flexibility to tackle homelessness.

I am pleased to inform you that we have today announced the allocations for the Department for Communities and Local Government's new flexible homelessness support grant which will replace the DWP fee from April this year. The total funding over two years is £402 million. Attachments with details of allocations and methodology can be found online.

We have published the funding allocations for the grant over two years so councils will know with more certainty how much they will receive under the new system. We will announce allocations for 2019-20 during 2017-18. The funding has been allocated according to a formula which reflects relative homeless pressures, while at the same time aiming to protect local authorities which currently have high levels of temporary accommodation.

No authority will receive an annual allocation less than we estimate they would have received under the DWP fee—assuming rising levels of demand.

The new grant gives councils more control and flexibility over homelessness budgets. It forms part of the Government's end-to-end approach to tackling homelessness, helping both those at risk of homelessness and those experiencing a crisis. It sits alongside other funding for homelessness, including the £315 million homelessness prevention funding, our recently announced £50 million homelessness prevention package and the £61 million new burdens funding for the Homelessness Reduction Bill introduced by my hon. Friend the Member for Harrow East (Bob Blackman), which will significantly reform England's homelessness legislation and ensure that more people get the help they need to prevent them becoming homeless.

In order to manage the transition to a new funding regime carefully, we are ring-fencing the grant for two years to ensure it is spent on homelessness services.

In recognition of the particular challenges faced by London boroughs, we have set aside £25 million of the funding over the next two years. Before making final decisions on the allocation of this funding we will work with the Greater London Authority and London boroughs to consider ways of helping councils to collaborate in the procurement of accommodation for homeless households.

In designing the grant, we worked with local housing authorities across the country, including all London boroughs.

The attachments can be viewed online at:

<http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2017-03-15/HCWS538/>.

[HCWS538]

DEFENCE

Baseline Profit Rate 2017-18

The Secretary of State for Defence (Sir Michael Fallon): I am today announcing that I have set the baseline profit rate for single source defence contracts at 7.46%, in line with the rate recommended by the Single Source Regulations Office (SSRO). I have also accepted the methodology used by the SSRO to calculate this figure.

I am also announcing new capital servicing rates and an SSRO funding adjustment as recommended by the SSRO, which can be found in table 1 below. These rates have also been published in the *London Gazette*, as required by the Defence Reform Act 2014, and will come into effect from 1 April 2017.

Table 1: Recommended Rates agreed by the Secretary of State for Defence

<i>Element</i>	<i>2016 rates</i>	<i>2017 rates</i>
Baseline profit rate (BPR) (% on contract cost)	8.95%	7.46%
Fixed capital servicing rate (% on fixed capital employed)	5.08%	4.84%
Working capital servicing rate (% on positive working capital employed)	1.40%	1.37%
Working capital servicing rate (% on negative working capital employed)	0.73%	0.59%
SSRO funding adjustment	n/a	-0.025%

Taxpayers can be confident that we are getting value for money as our defence budget rises by 0.5% above inflation each year of this Parliament and we deliver our £178 billion equipment programme. The defence sector is important for our prosperity, supporting highly skilled jobs, and this rate provides a fair return comparable with that in other international markets.

[HCWS535]

FOREIGN AND COMMONWEALTH OFFICE

Foreign Affairs Council

The Minister for Europe and the Americas (Sir Alan Duncan): My right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs and my right hon. Friend the Secretary of State for Defence attended the joint session of the Foreign Affairs Council (Foreign and Defence Ministers) on 6 March. The Council was chaired by the High Representative of the European Union for Foreign Affairs and Security Policy, Federica Mogherini. The meeting was held in Brussels.

Foreign Affairs Council

A provisional report of the meeting and conclusions adopted can be found at:

<http://www.consilium.europa.eu/en/meetings/fac/2017/03/06/>

The meeting covered a joint session with Foreign and Defence Ministers on defence. The foreign policy agenda featured Egypt, the western Balkans and the middle east peace process. Ministers also touched briefly on migration.

Defence

EU Foreign and Defence Ministers held a joint session to take forward the European Council conclusions of 15 December 2016. The discussion covered: improving the functioning of non-executive military (training) missions through the establishment of a military planning and conduct capability; permanent structured co-operation for better joint capability development; and the co-ordinated annual review on defence. Defence Ministers also discussed the strategic outlook for the EU's common security and defence policy. The Defence Secretary emphasised the need for EU initiatives to complement NATO and to respect member states' competence on defence issues.

He underlined the UK's significant contribution and continued commitment to European security and defence, including meeting NATO's target of 2% of GDP. He stressed the need for European partners to increase national defence spending.

Egypt

Over lunch, Ministers discussed EU-Egypt relations with the Egyptian Foreign Minister Sameh Shoukry. They discussed political developments, economic reforms, co-operation in various sectors, including counter-terrorism and migration, as well as Egypt's role in the region, with a particular focus on Libya, Syria and the middle east peace process.

Western Balkans

Ms Mogherini briefed the Council on her recent visit to the region. Ministers welcomed the increased EU engagement. They also discussed the challenges facing the western Balkans including increasing tensions, worsening political dynamics and a growing use of inter-ethnic and nationalist rhetoric, compounded by the role of third parties, socioeconomic difficulties and a perception of EU and US disengagement.

MEPP

Foreign Ministers discussed issues relating to the middle east peace process. The Council discussed preparations for the next EU-Israel Association Council.

The HRVP suggested the Council consider holding a similar high-level meeting with the Palestinians.

Ministers agreed without discussion a number of measures:

The Council adopted conclusions on "Implementing the EU global strategy—strengthening synergies between EU climate and energy diplomacies".

The Council adopted conclusions on the Democratic Republic of the Congo.

The Council adopted the EU guidelines for promotion and protection of the rights of the child (2017)—Leave No Child Behind.

The Council took note of the 18th annual report defining common rules governing controls of exports of military technology and equipment.

The Council adopted the updated military list of the EU in line with the provisions of the common position on arms exports.

The Council adopted the EU-Algeria partnership priorities to be adopted at the EU-Algeria Council, which took place on 13 March.

The Council adopted the EU position for the Association Council with Algeria, which took place on 13 March.

The Council approved a concept note on the operation planning and conduct capabilities for CSDP missions and operations.

[HCWS536]

Ministerial Correction

Wednesday 15 March 2017

BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

Smart Meters

The following is the response by the Under-Secretary of State for Business, Energy and Industrial Strategy, the hon. Member for Hereford and South Herefordshire (Jesse Norman), to a topical question asked by the hon. Member for Birmingham, Selly Oak (Steve McCabe) on 14 March 2017.

Steve McCabe (Birmingham, Selly Oak) (Lab): I thought the Minister was a touch complacent in his earlier answer on smart meters given that this will cost

the taxpayer £11 billion by the end of the Parliament. What is he going to do about the fact that they do not work when a customer switches supplier?

Jesse Norman: The smart meter programme should be judged on its long-term effect. It will save £47 billion by the end of that decade.

[Official Report, 14 March 2017, Vol. 623, c. 178.]

Letter of correction from Jesse Norman:

An error has been identified in a response I gave to the hon. Member for Birmingham, Selly Oak (Steve McCabe) during topical questions.

The correct answer should have been:

Jesse Norman: The smart meter programme should be judged on its long-term effect. It will save **£47 per year on a household's energy bill by 2030.**"

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MINISTERIAL CORRECTION

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**not later than
Wednesday 22 March 2017**

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